

Annual Report & Accounts

for the year ended 31st March 2014



Taking pride in caring

DERBY HOSPITALS NHS FOUNDATION TRUST

ANNUAL REPORT & ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

**PRESENTED TO PARLIAMENT PURSUANT TO
SCHEDULE 7, PARAGRAPH 25(4) OF THE NATIONAL HEALTH SERVICE ACT 2006, AS AMENDED**

ANNUAL REPORT & ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

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CHAIRMAN'S STATEMENT

As always, I should like to thank my colleagues on the Board for their strong and continuing leadership in developing our strategy and maintaining the stability of the Trust in a year in which the NHS continued to face the increasingly difficult task of sustaining and improving healthcare within tightening financial constraints.

The Board itself continues to change and I should like to welcome Dr Nigel Sturrock who was appointed Medical Director in February 2014; Nigel came to us from the Nottingham University Hospitals Trust where he enjoyed a very successful career both as a clinician and senior executive. He succeeded Alison Fowlie who had been Medical Director since March 2009; she fulfilled that position with distinction and the sound judgment which is a prerequisite for successfully filling that role.

The Board is a committed team which accepts collective responsibility for the conduct of the Trust and works together to resolve the problems we face. During the course of the year we have spent a great deal of time as a Board developing our healthcare strategies and maintaining our services to the community. We believe the Hospital serves the community well in the many health services we provide, and we proud of what we achieve,

This has been a very difficult year. We started the year with some optimism having delivered a satisfactory financial result. However, the ever increasing demands upon our services, and in particular on our emergency services with the special needs of frail elderly people, has severely stretched our financial resources to the point where we ended the year with a £9m financial deficit; our forecast deficit for 2014/15 is £20m. We are working with health organisations within the NHS community to work our way through these problems without sacrificing standards of care, and indeed improving them and providing better value for money, wherever we can.

We have continued to work closely with the Southern Derbyshire Clinical Commissioning Group, to help create effective patient pathways based upon the Trust's Medical staff working more closely with General Practitioners in the interests of their patients. We have developed closer working relationships with those in local government responsible for social services which support healthcare provision. We are also directly represented on the Derby City and Derbyshire Councils' Health and Wellbeing Boards; they have been created to give policy direction on public healthcare in the community.

There are 8000 staff employed with the Trust and they justifiably enjoy a high reputation in the community and consider the Trust to be a good place to work. It is a compliment to them that the Trust is held in high regard and continues to retain and attract well qualified staff. The Board very much appreciates their loyalty and commitment.

Our Governors are responsible for holding the Board to account for the conduct of the Trust in all its activities. This is a substantial responsibility on behalf of the community, and during the year we have strengthened the local accountability of the Board by sharing and discussing with Governors the information they need to exercise their considerable public duties.

Members of the Trust are entitled to vote in the elections of Governors and some of you might consider becoming a Governor. The Council of Governors has statutory powers to be consulted on a wide range of important issues in the Trust including its strategic direction and business planning, and I would encourage people to become members thereby strengthening local support for the Trust and helping our hospital to be a continuing success.

You can find out more by ringing the membership office on 01332 786896 or by looking at the members' section on our website www.derbyhospitals.nhs.uk

I am pleased to commend to you our Annual Report for 2013-14



John Rivers CBE DL
Chairman

CHIEF EXECUTIVE'S STATEMENT

Quality through Partnership

2013/14 has been one of the most challenging Derby Hospitals and the local health community has ever faced. Growing demand for care has led to a 4.8% increase in emergency admissions. This has been in addition to a significant increase of 14.6% in planned treatments meaning that, for the first time ever, we ended the year with a financial deficit of nearly £9 million (before impairment). Many other hospitals are in the same position and this is clearly not sustainable moving forward and underlines the importance of finding different ways to deliver care.

The transformation we now need is about the integration of health and social care. In Southern Derbyshire we are well advanced in developing these ideas. This year we have seen some major changes in the delivery of local healthcare by transforming community services and putting frail elderly assessment teams at the front door of our hospital. This has ensured that many patients who would have been admitted to hospital in the past are now being treated in the community, and we have substantially reduced the numbers of delayed discharges. Working in this way, in partnership with our health and social care colleagues in the wider community, will play an important role in the years ahead as we deal with an increasing number of frail and elderly patients.

In 2013/14 our performance has been the subject of close scrutiny from our regulator, Monitor. Throughout the year we have worked across the health and social care community to improve urgent care and as a result delivered our A & E targets for 2013/14 the first time in three years despite the increasing number of emergency admissions. This has improved both patient and staff experience, which is a real achievement.

Here at Derby Hospitals we are immensely proud of the caring and compassionate way in which we care for patients. The Trust has been recognised as a beacon of excellence in a range of national awards for clinical services and care – finalists in 25 national awards and winners of 9. The highlight of the year was winning the Department of Health inaugural award for compassionate patient care. Compassion lies at the heart of what we do and we are working hard to make sure all our staff share this caring ethos.

The progress we have made this year would not have been possible without the dedication, hard work and professionalism of our greatest asset - our staff. Every member of staff is rightfully proud of our services, and I would like to thank them and all our partners, with whom we work for their support in what has been a very demanding year. Looking forward we believe the great spirit of co-operation that has characterised the development and implementation of our urgent care improvement plan, both within the hospital, and across the whole health system in Derby and Derbyshire we can ensure we have a health service that is fit for the future and one that we can continue to be proud of, leading the way in the NHS in showing how to maintain high standards of care despite increasing financial pressures.



Susan James
Chief Executive

PART 1 - STRATEGIC REPORT

This report takes account of the guidance issued by Monitor within the NHS Foundation Trust Annual Reporting Manual 2013/14 and the revised NHS Foundation Trust Code of Governance (December 2013). The Board of Directors is responsible for preparing this document. The Board considers the 2013/14 Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators, and other stakeholders to assess the Trust's performance, business model and strategy.

The audited accounts of the group have been prepared under a direction issued by Monitor under the National Health Service Act 2006.

Trust Profile and History

Derby Hospitals NHS Foundation Trust was authorised by Monitor in April 2004.

The Trust provides both acute hospital and community based health services, serving a population of over 600,000 people in and around Southern Derbyshire.

The Trust runs two hospitals; the Royal Derby Hospital, which incorporates the Derbyshire Children's Hospital, is a busy acute teaching hospital. London Road is the Trust's Community Hospital.

Clinical excellence and compassionate care lie at the heart of the services provided. These include a wide range of inpatient and outpatient surgical and medical specialities, intensive care, maternity services, community and children's services and accident and emergency care. For some of our specialist services such as vascular, cancer and stroke care the Trust attracts patients from a wide catchment area.

The Royal Derby Hospital, incorporating the Derby Medical School and the new School of Health Sciences, is the newest hospital in the East Midlands. This state of the art hospital was officially opened by The Queen in April 2010.

The Trust treats a million patients each year and more than 6,000 babies are born in its maternity unit annually, an average of 17 births every day. 72,000 elective operations take place every year in the hospital's suite of 35 modern operating theatres, an average of more than 280 operations per day.

The Royal Derby has the only roof-top helipad in the East Midlands and its busy emergency department sees around 320 patients every day. The hospital has a total of 1,100 beds, many of which are single rooms for improved privacy and dignity for patients.

The Derby Hospitals NHS Foundation Trust has an annual budget of £450 million and is one of the largest employers in the region with more than 8,000 staff.

Staff pride themselves on delivering high quality patient care, winning praise from the Secretary of State for Health, Jeremy Hunt, when the Trust won the Health Service Journal's first national 'Compassionate Patient Care' award. This prestigious new award was presented for the first time in November 2013 and recognises Derby Hospitals' pioneering work in delivering compassionate care to its patients.

OUR VISION

Quality through Partnership

We aim to be a national beacon for all that is best in the NHS delivering 21st century healthcare. The Trust will be part of a flourishing network of health and social care partners to integrate care for our patients, deliver clinically excellent results and be financially sustainable.

OUR VALUES – Taking Pride in Caring

CARE principles of Compassion, a positive Attitude, Respect and Equality are at the very heart of care at Derby Hospitals. These values motivate us to provide for the individual needs of our patients in a compassionate and professional manner, encourage us to create a positive workplace for our employees, and push us to strive to continue to deliver high quality healthcare.

Corporate Strategy

OUR STRATEGIC IMPERATIVES

We will:

- Deliver quality in everything we do; safety, effectiveness and patient experience
- Transform services to maximise productivity and efficiency
- Create networks for acute and complex care
- Develop integrated care for people with long term conditions to help them stay as healthy as they can be

PRIORITIES FOR 2013/14

Our high level objectives to ensure we achieve our vision were:

Putting patients first

We will:

- Improve clinical outcomes for patients by keeping up consistent standards of care regardless of day of treatment, surgeon, ward or clinic etc.
- Improve the quality of care for patients needing urgent care with better assessment provision
- Join up patient care from pre-op assessment and surgery to rehabilitation and recovery
- Listen and respond to patient and carer feedback to improve patient experience particularly for those who are vulnerable, elderly or have dementia
- Be culturally aware – ‘Personal, Fair and Diverse’

Right first time

We will:

- Learn from the Francis Inquiry (2013) and enhance our quality strategy ensuring compassion, care and safety remain our top priorities
- Work in partnership with community and social care to improve services for frail older people keeping patients healthy at home and preventing unnecessary deterioration in their health and well-being
- Improve assessment and care for patients with dementia through hospital dementia champions
- Encourage clinical staff to lead service and care transformation projects to create 21st century health services

- Redesign maternity care improving safety and the ‘family’ experience

Investing our resources wisely

We will:

- Continue our journey to give business unit managers and clinical leaders the freedom to manage and improve local services
- Replace our electronic patient administration system and make clinical systems more efficient
- End the year with a surplus that we can reinvest into updating medical equipment
- Make real time data easily available so clinicians and managers can clearly see differences in staff and service performance which can be improved
- Sell the old DRI land and complete the redevelopment of London Road Community Hospital

Developing our people

We will:

- Make Derby Hospitals a good place to work where staff feel valued and supported by their leaders to provide care which they would recommend to their family and friends
- Engage staff openly in the good and the bad, recognise a ‘job’ well done and reward those who go the extra mile for colleagues and patients
- Build flexible and skilled patient focused teams which are adaptable to changes in service demand more safely and cost effectively

Ensuring value through partnerships

- Understand how commissioning of specialist services could impact on our clinical services and identify opportunities to develop our portfolio of specialist care i.e. National Bariatric and Lymphoedema centres
- Develop our partnerships with local hospitals and other health providers to improve clinical networks so patients receive the best care from the local NHS
- Strengthen partnerships with health, social care and voluntary organisations to join up care more effectively for frail older people and patients with long-term conditions
- Build partnerships with the local people through schools and community groups to inform, involve and inspire them as ambassadors and future employees

Supporting Strategies

The Trust has identified the main supporting strategies which support the delivery of our corporate strategy. Each of these strategies will identify key objectives to support the delivery of the corporate strategy and will be approved by the Board.

The position of the Trust at the end of the year & key constraints on the Trust’s activities

These particular issues are covered within the foreword to the financial accounts in Part 12 by the Chief Executive.

Major high level risks are managed as part of the Board's Assurance Framework. This is reviewed by the Board quarterly. Where necessary, the risks are reviewed and new risks identified and, where appropriate, these are added to the Assurance Framework. At the same time, the extreme risks identified within Divisions are reviewed by the Management Executive and a judgement based on risk rating assessments determine whether a risk should be escalated to the Assurance Framework.

All risks identified on the Assurance Framework have an action plan to reduce the risk ratings and each risk is assigned to a Board Committee for detailed review and monitoring. The Audit Committee reviews the full Assurance Framework to give the board assurance on the process.

The Trust's Risk Policy sets out the structure for dealing with risks which include the duties and responsibilities of key staff within the Divisional Directorates. These are led by Divisional Directors and each Division has a risk register that links into the Board's Assurance Framework. The divisional risk registers are formally reviewed within the Divisions and are subject to a formal approval process prior to being added to the risk register. Overall, the Divisional Directors are responsible to the Board's Chief Operating Officer.

The principal risks faced by the Trust during 2013/14 included:

- Failure to maintain and/or improve the Trust position for Mortality rates compared to National Standards.
- Failure to make the necessary improvements particularly with regard to MRSA and CDiff.
- Failure to comply with the legislative requirements of CQC (Care Quality Commission) Registration.
- Failure to evidence and deliver safe levels of medical, nursing & midwifery staffing
- Failure to deliver improvements to our complaints handling processes
- Inability to sustain delivery of key performance targets in urgent care due to the continued rise in unscheduled care demand. Inability to match reduction of capacity with Transformation demand management plans and internal transformation plan/cost efficiencies resulting in compliance/CQC failure, financial penalties in contract and impact on financial viability of the Trust.
- Failure to deliver of our transformation plan
- Failure to develop a sustainable 2014/15 Financial Plan with the CCG (Clinical Commissioning Group)

OPERATIONAL PERFORMANCE REPORT

Summary of delivery against Monitor targets in 2013/14

Although the Monitor targets are measured quarterly (other than c-Difficile), the table below demonstrates performance for year end.

Indicator	Trust performance	Target
C Difficile	67	<42
A&E – 4 hour wait (with Walk in Centre)	95.38%	>95%
Referral to Treatment (admitted)	86.19%	>90%

Referral to Treatment (non-admitted)	96.31%	>95%
Referral to Treatment (incomplete)	93.09%	>92%
Cancer 2 week wait	91.70%	>93%
Cancer 2 week wait – breast symptoms	94.77%	>93%
Cancer 31 day standard	97.34%	>96%
Cancer 31 day subsequent – Surgery	93.04%	>94%
Cancer 31 day subsequent – Drugs	99.54%	>98%
Cancer 31 day subsequent – Radiotherapy	96.78%	>94%
Cancer 62 day standard	78.88%	>85%
Cancer 62 day screening	93.61%	>90%
Community Data Completeness – Activity	82.61%	>50%
Community Data Completeness – Referrals	68.18%	>50%
Community Data Completeness – RTT	100%	>50%

N.B.. - RTT (Referral to Treatment) figures available to January 2014 only.

Cancer Waiting Times

The Trust has seen many challenges in 2014/15 with regards to cancer targets, in particular the 62 day target. Considerable work has been undertaken to understand the underlying issues and root cause analyses have been undertaken for every breach. The issues cannot be attributed to one particular factor therefore a comprehensive remedial action plan was instigated in year with actions continuing into Q2 2014/15. The plan focuses on communication with Primary Care and with patients; pathway redevelopment, both internally and tertiary; key clinical appointments and escalation mechanisms for breach avoidance. In addition to the internal improvements underway, the Trust has seen an increased demand in two week wait referrals from October onwards, as a result of national campaigns, which surpassed the increase that these campaigns predicted.

The Trust continues to work to improve the position of all cancer targets and is expected to see a recovery against the 62 day target in Q2 2014/15.

A&E

The Trust has continued to focus on improving the ED (Emergency Department) target through the Urgent Care workstreams in 2014/15 and the implementation of the long term strategy developed in 2013/14. Although there was a change to reporting in year, to include Walk-In Centre data, the Trust's focus has remained on improving the internal target. Although there were two months in the year where the Trust met the 95% target, internal quarterly performance remained below 95% with both Q3 and Q4 just below the target at 94.6% and 94.43% respectively.

In terms of attendances, July and March saw unprecedented levels of activity through ED, and overall attendances over the course of the year increased by 0.16% from 2013/14. The GP Co-Located Service pilot, which started in November, saw 2144 patients to the end of March which would have resulted in an increase of 1.92% in activity on the Trust's site in year, which is

comparable with last year's increase. This highlights the requirement for a continued focus on urgent care for 2014/15.

Referral to Treatment (RTT) waiting times

The Trust has been successful in sustaining two of the three referral to treatment targets in year. The exception was the admitted target of 90%, which the Trust breached in Q1 and Q3, and will have breached when Q4 results are known. The Trust began the year with a backlog of patients to be treated, and the high unscheduled demand of Winter 2012/13 impacted well into Q1 on planned activity. Waiting list initiatives have once again been commonplace in 2014/15 to cope with the increasing demand and waiting lists continued to increase throughout the year.

For 2014/15, there is a continued focus on improving the 18 week position, and the Trust has worked with the CCGs to develop an approach through the Planned Care Board which will concentrate on four main areas of work – referral management, where referrals will be triaged for quality and appropriateness prior to sending to the Trust; procedure setting, which will ultimately relieve pressure on bed availability; follow ups, which aims to reduce inappropriate follow up or move the follow up to an appropriate setting, freeing capacity for new patients; clinical pathways, which will impact on all three workstreams.

Clostridium Difficile (C Difficile)

The end of year total for *c-Difficile* cases was 67 against a threshold of 42. A remedial action plan was produced and implemented in year, concentrating on improving antimicrobial stewardship, training, engagement and treatment, and wider review of instances. Of all cases 80% were deemed to be unavoidable but the Trust continues to work to improve the position. Overall, the resulting financial sanction for this target was £1.8m.

It was recognised that the target was a particularly challenging one, and has been reflected in the national calculations for 2014/15 where the Trust's threshold has increased to 69. The financial sanction for this in 2014/15 is also much less severe. However, the Trust's focus is to improve on 2013/14 cases regardless of the threshold.

Activity variance from plan

Please note that the 2013/14 figures and costs highlighted below are an estimate of the year end activity and finance. The implementation of a new patient administration system in February, has resulted in significant reporting difficulties, therefore the figures for M11 and M12 are a reasonable and logical estimate of activity.

Outpatients

New outpatient activity reached 4.3% (5,585) over plan in 2013/14. There were 4,296 more new outpatient appointments in 2013/14 than in 2012/13, which is a 3.3% increase year on year.

Follow up activity was 18,834 (6.24%) over plan for the year, although there was a 13,078 reduction in volume on 2012/13. The over performance on both new and follow up appointments reflects a price plan variance of £2,341k.

The follow up ratio has improved to 2.34 for 2013/14 from 2.53 for 2012/13. In 2014/15 the CCG's have set a first to follow up ratio, where they will only pay for 2.1 follows ups for every first attendance. Transformation schemes will need to take place in order to reduce the ratio.

Elective/Daycase

Elective and Daycase activity merged for the year was 3.5% (2,446) over plan, and 2,188 (3%) spells below the 2012/13 outturn activity level.

By point of delivery, there were 21 fewer elective attendances than plan resulting in a loss of income of £437k. Conversely, the over performance of 2,425 (4.3%) on Daycases resulted in an income variance of £1,944k. This has resulted in additional income over plan of £1,507k.

Non-Elective

The outturn figure for non-elective activity was 3,388 (8.4%) above the contracted level for 2013/14. This over performance amounts to £8,801k over plan. The 2013/14 full year activity is showing an increase of 3% (1,105) above the 2012/13 outturn.

Going Concern Statement

The financial statements for the year ended 31 March 2014 have been prepared on a going concern basis, as stated in the Chief Executive's Accounting Officer Statement in Part 10 of this report.

The Trust is again expecting to incur a deficit during the next 12 months and as a result will require significant additional external funding. Although the level of this funding stream is not yet formally agreed, the Trust's Board of Directors has a reasonable expectation that the required funding will be provided from external sources (see note 2.5 to the Annual Accounts, Section 2).

The Board continues to monitor its monthly and future cash position and in particular is engaged in negotiations through Monitor with the Department of Health for long term PDC funding support.

Finance

The financial statements are set out in pages 179 to 187 at the end of the Annual Report.

The Trust has delivered a deficit for the financial year of £8,846k. This is prior to the deduction of a loss on sale of assets of £132k and an impairment adjustment of £8,886k of which £6,934k has impacted on the Trust's operating surplus for the year, (see note 23 to the Annual Accounts, Part 2). This was against a planned surplus of £3,800k.

The Trust achieved a CRS rating of 1, against a planned level of 2, under the new Risk Assessment Framework implemented by Monitor from October 2013. This was mainly due to the deterioration in the liquidity position of the Trust resulting from the deficit trading position.

The Continuity of Services Risk Rating (CRS) states Monitor's view of the risk facing a provider of key NHS services. There are four rating categories ranging from 1, which represents the most serious risk, to 4, representing the least risk. A low rating does not necessarily represent a breach of the provider's licence. Rather, it reflects the degree of financial concern Monitor may have about a provider and consequently the frequency with which Monitor will monitor it.

A detailed explanation of the CRS can be found in the regulatory ratings section of Part 6 of this report.

Further information relating to the financial position can be found in the financial statements.

Enhanced Quality Governance Reporting

The Trust is guided by Monitor's Quality Governance Framework in arriving at its overall evaluation of its performance, internal control and Board Assurance Framework. Quality Governance and quality are covered in more detail in Part 7, the Quality Report and Part 11, the Annual Governance Statement.

The Trust has robust processes in place to ensure that:

- The Board of Directors accurately understands the quality of the care the Trust provides;
- The Board of Directors is able to assess and mitigate risks to quality;

- Quality is seen as a responsibility of the entire board of Directors
- The Trust is committed to continuous quality improvement, and has put in place the tools to address poor performance.

Likely Future Developments

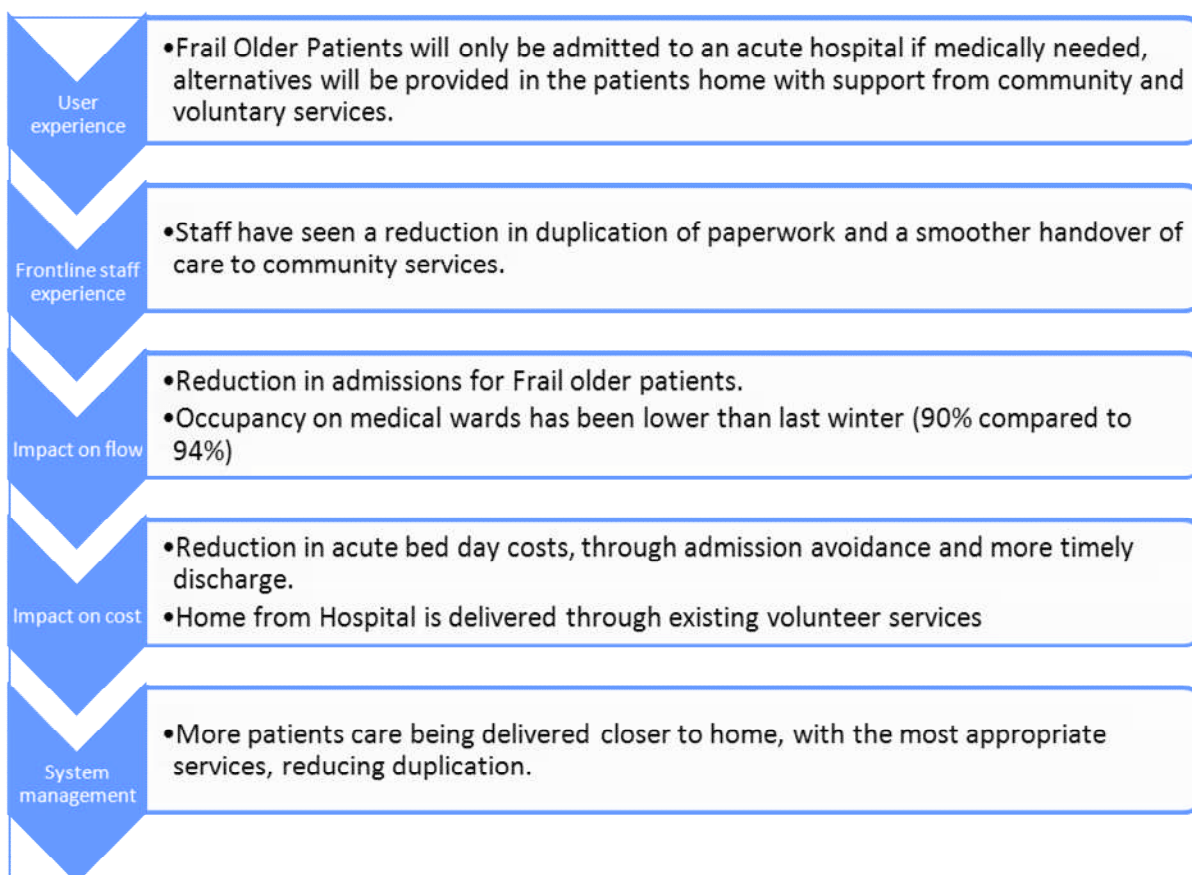
Joint Venture Working

The Trust's two jointly owned joint venture companies, First Diabetes Limited and InterCare Health Limited, have continued to provide integrated diabetes services in Derbyshire. In 2014, Commissioners declared their intent to procure a whole system approach to diabetes care which seeks to coordinate, promote, embed and provide (via a single point of access) a holistic care pathway that has self-care, preventative care and medical care as the key components to improve the overall quality of life.

The Trust is therefore examining how it can work to develop further partnerships to provide a comprehensive range of services that can deliver integrated multidisciplinary diabetes community support. This will include combined clinics in primary care, health education, psychological support, dietetics, podiatry, pre-conception care and a range of supporting services which encourage self-management and peer and social support.

Developing Integrated Care

The health community has agreed that a key success factor in reducing inappropriate admissions will be the development of an integrated care system. In realising this aim, in 2013/14 the Trust has implemented a Frail Elderly Assessment Pathway, developed a Single Point of Access service for GPs (8am – 8pm 7 days a week), established Community Support Teams and the developed a Hospital from Home Service. The difference this has made can be in the following diagram:-



The Trust's work on integrated care for next year will focus on developing pathways that span across primary and secondary care, improve patient outcomes and reduce duplication. Further development

of the Community Support Team Model is planned. This development includes alignment of our current community teams into community support team localities. This will see the development of current acute services aligned with teams including diagnostics, phlebotomy, respiratory, cardiology and elderly medicine. To do this, the Trust is investing in a workforce model and is integrating teams and roles.

Further to this, the Trust is looking to Develop a Discharge to Assess Model with the concept that all patients have a period of rehabilitation and no patient will go from an acute bed into long term care.

The delivery of these models will be focused initially on 12 of the 23 Community Support Teams.

The principles of this are:-

- The Local Health Community “Need” to transform services to enable patients to receive the care they need in the most appropriate environment.
- The Trust will do this by using a locality based model wrapped around primary care and identifying the Localities that are high users to focus these changes on.
- This will enable us to deliver a reduction of 100 beds across the Health Community before December 2014.

Alongside this is the continued work on the Frail Elderly Pathway. The second phase of this project will focus on the sustainability of current model, rotation of nursing and therapy staff between hospital and community service and ensuring onward care into the community delivering a comprehensive geriatric assessment.

Emergency Care Pathways within the Trust

The Trust has continued to see an unprecedented increase in emergency admissions of frail older people with complex needs. This remains a key priority for the health community and the Trust is committed to working in partnership with commissioners, health and social care providers and local charities to improve care and reduce emergency admissions, through the integrated care developments and new models of care within the Trust.

A number of work streams have been established, which report to a health community wide Urgent Care Executive and will continue to deliver a range of schemes to avoid unnecessary admissions including further development of ambulatory care, a frail elderly assessment team and improved functionality of the Medical Assessment Unit.

Key projects for next year include:

- The redesign of the short stay model for unplanned care patients
- The reduction of patients waiting for discharge medication and diagnostics
- Improving emergency surgery flow

Strategic Alliances

Two of our strategic imperatives examine working to develop networks and to work in partnership in order to improve pathways for patients. The Trust continues to develop relationships to meet this aim such as diagnostic pathways in pathology (across the East Midlands collaborative) to working in co-operation with Burton Hospital, Chesterfield Hospital, Nottingham University Hospitals Trust and Derbyshire Community Healthcare Services across a range of acute and complex care schemes.

There is also mention of more strategic partnership concepts including collaboration in the recruitment of health professionals which will lead to the development of rotational posts that move and develop staff between and across organisations and sharing specialist roles with the aim of improving the quality of care and patient outcomes across the county. In tandem with the Better Care Fund, our strategic intentions are therefore examining the development of a workforce that is able to work across organisational and geographical boundaries. This could (and arguably, should) include

working across social care, other public sector care services, private healthcare and the voluntary sector.

Relationships with Local Commissioners

During 2012/13 the Trust and CCG established Clinical Improvement Groups (CIGs) to drive clinical engagement and service transformation. GPs and hospital consultants meet regularly to identify service issues and redesign service models. These groups are an excellent forum for bringing hospital clinicians and GPs together from across the health community.

An example of the work from these groups include changes to the coeliac pathway which, due to alternative diagnostics being put in place, will mean around 80 fewer patients will require a diagnostic endoscopy. This will expedite treatment with the longer term ambition that follow up of these patients can be managed in primary care.

Key priorities for the coming year will be around referral management, increasing the utilisation of Outpatient and Daycase Procedure Settings, Improving Clinical Pathways and reducing follow-ups appointments.

Our shared aim continues to be the transformation of health care services to provide a sustainable health community plan for Southern Derbyshire which is focused on improving patient care, safety, experience and value.

Research and Development.

The NHS aspires to the highest standards of excellence and professionalism – in the provision of high quality care that is safe, effective and focused on patient experience; in the people it employs, and in the support, education, training and development they receive; in the leadership and management of its organisations; and through its commitment to innovation and to the promotion, conduct and use of research to improve the current and future health and care of the population. Respect, dignity, compassion and care should be at the core of how patients and staff are treated not only because that is the right thing to do but because patient safety, experience and outcomes are all improved when staff are valued, empowered and supported.

(Principle 3 of the NHS Constitution, 26 March 2013)

The importance of innovation and medical research is underscored by this Principle as integral to driving improvements in healthcare services for patients.

(Handbook to the NHS Constitution, 26 March 2013)

The promotion and conduct of research continues to be a core NHS function and continued commitment to research is vital if we are to address future challenges. Further action is needed to embed a culture that encourages and values research throughout the NHS.

(Quality, 2.4., The Operating Framework for the NHS in England 2012-13)

Research

Derby Hospitals NHS Foundation Trust is a research-active teaching hospital with research taking place in most disease areas and specialties across the organisation. Activity in clinical research is a hallmark of high quality service and it places our Trust at the leading edge of patient care and treatment.

In 2013-14, research studies and clinical trials took place in obstetrics, maternity and gynaecology, paediatrics, cardiology, dermatology, hepatology, gastroenterology, renal medicine, cancer and palliative care, lymphoedema, diabetes, stroke, rheumatology and musculoskeletal disease (including physiotherapy), hand surgery, vascular surgery, ophthalmology, neurology and Parkinson's Disease, general surgery, respiratory medicine, rehabilitation and accident and emergency.

The number of patients receiving relevant health services provided by, or sub-contracted by, Derby Hospitals NHS Foundation Trust in 2012-13 that were recruited to participate in research approved by a research ethics committee was 2,402.

There has been a determined effort by researchers within the Trust, supported by the staff of the Research and Development Department, to increase research activity within the organisation. These efforts are manifest in a significant increase in recruitment to UKCRN Portfolio studies and clinical trials in 2013-14, with recruitment exceeding 4,031.

Recruitment to a number of studies has been notable, including a study in renal medicine, “Defining the long-term consequences of acute kidney injury: the AKI Risk in Derby (ARID) study” which recruited 268 patients in the first 10 months of the year.

Acute Kidney Injury (AKI) refers to an abrupt decline in kidney function and is often seen in unwell patients who require hospital care. In the short-term, the development of AKI increases the complexity and duration of treatment and confers a reduced chance of patient survival. In many patients that recover, there is also an improvement in kidney function that mirrors the recovery from their acute illness. Traditionally, AKI that recovers has been considered as benign. It is possible that episodes of AKI may have effects on patients in the longer term, leading to kidney damage over time (chronic kidney disease, CKD) or reducing long-term survival. The ARID study, led by Dr Nick Selby, Consultant Nephrologist, is designed to address the lack of good quality research in this area.

The study will compare two groups of in-patients with similar characteristics, those who sustained AKI and those who did not. This is a, largely, observational study with patients undergoing no additional study procedures other than three routine blood and urine sample collections over a period of 33 months. The study will provide invaluable new information about the long-term effects of AKI on the development and progression of CKD as well as the effects of AKI on patient survival.

The “UK Aneurysm Growth Study” opened at Derby Hospitals NHS Foundation Trust at the start of 2013-14 and, in the just first 10 months of the year, it has provided the opportunity for 621 patients to participate in research.

The study aims to find out more about abdominal aortic aneurysms (AAA). An AAA is a condition where the main artery in the body swells up and there is a risk of it bursting as a result. These AAAs can be identified when they are small, but there is no treatment for them other than high-risk surgery. Recently, a national screening programme (the NHS Abdominal Aortic Aneurysm Screening Programme) has been established and patients attending for screening are invited to participate in the study. The AAA Screening Programme at Derby Hospitals NHS Foundation Trust is led by Mr John Quarmby, Consultant Vascular Surgeon and managed by Mr David Miller.

The screening programme invites all men in the year of their 65th birthday to be screened for the presence of an AAA and patients are invited to participate in the study when they attend for screening. This means that both patients with AAA and those who are found not to have AAA are recruited to the study. Study participants give blood and urine samples on a yearly basis whilst in the AAA surveillance programme (4.8 years on average) and complete questionnaires about their well-being.

These samples and the information from the questionnaires will be used to determine what genes and proteins are associated with AAA and the growth of AAA. Through this study, more detailed information will be gained about how and why aneurysms occur and grow, potentially leading to a drug treatment for small aneurysms and avoiding the need for surgery in those with AAA. Derby Hospitals NHS Foundation Trust is one of a number of Trusts across the country that are taking part in this study, which will take place over 10 years and which will involve up to 200,000 participants.

In addition to this, patients were recruited to non-portfolio studies, including commercially-sponsored clinical trials not adopted onto the UKCRN portfolio and student studies (e.g. Doctor of Medicine (MD), Doctor of Philosophy (PhD), Master of Science (MSc) etc.) all of which support the growth and development of research capacity and capability within Derby Hospitals and the wider NHS.

In 2013/14, the Trust was involved in conducting 311 clinical research studies and approximately 122 new studies were given permission to start in the Trust. This level of participation in clinical research demonstrates the Trust’s commitment to improving the quality of care we offer and to making our contribution to wider health improvement. Our clinicians stay abreast of the latest treatment possibilities and active participation in research leads to successful patient outcomes. Our

engagement with clinical research also demonstrates the Trust's commitment to testing and offering the latest medical treatments and techniques.

A number of applications have been made by Chief Investigators within the Trust for National Institute for Health Research (NIHR) and other high quality research funding. Applications have been made to NIHR Research for Patient Benefit; British Renal Society; BMA; BUPA; Dunhill Medical Trust; Pfizer; NIHR Health Technology Assessment (HTA); Kidney Research UK; Medical Research Council (MRC) DPFS.

A number of these research funding applications have been successful and this is a further indication of the high quality research environment within the Trust which supports the delivery of high quality patient care.

Research grant awards made in 2013-14 include:

- 1 £2.9 million awarded to Mr Amit Goyal, Consultant Oncoplastic Breast Surgeon, by NIHR HTA for a 10 year, multi-centre trial:

“POSNOC – Positive Sentinel Node: adjuvant therapy alone versus adjuvant therapy plus clearance or axillary radiotherapy. A randomised, controlled trial of axillary treatment in women with early stage breast cancer who have metastases in one or two sentinel nodes”.

Women with early breast cancer usually have this removed either by wide local excision (lumpectomy) or removal of the whole breast (mastectomy). During the operation, one or two lymph nodes (glands) are removed from the armpit (axilla) to check if the cancer has spread to them, a procedure called sentinel node biopsy. A quarter of women, have cancer in these nodes. Current practice is to offer these women chemotherapy and/or hormone therapy, plus axillary treatment. Axillary treatment is either further surgery to remove all the remaining nodes from the armpit (axillary node clearance) or axillary radiotherapy.

Of patients who have axillary node clearance, less than half have cancer in the remaining glands. Both axillary node clearance and axillary radiotherapy can lead to troublesome long term problems: the most common being arm swelling (lymphoedema), restricted shoulder movement, and sensory changes in the arm and hand. As well as being difficult for the patients, these complications are costly for the NHS. As breast cancer is now detected earlier, and we now have much better and more effective chemotherapy and hormone therapy than in the past, axillary treatment may no longer be necessary.

A recent randomised trial suggested that routine axillary treatment may not be worthwhile.

However, this study was not of high enough quality or large enough to provide really reliable evidence about the short term and the long term effects (recurrence of cancer). This proposal aims to provide such evidence.

Our study will recruit almost 1900 women diagnosed with early breast cancer and cancer in their sentinel node biopsy. Patients will be randomised either to adjuvant therapy alone, or to adjuvant therapy plus axillary treatment (axillary lymph node clearance or axillary radiotherapy). Adjuvant therapy is systemic chemotherapy and/or hormone therapy, with radiotherapy to the breast or chest wall if indicated.

- 2 £300,000 awarded to Professor Maarten Taal, Consultant in Renal Medicine, by the Dunhill Medical Trust for a study entitled:

“Clinical impact of adopting a new equation utilising cystatin C and creatinine to estimate glomerular filtration rate for diagnosis and risk prediction in older people with chronic kidney disease in primary care”.

which is part of the larger Renal Risk in Derby (RRID) study.

Measurement of creatinine, a blood chemical cleared by the kidneys, is used to estimate how well the kidneys are working (glomerular filtration rate, GFR) and diagnose chronic kidney disease (CKD). Creatinine levels are, however, influenced by other factors that may result in lower GFR values and over-diagnosis of CKD, particularly in older people who are more commonly labelled as having CKD. Cystatin-C, another marker of GFR, is no more accurate than creatinine alone but GFR estimates may be more accurate if both are measured. This has not been assessed in routine practice. We aim to evaluate the impact of using creatinine and cystatin-C on the diagnosis of CKD and ability to predict complications in a group of 1741 predominantly older people (average age 73 years) with CKD already enrolled in a 10-year observational study. The added cost of cystatin-C will be evaluated against the benefits of reduced over diagnosis of CKD.

- 3 £108,000 awarded to Dr Vaughan Keeley, Consultant in Palliative Medicine, Dr Lorraine Pinnington, Associate Professor and Professor Christine Moffatt, Professor of Clinical Nursing Research by the Multiple Sclerosis Society for a study entitled:

“Chronic Lower Limb Oedema in people with Multiple Sclerosis: prevalence, precipitating factors and secondary consequences”.

People with Multiple Sclerosis (pwMS) can experience leg swelling which does not dissipate easily. This form of Chronic Lower Limb Oedema (CLLO) is generally thought to arise as a result of reduced mobility and impaired venous and lymphatic flow. CLLO can be painful, it can exacerbate existing mobility problems and can result in episodes of infection (cellulitis) which have an impact on quality of life and can lead to hospital admissions.

This study will estimate the prevalence of CLLO amongst pwMS who are patients of Derby Hospitals NHS Foundation Trust; it will describe the severity, precipitating factors and secondary consequences of CLLO and it will determine the extent to which CLLO is unrecognised in pwMS.

In the short-term, this information will enable clinicians and managers to modify clinical services to ensure that leg swelling does not remain undetected amongst pwMS and that it is treated more effectively. In the longer term, the information will also enable the team to design clinical studies in which the effectiveness of different treatments for leg swelling can be assessed and compared amongst people with MS.

- 4 £22,000 awarded to Ms Fiona Willingham, Team Leader Dietician, by the British Renal Society for a study entitled:

“Pre-emptive rehabilitation to prevent dialysis-associated morbidity (PREHAB)”

Chronic kidney disease is associated with general lethargy and muscle wasting, which can lead to a significant reduction in the ability to perform routine activities of daily living and overall quality of life, particularly as patients approach dialysis. Appropriate multidisciplinary assessment and treatment to promote independence and help maintain overall health and well-being is therefore essential at this time.

We have already demonstrated through previous work that it is feasible to deliver a programme of enhanced care which is beneficial to patients. The programme includes a weekly session of exercise, alongside multidisciplinary education and support. Within this study, some participants will receive the enhanced programme of care, including the exercise and education programme, in the immediate run up to dialysis and during the first few months of dialysis treatment. Other participants will receive standard pre-dialysis and dialysis care. We aim to show, by comparing results for the two groups, that the enhanced care programme helps to maintain independence, prevent unnecessary tiredness, and minimise reduction in quality of life.

Raising the profile of Research

Each year, we celebrate International Clinical Trials Day by placing a number of posters and stands,

manned by Research & Department staff, in key locations around the Trust where they can be seen and visited by patients, staff and visitors to the Trust.

The aim of International clinical Trials Day is to raise awareness of health research and to highlight how important it is that partnerships develop between patients and health care providers. Throughout 2013-14, the Trust, in partnership with the National Institute for Health Research (NIHR), promoted the fact that “It’s OK to ask” about clinical research.



INNOVATION

Derby Hospitals NHS Foundation Trust continues to enhance the quality of its services and develop new sources of income through its innovative staff and the support provided by the Research & Development Department. The Trust has an Innovation and Horizon Scanning Group, Chaired by Dr Jim Birchall, Consultant Radiologist, which identifies and develops any potential clinical and technological developments which may impact on clinical services within the Trust and to link these to the Trust Strategy.

The most successful companies anchor innovation in their strategies and in recent years there has been an increasing emphasis on innovation as a key contributor to organisational success.

Innovation is about developing new ideas and “inventions”, to generate new products or services (product innovation) and new ways of working (process innovation).

Product Innovation & Intellectual Property

NHS Innovation Hub Membership

In January 2012, the Trust became a member of Health Enterprise East Ltd, a NHS Innovations Hub which provides financial support and personnel to enable the Trust to take forward, commercialise and disseminate its innovations.

In the last year, colleagues from Health Enterprise East have held monthly innovation surgeries within the Trust as well as travelling to meet with Trust staff who have raised ideas about innovations with the Trust’s Assistant Director of Research & Development. The appropriate Intellectual Property Rights (IPR) for the various inventions are being put in place and commercialisation opportunities are being investigated. There new innovations identified in the last 12 months include various software programmes, e-learning packages and training courses as well as innovative healthcare products.

Trademarks

The Trust has trademark protected the use of “Pulvertaft” for the Hand Unit and “Jenny O’Neill” for the Diabetes Centre.

Patents

Patent protection, including US Patent protection, has been granted for a limb disinfection sleeve which was invented by Mr Chris Bainbridge, Consultant Hand Surgeon. A new licensee is also being

sought for the limb disinfection device to improve the commercial return on this product. Discussions with interested parties are underway. Avenues of commercialisation other than via licensing are also being explored.

Design Rights and Collaborations

The Derby Door, which won the Best Interior Product Award and the Patients' Choice Award at the Building Better Healthcare Awards 2011, is an inflatable barrier which fits flush against walls and ceilings on hospital wards to form a complete seal. This innovative product was invented by Mr Paul Brooks, Head of Facilities and Director of Patient Experience.

The Derby Door is produced and manufactured by AirQueue Ltd in Bristol, an inflatables manufacturer. Derby Hospitals will share the net profit from these sales and, as part of the manufacturing agreement, the Trust received 10 Derby Doors.

Other NHS Trusts have also purchased the Derby Door and sales are starting to rise. The Trust will be taking the lead on marketing the Derby Door with AirQueue Ltd taking on the roles of manufacturing and sales. Further work is taking place to promote the dissemination, the uptake and the spread of this innovative product which was awarded the East Midlands Academic Health Science Network award for Patient Safety in the Health Enterprise East 2013 Innovation Competition.

Spin Out Company

Derby Hospitals NHS Foundation Trust is a significant share-holder and partner in iQudos Medical Services. iQudos Medical Services provides a nurse-led service for management of benign prostate disease. The company is in the process of setting up a similar service for stable prostate cancer and other disease domains.

In June 2013, iQudos was Runner-up in the Outstanding Achievement Awards category of the Medilink East Midlands Innovation Awards 2013. iQudos was also a Finalist in the "Efficiency in Medical Technology" category of the HSJ Efficiency Awards announced in September 2013. The company is looking to increase its geographical coverage and is in discussions (under a CDA) to investigate this further. This is an on-going action.

Highlights of the Year 2013/14

April

Opening of the new KITE (Kids in their environment) department Paralympic swimmer, Ollie Hynds opened the new KITE department at the Children's Hospital which cares for children with complex medical needs. The team's specialist nurses look after children and teenagers with long-term conditions. The new department means children can now be seen in one centre, without having to visit specialist wards elsewhere in the hospital.

Parkinson's consultant presented with Decade of Difference prize Dr Rob Skelly, consultant in Parkinson's Disease was presented with the Consultant's Award in the Decade of Difference Awards from the Parkinson's Academy. This award recognises the outstanding contribution made by Dr Skelly and the Derby Hospitals Parkinson's team in providing excellent services to Parkinson's patients.

May

'Mark of excellence' as hospitals save £275,000 in cutting carbon emissions The Trust was awarded the Carbon Trust Standard for a second time for reducing carbon emissions by 6.2%, making a saving of £275,000. A variety of measures have helped to cut carbon emissions, demonstrating the Trust's corporate social responsibility within the local community.

App connects GPs with hospital and community services Derby Hospitals launched a new mobile phone app for local GPs and other primary care staff in the East Midlands. The free app acts as a portal, pulling together key information about our staff and services – such as consultant contact

details, urgent care access numbers and key documents. It is believed to be the first app of its kind in the country developed by an acute trust and has been highly commended by local GPs forming stronger connections between hospital doctors, nurses and primary care services improving patient care.

Country's chief nursing officer opens new £4.5m school of nursing The chief nursing officer for England Jane Cummings opened the new £4.5 million School of Health Sciences. She gave a keynote speech at a day-long conference, Commitment to Compassionate Care, attended by nurses and midwives from across the county. The following day the annual Florence Nightingale Commemorative Service took place at Derby Cathedral.

Hand surgeons from across the world attend conference Surgeons from across the world travelled to Derby for a conference to mark the 21st anniversary of the internationally acclaimed Pulvertaft Hand Centre at the Royal Derby Hospital.

June

Patients praise cleanliness at Derby Hospitals Patients have praised the Royal Derby Hospital and London Road Community Hospital for their high standards of cleanliness after being invited in to inspect our hospitals. For the first time patient-led inspections took place in June this year at hospitals across the country. Results from these inspections put our hospitals amongst the best in the country for cleanliness, patient privacy, and the quality of food and our buildings.

Fun in the sun as new hospital play area opens

A new outdoor play area in the Children's Hospital, called The Sunshine Deck was officially opened by Derby Hospitals' chief executive. The new play area has soft surfaces, a sun canopy, seating and lighting. The new area provides children who are inpatients with a much-needed safe outdoor play area.

Rapid access assessment service helps elderly patients in the community RAS A community based service for frail elderly patients at London Road Community Hospital has reduced waiting times for assessment from 6 weeks to 2 working days. Previously known as the falls clinic the redesigned service provides a timely multidisciplinary assessment with personalised care plans for frail older people within the community, enhancing patient care by keeping your patients healthy at home and reducing avoidable admissions.

July

Lives saved by AAA screening A screening programme for triple AAA was a huge success. All 65-year-old men in Derbyshire are being offered checks for this life-threatening condition. Thousands of men in the county have been screened already for this "silent killer" – and lives have been saved – thanks to the "pioneering" work of surgeon John Quarmby and his team.

Intercare wins national accolade A pioneering venture that helps diabetes patients in Derby has won a national healthcare award. Intercare Health, a partnership between Derby Hospitals and the city's GPs, won the diabetes care award at the Patient Safety and Care Integration Awards. Intercare Health is a community based model of care, which allows diabetic patients to see specialist doctors, nurses, dieticians and other support teams all under one roof, without the need for repeat hospital visits

August

Royal Derby Hospital leads national pilot for aspiring student nurses In a national pilot run by Health Education England, Derby Hospitals in partnership with the University of Derby became the first hospital in the country to give aspiring nurses an opportunity to work on its wards as health care assistants prior to becoming student nurses. The aspiring nurses spent six months gaining a real insight into the qualities they need to provide true care and compassion to patients before they embark on their nursing careers.

Derby's renal team set gold standard for rest of country August saw the launch of new NICE guidelines for the detection and management of acute kidney injury, which could save 12,000 lives

each year. The Royal Derby Hospital is leading the rest of the country in early detection and treatment of AKI, using a simple blood test to spot the early warning signs.

September

Making every moment matter Over 2,300 patients, relatives and staff participated in listening events and an online consultation. Patients and staff told us about the small things that make a really big difference to the care we give. From this a new hospital commitment, 'Making Your Moment Matter', with five pledges was created. All staff in their day to day work focus on these to ensure they make a positive difference to the experience of our patients.

Cancer patients' positive about their care In the national cancer patient experience survey patients praised Derby Hospitals with 89% reporting their care was excellent or very good. Overall the survey highlighted that patient's views were taken into account by doctors and nurses when discussing treatments and specialist cancer nurses were singled out for praise, with patients saying they listened carefully to their concerns and responded to them fully.

Pioneering surgeon wins award for helping children with clubfoot Orthopaedic Consultant Surgeon Rohan Rajan was awarded for pioneering work which has helped children with clubfoot across the country.

October

Keeping patients healthy at home Derby Hospitals' enhanced discharge project won first prize at the HSJ Efficiency Awards. The project saw nursing staff identify patients at high risk of readmission, providing them with additional support with their medication and discharge from hospital to help keep them healthy at home and to prevent costly readmissions into hospital.

Frail elderly assessment service improves care A dedicated consultant-led frail elderly assessment service, within the Medical Assessment Unit at the Royal Derby Hospital opened providing multi-disciplinary geriatric assessments for elderly patients admitted to hospital. The service consists of a geriatrician, therapists and social care support to ensure patients receive collaborative and timely care packages where needed. This has resulted in over 70% of patients being discharged quickly from hospital with appropriate health and social care support reducing length of hospital stays and improving patient experience and independence.

New private patient service puts money back into NHS care A dedicated private patient suite opened at the Royal Derby Hospital in October. Derby Private Health is run by a dedicated team of nurses and doctors caring for private patients who want to be treated at the Royal Derby Hospital. The private patient service operates separately to NHS care allowing private patients locally to be able to choose first class private care with the added benefits and safety a modern NHS hospital brings. All profits from private patient care are put back into local NHS services for the benefit of everyone.

Video link to help deaf patients in A&E A new service was launched in A&E at the Royal Derby Hospital to help deaf patients who need to access interpreter services at short notice. The video system enables staff to call on sign language interpreters, to help deaf patients communicate with medical staff.

November

Derby Hospitals wins first national 'compassionate care' award

Derby Hospitals won the inaugural, post Francis, Department of Health Award for Compassionate Care at the national Health Service Journal Awards. This was a tremendous recognition of the culture of compassionate which lies at the heart of the care and dedication staff throughout our hospitals show everyday to our patients. In Derby we enhanced care for elderly patients and patients with dementia complementing existing nursing support with innovative schemes based on intergenerational partnerships between young volunteers and elderly patients. This was highlighted by the judges as an example of outstanding compassion in caring.

Arthritis team takes honour Derby Hospitals' rheumatology team was honoured in a special ceremony at the House of Commons. Dr Chris Deighton & his team were named Healthcare Champions by the National Rheumatoid Arthritis Society.

Ward improvements to help dementia patients Wards at the London Road Community Hospital were redesigned to help patients with dementia feel less confused and more at home during their hospital stay. Bright colours were used for each four-bed bay to help patients recognise where they are supposed to be and brightly-coloured handrails have been fitted to help them move around reducing falls.

December

Patients treated quicker in A&E Derby Hospitals' sustained performance treating over 95% of patients coming to A&E within 4-hours throughout the year despite continued increases in patients needing care. New systems including daily consultant ward rounds, co-located primary care weekend services, and a range of community initiatives funded through the £4.4million additional winter allocation to Southern Derbyshire Clinical Commissioning Group had helped to improve A&E care.

Derby County team and officials visit Derby's Children's Hospital

The Rams delighted patients at the Children's Hospital with a seasonal Christmas visit. The players visited poorly children and handed out gifts. Head coach Steve McClaren says visiting the hospital is important as the team are part of the wider community and he wanted players and staff to meet the young patients who were in hospital at Christmas time.

Triage room set up a city centre for Christmas party goers Party goers were treated in a city centre triage room, set up as a joint venture between Derby Hospitals, Derbyshire Police, EMAS and street pastors. The triage room opened through the night to treat less serious injuries, helping to keep revellers out of A&E.

January

New advanced clinical practitioners take to wards Advanced clinical practitioners, ACPs, dressed in bright red clinical scrubs are introduced across Derby's hospitals. The ACPs are experienced nurses, paramedics, physiotherapists or other health professionals who can prescribe, order investigations and refer to specialists. The ACPs bridge the traditional gap between doctors and nurses.

New 'Passport' for hospital staff will help protect patients A staff Training Passport App, the first of its kind in the country was launched ensuring all staff have access their training records whenever they want, with reminders of when their training needs to be updated via our new App. Every day patient safety and quality care is in the hands of all our staff – keeping up to date with important issues such as infection control, safeguarding, information governance and other essential training is everyone's responsibility. This is one of many ways we are working together to ensure staff always provide the best quality of care to patients.

February

Flu fighter prize for hospital Staff at Derby's hospitals won a national award for increasing the uptake in flu vaccinations for frontline staff, reports the paper. Three-quarters of nurses, doctors and health professionals in the city's two hospitals were vaccinated this winter, up by more than half on the previous year, resulting in the Trust winning the most improved flu fighter campaign category in the NHS Flu Fighter Awards.

Home from Hospital Thanks to an innovative new scheme called 'Home from Hospital' frail and vulnerable patients at high risk of readmission to hospital are offered additional support when they are discharged. Hospital volunteers have been trained to provide support to patients' in their own homes, helping with simple tasks as well as a friendly face and company as they make the transition from hospital back to their own home.

March

Midwife led Derby Birth Centre opens March marked the official opening of the Derby Birth Centre, at the Royal Derby Hospital's Labour Ward. The £224,000 midwife led centre, funded by a grant from the Department of Health, replicates the atmosphere of a home birth, but with medical help available in case of any emergency. It features four rooms with low, colourful lighting, soft furnishings, aromatherapy treatments and soothing music.

Think Again no smoking policy launched The Trust's 'Think Again' no-smoking campaign urges patients, visitors and staff to help keep the hospital site smoke free. Staff were encouraged to hand out cards to smokers, urging them to move off the hospital grounds or to extinguish their cigarettes. Replacement therapies are being offered to all inpatients to help them stay smoke-free during their admission.

Frail Elderly Activity Room A Frail Elderly Activities Room, located in the Frail Elderly Assessment Unit was opened to offer a comfortable, familiar and relaxing atmosphere for older patients with conditions like dementia, which might leave them confused on admission to the hospital environment. The development of the activity room – in which patients can sit, listen to music, play board games and chat to volunteers – is part of our new Frail and Elderly Assessment Service.

Human Rights

Information about human rights can be found in the Equality, Diversity and Human Rights section of Part 6 of this report.

Consultative arrangements with staff and common awareness of staff regarding the Foundation Trust

The Trust employs a range of well-established and sophisticated techniques in consulting with and engaging staff and their representatives. In addition, the Trust has arrangements in place for keeping staff abreast of developments within the organisation and in particular information which is relevant to the organisations status as a Foundation Trust.

The Trust's Executive Team meets with senior trade union representatives every two months in the Trust Joint Council. An Executive led senior management team meets with senior union representatives in the Trust Partnership Forum, which focuses on policy development and interpretation of national guidelines on pay and conditions. The senior union representatives also meet informally with the Deputy Director of Workforce on a monthly basis to discuss matters of shared interest with a view to identifying solutions as appropriate. Staff representatives continue to play a key part in the Trust's bi-monthly Health and Safety Committee where they work alongside Board members and senior managers.

As a Foundation Trust we also benefit from having seven Staff Governors who sit on and provide a significant and valuable contribution to the Council of Governors.

A range of communication methods are also in place to support us in ensuring that our staff remain up-to-date and informed about key issues that affect the Trust and these include:

- Monthly 'Face2Face' Team briefings
- Leadership Community events
- Signpost (a weekly newsletter e-mail)
- Regular communications e-mail highlighting DHFT in the media
- Departmental briefing and communication boards and
- 'Talkabout' an online staff forum, operated through our intranet enabling staff to express views and engage in dialogue about a range of issues that affect them.

In addition, the Chief Executive has also taken the opportunity to write to staff directly, on matters of specific interest and importance during 2013/14, with the letters being cascaded via e-mail.

Involvement of staff in the Foundation Trust

As well as the mechanisms listed in the above section, staff are kept informed of Trust developments through the 'Taking Pride' newspaper and 'Taking Pride Light' magazine.

As a means for increasing knowledge and understanding of different services throughout the organisation, staff along with other members, are encouraged to attend Health Information talks, which are held regularly throughout the year.

Breakdown at year end of the number of male and female directors, other senior managers and employees

	Male	Female	Total
Directors	8	5	13
Senior Managers*	10	6	16
Managers	30	55	85
All other Staff	1561	7042	8603
Total	1609	7108	8717

* definition = Senior managers who directly report to the Executive Directors - for example Assistant Director and others who have overall responsibility for budgets, staff, assets or significant areas of work

This Strategic Report has been approved by the Board of Directors

Signed



Susan James
Chief Executive and Accounting Officer

27 May 2014

PART 2 – DIRECTORS’ REPORT

a) Trust Board

The Board of Directors (the current photochart (April 2014) can be found on page 245)

DIRECTOR

APPOINTMENT

Mr John Rivers DL CBE Chairman – current term of office expires 31 March 2016

Mrs Susan James Chief Executive

Executive Directors

Dr Nigel Sturrock Medical Director (from 1 March 2014)

Mrs Karen Martin Director of Workforce Management

Mr Lee Outhwaite Director of Finance and Performance

Ms Helen Scott-South Chief Operating Officer

Ms Cathy Winfield Director of Patient Experience and Chief Nurse

Non-Executive Directors

Professor Stephen Bailey Vice Chair and Senior Independent Director, current term of office expires 31 October 2014

Mr John Brebner Current term of office expires 31 March 2015

Mrs Patricia Coleman OBE Current term of office expires 31 July 2014

Mr Chris Hole Current term of office expires 12 November 2016

Sir Stephen Moss Current term of office expires 31 January 2016

Mr Sandeep Sharma Current term of office expires until 31 August 2014 but resigned June 2014 (see events occurring since the balance sheet date in Part 6)

Changes to Board Membership during 2013/14

Mr Walter Dodd Non-Executive Director - term of office expired 30 April 2013

Miss Alison Fowlie Medical Director (until 28 February 2014)

Mrs Dianne Prescott Director of Strategy and Partnerships (until 30 September 2013)

Profiles of the Non-Executive Directors

Mr John Rivers CBE (Trust Chairman)

John retired from Rolls-Royce Plc in September 2007 after ten years as Director of Human Resources for the company preceded by five years as Personnel Director for the Aerospace Group. He is a Chartered Fellow of the Institute of Personnel and Development.

For 19 years prior to joining Rolls-Royce, he worked at GEC in a number of senior management positions, including Personnel Director at GPT (GEC/Plessey Telecommunications).

He was appointed for a four year term of office from 1 April 2009 – 31 March 2013 and then appointed for a second term 1 April 2013 – 31 March 2016. John serves as Chair of the Nominations and Remuneration Committee.

Professor Stephen Bailey (Vice Chair and Senior Independent Director)

Stephen is the University of Nottingham's representative on the Trust Board. He joined the University as a lecturer in 1972 and has been Professor of Public Law since 1989, and more recently was appointed Head of the Law School. Stephen became a Non-Executive of the Trust when it was first authorised in 2004. He has been subsequently re-appointed by the Council of Governors and his new term of office will expire on 31 October 2014, subject to annual review.

Stephen is currently the Vice Chair of the Trust Board and Senior Independent Director. He is also Chair of the Trust's Charitable Funds Committee and serves on the Nominations and Remuneration Committee, the Audit Committee and the Finance and Investment Committee.

Mr John Brebner

John is an Edinburgh University economics graduate and also a Chartered Accountant. He was a director of the Derby engineering business Aiton & Co for several years and more recently has operated as an Independent Director in senior finance roles. He has served as Director of Finance of both East of England Ambulance Service and St Albans and Hertsmere Primary Care Trusts. His experience also covers varied matters such as musical instrument manufacture and business services.

John is Chair of the Audit Committee and a member of the Nominations and Remuneration Committee. He was appointed on 1 April 2012 for a three year term.

Mrs Patricia Coleman OBE

Patricia has a senior public service background including as deputy chief executive of Manchester City Council. Her Non-Executive appointments include Derbyshire Probation Service, NHS Derbyshire County and the Peak National Park where she was deputy chair of the Audit and Performance Committee. She has particular interests in and affinity towards patient care and the patient experience, service redesign and the involvement of stakeholders across the county. Patricia is Vice Chair of the Quality Committee. She also serves as a member of the Nominations and Remuneration Committee, the Charitable Funds Committee and Chair of the Trust's Voluntary Services Liaison Group. Patricia was appointed on 1 August 2011 for a three year term.

Mr Chris Hole

Chris, a former Group Director with Rolls-Royce plc, joined the Trust Board as a Non-Executive Director in November 2007. He has been re-appointed twice and is now serving this third three year term which will expire on 12 November 2016. Chris retired at the end of December 2006 after a career that included the Ford Motor Company and more recently Rolls-Royce plc, where he held the position of Group Procurement Director.

His areas of expertise include: purchasing, supply chain management, outsourcing, strategy development, business plan deployment, personnel planning and development, IT and financial planning. Chris was Vice Chair of the Audit Committee up until May 2013 and Chair of the Quality Committee up until February 2014. He also serves as a member of the Nominations and Remuneration Committee and the Finance and Investment Committee.

Sir Stephen Moss

Stephen is a nurse by background and has spent his entire career in the NHS. Following a number of years in clinical practice he moved into a variety of nursing and general management roles, and has over thirty years' experience in posts at Board level including Chief Nurse, Chief Executive, Non-Executive Director and Chairman.

He spent seven years as Director of Nursing at the former Derbyshire Royal Infirmary (DRI) and associated hospitals before moving to Queens Medical Centre in Nottingham in 1984. Stephen was appointed by the Secretary of State as a Commissioner on the first NHS Quality regulator, the Commission for Health Improvement (CHI) and was Vice Chair of the team which developed the first reviews of clinical governance to be undertaken in England and Wales.

He took early retirement in 2005 and in 2009 was asked to undertake the role of Chairman at Mid Staffordshire NHS Foundation Trust following the highly critical report from the Healthcare Commission. Stephen is currently Chairman of the Department of Health Human Factors Reference Group, which is seeking a more systematic, sustained improvement in the way that the NHS supports front line clinical teams to provide safer, more effective and compassionate care for patients.

Stephen took over as the Chair of the Quality Committee in February 2014 and is also a member of the Audit Committee and the Nominations and Remuneration Committee. He was appointed on 1 February 2013 for a three year term.

Mr Sandeep Sharma

Sandeep has a financial background and is currently Chief Finance Officer for RBG Group. Prior to that he worked for Bombardier Transportation for 16 years where his last position was that of Head of Finance for the Services Division across Western Europe, Middle East, North Africa and South America. Prior to Bombardier he was Head of Finance and Company Secretary to ABB Daimler-Chrysler Rail Transportation Systems India Limited. Sandeep chairs Finance and Investment Committee and serves on the Nominations and Remuneration Committee.

He was appointed on 1 September 2011 for a three year term but resigned in June 2014.

Mr Walter Dodd - retired 30 April 2013

Walter began his career with Cadbury Schweppes, and has held executive board appointments with major UK consumer food and drink companies, including The Grants of St James's Group formerly based in Derby. He has also served as a Non-Executive building society director, and latterly as an independent member of the Derbyshire Police Authority. Walter was appointed on 11 November 2008 until 30 April 2012 and then re-appointed for another 12 month term to expire on 30 April 2013. He was a member of the Nominations and Remuneration Committee, the Charitable Funds Committee and the Audit Committee. He was also a member of the Governors' Membership Group and Chaired the Trust's Voluntary Services Liaison Group.

Profiles of the Executive Directors

Mrs Susan James (Chief Executive)

Susan was appointed Chief Executive in January 2011.

Susan has worked in the NHS for over 30 years in posts in London, Leeds, South Yorkshire and the West Midlands. She was Chief Executive at Barnsley District General Hospital from 1996 until 2000 when she joined the then Regional Office in Trent to lead on a number of organisational development initiatives designed to take forward the then newly-published NHS Modernisation agenda. Following this, Susan was appointed as Chief Executive of Walsall Hospitals NHS Trust in October 2003. During her time in Walsall, she led a major redevelopment of the hospital, and repositioned it in relation to healthcare delivery in Walsall to ensure a much more integrated and sustainable model of healthcare.

Ms Helen Scott-South (Chief Operating Officer)

Helen Scott-South was appointed Chief Operating Officer on 1 July 2011, having undertaken the role in an interim capacity from May 2011. Helen was previously the Director of Operations at Hull and East Yorkshire Hospitals NHS Trust and before then worked as a Board Director within 3 other large

Teaching Hospitals. She has extensive experience in change management within Teaching, Non-Teaching and Community Settings.

Mr Lee Outhwaite (Director of Finance and Performance)

Lee has worked in NHS Finance since 1993. He has worked in the NHS in Devon, Hampshire, Surrey and London. His current role covers Finance, IM&T, Procurement and Estates. Prior to coming to Derby, in February 2008, he was Deputy Director of Finance at University College London Hospitals NHS Foundation Trust.

Lee is an Executive Committee Member of the Healthcare Financial Management Association in the East Midlands. He is also currently pursuing a Professional Doctorate at Keele University in their Public Policy and Management faculty.

Miss Alison Fowlie (Medical Director)

Alison was appointed Medical Director in March 2009. She is an Obstetrician and Gynaecologist with 25 years' experience as a Consultant and has worked for the Trust for over 22 years. Prior to taking up the role of Medical Director she was Service Director of Obstetrics and Gynaecology and Clinical Director of the Women and Children's Directorate.

She had particular interests in Foetal and Maternal medicine, but now works full time in her Medical Director role. Alison retired at the end of February 2014.

Dr Nigel Sturrock (Medical Director)

Nigel was appointed Medical Director in March 2014, having worked in the NHS for over 25 years. Prior to joining the Trust, Nigel worked at Nottingham University Hospitals NHS Trust as Clinical Director in the Directorates of Digestive Diseases & Thoracics and Musculoskeletal & Neurosciences and also as a Consultant Physician in Diabetes and Endocrinology. In addition to the Medical Director role, Nigel continues to be actively involved in Acute Medicine and also holds a regular clinic in Endocrinology. Nigel is passionate about improving the quality of care that the Trust delivers by harnessing the expertise by the clinicians on the ground to develop new models care and new ways of working.

Ms Cathy Winfield (Director of Patient Experience and Chief Nurse)

Cathy became Director of Patient Experience and Chief Nurse in April 2013 having acted in the Interim role since November 2012. Cathy joined the Trust as Deputy Director of Patient Experience and Chief Nurse in August 2009, prior to which Cathy was a Clinical Directorate Lead at Nottingham University Hospitals.

Cathy has worked in the NHS for 24 years and is passionate about patient experience, patient safety, quality and governance.

Mrs Dianne Prescott (Director of Strategy and Partnerships)

Dianne worked at the Trust from 1998 up until she left on 30 September 2013. She previously worked in London and Bristol, joining the NHS as a management trainee. She has broad experience of operational and strategic planning.

She led the strategic and service planning for the Trust, the external relationship management including commissioning, contracting, marketing and communications. She also led the work with partner organisations to develop the Trust's services.

Mrs Karen Martin (Director of Workforce Management)

Karen joined the Trust in November 2009 from Birmingham and Solihull Mental Health NHS Foundation Trust where she worked as Executive Director of Organisational and Workforce

Development since 2003 and Deputy Chief Executive since 2006. During this time Karen led the successful application for Foundation Trust Status. Karen has worked in the NHS for over 30 years and has a wealth of experience in human resources/organisational development, leadership and change management.

Independence of the Non-Executives

Taking account of the NHS Foundation Trust Code of Governance, the Board have taken the view that all the Non-Executive Directors are independent. All Non-Executive Directors declare their interests and in the unlikelihood that such interests conflict with those of the Trust, then the individual would be excluded from any discussion and decision relating to that specific matter.

Statement of operation of the Board of Directors

The role of the Board of Directors is to set the strategic direction of the Trust, to promote leadership of the organisation, and to monitor its performance against predetermined financial and clinical measures.

To achieve these objectives the Board receives regular detailed reports enabling appropriate decisions to be taken directly by the Board or through delegation of authority to various sub-committees.

The Trust also operates a scheme of delegated authority which identifies certain activities with specific financial limits for approval by the Board and for different levels of key senior management within the organisation.

Decisions reserved to the Board are set out in Section 2 of the Trust's Scheme of Delegation and cover; regulations and control, appointments/dismissal, Strategy, Business Plans and budgets, policy determination, audit, monitoring and the annual report and accounts.

Other delegations are set out in the following sections of the Trust's Scheme of Delegation:

Section 3 - Committees

Section 4 – Accountable Officer

Section 5 – those derived from Codes of Conduct and Accountability

Section 6 – Standing Orders

Section 7 – Standing Financial Instructions

Section 8 – Detailed Scheme of Delegation

Balance, Completeness and Appropriateness of the membership of the Board of Directors

The Board of Directors comprise seven Non-Executive Directors including the Trust Chairman and six Executive Directors including the Chief Executive.

Executive Directors comprise the Chief Executive, Chief Operating Officer, Director of Finance and Performance, Medical Director, Director of Patient Experience and Chief Nurse, and the Director of Workforce Management.

The Non-Executive Directors include four specific individuals who have financial and/or commercial experience, a university professor of public law, one with a clinical background and one with Local Authority/NHS experience.

Taking into account the wide experience of the whole Board of Directors, the balance and completeness of the Board of Directors is considered to be appropriate. The Trust operates not only within its constitutional framework but also its Standing Orders and Standing Financial Instructions. Any changes to these key documents are approved by the Board of Directors, and in the case of the Constitution, by the Board of Directors and the Council of Governors.

Regularity of meetings of the Board of Directors

During the course of the year, the Board of Directors has met on a monthly basis in closed session and bi-monthly in public.

Attendance at Trust Board meetings

The attendance record of meetings of the Board of Directors for the year ended 31 March 2014 is set out below:

Trust Board Director	No. of Meetings	Total No. of Attendances
Mr John Rivers	16	16
Mrs Susan James	16	16
Miss Alison Fowlie (up to 28.2.2014)	14	12
Mrs Karen Martin	16	15
Mr Lee Outhwaite	16	16
Mrs Dianne Prescott (up to 30.9.2013)	8	8
Ms Helen Scott-South	16	16
Dr Nigel Sturrock (from 1 March 2014)	2	2
Ms Cathy Winfield	16	16
Prof Stephen Bailey	16	15
Mr John Brebner	16	15
Mr Walter Dodd (up to 30.4.2013)	1	1
Mr Chris Hole	16	13
Mrs Patricia Coleman	16	14
Mr Sandeep Sharma	16	7
Sir Stephen Moss	16	15

Meetings of the Non-Executive Directors

In accordance with the guidance set out in the Foundation Trust Code of Governance, the Chairman and Non-Executive Directors meet outside the normal Board meetings. These meetings are attended by the Chief Executive at the Chairman and Non-Executive's request.

Appointment and removal of Non-Executive Directors

Under the Trust Constitution, the Council of Governors has power to appoint and remove the Chairman and the Non-Executive Directors of the Trust.

Removal of the Chairman or a Non-Executive Director requires the approval of three-quarters of the Council of Governors voting in person or by proxy at a meeting of the Council of Governors.

The process governing the appointment of the Trust Chairman and Non-Executive Directors is covered by the Trust's Constitution, the main details of which are set out in page 48 - 49 of this report.

Director of Corporate Affairs / Trust Secretary

Mrs Tosca Fairchild was appointed as the Director of Corporate Affairs and commenced employment with the Trust in February 2013. She joined Derby in February 2013 from Worcestershire Acute Hospitals NHS Trust where she was the Company Secretary since 2008. Prior to joining the NHS, she was in the banking sector where she began her working life and she holds a BSc in Finance, Money & Banking. Tosca is a Board attendee, providing advice on the corporate governance of the organisation

Significant commitments of the Trust Chairman

Mr Rivers, Trust Chairman had no other significant commitments other than to the Foundation Trust. However he has declared involvement in the following organisations:

Deputy Lieutenant of Derbyshire
Chair (Director) – Arkwright Society
Member – Employment Appeal Tribunal (EAT) – Assessor to Appeals from the Reinstatement Committee
Chair – Florence Nightingale Derbyshire Association
Trustee – Derwent Valley Mills World Heritage Site

Directors' Remuneration

Full details are given in Part 8 of this report and in notes 8.4 – 8.7, in the notes to the Accounts.

Declarations of interest/related party transactions

Under the terms of the Trust's Constitution, the Board of Directors are individually required to declare any interest which may under the terms of the Constitution conflict with their appointment as a Director of the Foundation Trust. During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with the Derby Hospitals NHS Foundation Trust. A Register of Directors' interests is available on the Trust's website or via the Director of Corporate Affairs.

Trust Board Performance Appraisal

The process of the Board reviewing its performance commenced during 2011/12 with the assistance of Deloitte LLP and progressed satisfactorily throughout 2012/13. Recommendations on board development from the 2012/13 review were commenced in 2013/14 with the assistance of Deloitte LLP.

b) Other Declarations

Risk Strategy

The risk management processes are led at Board level by the Trust's Director of Patient Experience and Chief Nurse. The Trust has a Risk Committee that reports into the Quality Review Committee and, subsequently, to the Board's Quality Committee on all risks.

Major high level risks are managed as part of the Board's Assurance Framework. This is reviewed by the Board quarterly. Where necessary, the risks are reviewed and new risks identified and, where appropriate, these are added to the Assurance Framework. At the same time, the extreme risks identified within Divisions are reviewed by the Management Executive and a judgement based on risk rating assessments determine whether a risk should be escalated to the Assurance Framework.

All risks identified on the Assurance Framework have an action plan to reduce the risk ratings and each risk is assigned to a Board Committee for detailed review and monitoring. The Audit Committee reviews the full Assurance Framework to give the board assurance on the process.

Information available to the Auditors

As far as the Directors are aware, there is no relevant audit information of which the Trust's auditor is unaware. The Directors have also taken the necessary steps in their capacity as Directors and are unaware of any relevant information not being disclosed or brought to the attention of the auditors.

Pension accounting arrangements

The statement relating to the accounting arrangements for pensions and other retirement benefits are set out in the note 1.3.2 to the financial statements.

POLITICAL AND CHARITABLE DONATIONS

During the year, the Trust has not made any political or charitable donations.

Information under the following headings can be found within the Strategic Report (Part 1)

- Likely Future Developments
- Consultative arrangements with staff and common awareness of staff regarding the Foundation Trust
- Involvement of staff in the Foundation Trust

Equality, Diversity and Human Rights

The section on Equality, Diversity and Human Rights can be found in Part 6 of this report.

PART 3 - SUB-COMMITTEES OF THE TRUST BOARD

The Trust Board has five Sub-Committees comprising:

- Nominations and Remuneration Committee
- Audit Committee
- Charitable Funds Committee
- Quality Committee
- Finance and Investment Committee

The Board also holds Strategy Time-Out throughout the year where it discusses all aspects of Trust Strategy and provides the opportunity for all Board members to discuss other issues which have a strategic impact on the Trust as a whole.

Details of each of the Board's committees are set out below:

Nominations and Remuneration Committee

This Committee's primary responsibilities are to approve the appointment of the Executive Directors to the Trust Board and to review and agree the terms and conditions of those Executive Directors.

All Non-Executive Directors are members of the Committee and it is chaired by Mr John Rivers, Trust Chairman.

Membership and attendance for this Committee is set out in the Remuneration Report in Part 8

Audit Committee

The purpose of the Audit Committee is to provide the Trust Board with a means of independent and objective review of internal control in respect of financial systems, the financial information used by the Trust, the assurance framework and risk management systems and compliance with law, guidance and codes of conduct. The review of quality and risk confirmed the risk elements of the Committee's role.

Significant issues

During 2013/14 the following issues were considered by the Committee as significant in relation to the financial statements, operations and compliance:

Matter Considered	Action
Going Concern The Committee reviewed the assessment of the Trust Board to prepare the accounts of the Trust for 2013/14 under the basis of the Trust being a "Going Concern" under FReM guidance	 The Committee reviewed the decision of the Directors that they could reasonably agree that the accounts could be prepared on a "going concern" basis under the FReM guidance. In that, the Trust had not commenced a winding up process and had no intention to commence a winding up process in the future and that the Directors could be content that ongoing funding support would be made available to the Trust from either the CCG or the Department of Health/Monitor.
Property Revaluation The Committee reviewed the indices	 The Audit Committee reviewed and approved the

utilised by the Trust to assess the value its property portfolio during the periods under which a formal valuation is not undertaken, in line with the Trust accounting policies.	indices recommended by the Trust management to be utilised to value the Trust property assets in accordance with the Trust's published accounting policies.
Charitable Funds – Change in Accounting Policies There was a presentation to the Audit Committee on the change in accounting policy required by the treasury adoption of IAS 27 resulting in the requirement to consolidate charitable funds into the 2013/14 annual accounts.	The Committee reviewed in detail the recommended change in accounting policy for the consolidation of the Trust Charitable Funds with the accounts of the Trust due to the control exercised over the Charity by the Trust and the materiality of the funds governed by the Charity. The Committee confirmed the recommendation to consolidate the Charity accounts within the consolidated accounts of the Trust in 2013/14.
Waiver of The Trusts Standing Financial Instructions The Committee reviews all transactions that are required to waive the Standing Financial Instructions of the Trust.	The Committee reviewed and approved all instances where the Standing Financial Instructions of the Trust were required to be waived for situations relating to the awards of sole suppliers status tenders and orders.
Approval of Bad Debt Write offs The Committee reviews all transactions that are required to write off amounts outstanding against the collection of debts.	The Committee reviewed and approved the write off of outstanding amounts relating to patient treatments, in particular to Overseas patients when they were content the Trust management had undertaken all the steps necessary to recover these outstanding amounts or to the point that the expenditure of further amounts would be disproportionate to the amounts recoverable.

Annual Report of Audit Committee

In line with the recommendations within Monitor's published Audit Code; all Foundation Trusts are required to present an Annual Report on the activities undertaken during the year, drawing particular attention to the nature of the reports received from both Internal and External Auditors. This report is provided independently from the Trust's Annual Report. In addition, this report is presented to the Council of Governors.

Membership

Mr John Brebner	Committee Chair and Non-Executive Director
Prof Stephen Bailey	Non-Executive Director, Vice Chair of Committee from May 2013
Mr Walter Dodd	Non-Executive Director (up until 30 April 2013)
Sir Stephen Moss	Non-Executive Director (from May 2013)
Mr Chris Hole	Non-Executive Director and Vice Chair of Committee, up until May 2013

Meetings are also attended by representatives from the Trust's Finance Department, led by the Mr Lee Outhwaite, Director of Finance and Performance, the Trust's External and Internal Auditors, and the Director of Corporate Affairs.

Attendance at meetings of the Audit Committee

	No. of Meetings 2013/14	No. of Attendances 2013/14
Mr John Brebner	4	4
Prof Stephen Bailey	4	4
Sir Stephen Moss	4	3
Mr Walter Dodd	-	-
Mr Chris Hole	-	-

The Trusts Auditors

The Trust's external auditors for the 12 months ended 31 March 2014 were PricewaterhouseCoopers (PwC).

PwC's audit fee for 2013/14 was £60,576, excluding VAT. This includes £10,650 for the audit work in relation to the Quality Report. There will be a fee of £4,000 for the audit of the Charitable Funds Accounts.

The Trust's Internal Auditors are 360 Assurance (formerly East Midlands Internal Audit Services).

Appointment Process for the Trust's External Auditors

The appointment of the Trust's External Auditors is a matter that requires the approval of the Council of Governors.

The Council of Governors, appointed PwC as the Trust's external auditors for an initial period of 3 years from 1 April 2011 with the option to extend for a further 2 years, subject to satisfactory performance.

In line with the agreed process, the External Audit Appointments/Liaison Committee, the Chair of the Trust's Audit Committee and the Director of Finance and Performance met with representatives of PwC in January 2014 to review contract performance.

The Committee agreed PwC had been able to demonstrate satisfactory performance over the last three years and recommend to the Council of Governors that the External Audit Contract with PwC be extended for a further two years from 1 April 2014. This extension was approved by the Council of Governors.

Provision of non-audit services by the External Auditor

During the 2013/14 financial year, the Trust's regulator, Monitor, requested that the Trust seek an independent review of its forecast position for 2013/14 and its finance function. PwC were appointed to undertake this work.

PwC also undertook non-audit work for a critical review of the Trust's 2014/15 forecast financial information; review of cost improvement plans and an operational performance benchmarking exercise.

PwC were paid £152,379 excluding VAT for the above non-audit work.

Prior to accepting the non-audit work, the External Auditor, considered the impact of undertaking this non-audit work on the Auditor's independence, and considered the safeguards required to mitigate any risk to the auditor's independence. The safeguards put in place included a clear separation between the audit team, and the advisory team undertaking the non-audit work. The advisory team did not perform work on behalf of the Trust that was used as audit evidence and did not perform the role of management in undertaking the work. The advisory team did not negotiate or make representations on behalf of the Trust. The views on Trust's transformation plans were those of the advisory team, and no reliance was placed by the audit team on the views of the advisory team. The audit team formed independent conclusions on the Trust's plans.

Relationship between the External Auditors and the Council of Governors

Each year the External Auditors are required to present their Audit Letter for the year ending 31 March to the Trust Board and subsequently the Council of Governors at which time the Governors have the opportunity to ask the auditors questions relating to their investigations. The relationship with the Governors has been based on the professional service they provide, and the opportunity for the Governors whether collectively or individually to ask questions on points of clarification.

A sub-committee of the Council of Governors has a series of update meetings scheduled with PwC throughout the financial year.

Charitable Funds Committee

The purpose of the Committee includes promoting the effective use of Charitable Funds, providing a resource to support individual Fund Managers in the proper discharge of their responsibilities, promoting the benefits of charitable funds to the Trust and general public and producing and keeping under review a Charitable Funds Strategy and Fundraising Strategy.

Board Membership

Prof Stephen Bailey	Non-Executive Director and Committee Chair
Mrs Patricia Coleman	Non-Executive Director (from May 2013)
Mr Walter Dodd	Non-Executive Director (until 30 April 2013)
Mr Lee Outhwaite	Director of Finance and Performance

The other Committee members include representatives from the Council of Governors, Derby Hospitals Charity, Clinical and Corporate Divisions and Staffside.

Record of Attendances during the year

	No. of Meetings 2013/14	No. of Attendances 2013/14
Prof Stephen Bailey	4	4
Mrs Patricia Coleman	3	2
Mr Walter Dodd (up to 30 April 2013)	1	1
Mr Lee Outhwaite	4	3

Quality Committee

The purpose of the Quality Committee is to review the quality of standards of those services provided by the Trust. The Committee does this by monitoring outcomes and risks related to quality and safety. It considers feedback from patients and independent reports, and ensuring that action is taken through individual strategies and plans in response to adverse feedback. In addition, the Committee oversees the development and implementation of the Trust's Quality Strategy.

The Committee meets monthly and for the majority of 2013/14 alternated meetings between Patient Experience and Patient Safety and Clinical Effectiveness. They now hold combined meetings.

Membership

Sir Stephen Moss	Non-Executive Director and Committee Chair
Mrs Patricia Coleman	Non-Executive Director and Committee Vice Chair
Mr Chris Hole	Non-Executive Director (was Committee Chair until February 2014)
Miss Alison Fowle	Medical Director (up until February 2014)
Mrs Susan James	Chief Executive
Mrs Dianne Prescott	Director of Strategy and Partnerships (until September 2013)
Mrs Karen Martin	Director of Workforce Management

Ms Helen Scott-South	Chief Operating Officer
Dr Nigel Sturrock	Medical Director (from 1 March 2014)
Ms Cathy Winfield	Director of Nursing & Patient Experience & Chief Nurse

The other Committee members include the Deputy Chief Nurse, the Assistant Director of Risk and Governance, the Associate Director of Patient Experience, the General Manager to the Medical Director and the Director of Corporate Affairs.

Record of Attendances during the year

	No of Meetings 2013/14	No of Attendances 2013/14
Mrs Patricia Coleman	11	10
Mr Chris Hole	11	8
Sir Stephen Moss	11	8
Miss Alison Fowlie (until February 2014)	10	9
Mrs Susan James	11	4
Mrs Karen Martin	11	11
Mrs Dianne Prescott (up until 30 Sept 2013)	6	3
Dr Nigel Sturrock*	2	2
Ms Helen Scott-South	11	7
Ms Cathy Winfield	11	8

*Attended in a designate capacity from January 2014

The whole issue of quality of services is fundamental to the work of the Trust. Information on quality measures and improvement is set out in the Quality Report at Part 7 of this Report.

Finance and Investment Committee

The purpose of the Committee is to provide support and assurance to the Trust Board that key financial issues are properly scrutinised and that robust measures exist to review financial performance and to give oversight to the development of appropriate financial strategy.

Membership

Mr Sandeep Sharma	Non-Executive Director and Committee Chair
Prof Stephen Bailey	Non-Executive Director and Committee Vice Chair
Mr Chris Hole	Non-Executive Director
Mr Lee Outhwaite	Director of Finance and Performance
Ms Helen Scott-South	Chief Operating Officer
Mrs Dianne Prescott	Director of Strategy & Partnerships (until 30 Sept 2013)
Mrs Karen Martin	Director of Workforce Management

Record of Attendances during the year

	No. of Meetings 2013/14	No. of Attendances 2013/14
Mr Sandeep Sharma	9	7
Prof Stephen Bailey	9	9
Mr Chris Hole	9	8
Mr Lee Outhwaite	9	9
Ms Helen Scott-South	9	8
Mrs Dianne Prescott	4	4
Mrs Karen Martin	9	6

Terms of Reference - All Trust Board Sub-Committees

The Trust Board regularly approves the Terms of Reference of all Sub-Committees.

Contact with Directors

Any member of the Foundation Trust wishing to make contact with the Trust Board Directors should contact the Corporate Affairs Department on 01332 786260 and arrangements will be made for the appropriate Director to make contact.

PART 4 –COUNCIL OF GOVERNORS

Structure and Members

There was one change in the structure of the Council of Governors during the year. In September 2013 there was a reduction in the number of Governors appointed by the Clinical Commissioning Groups from 2 to 1.

The Council therefore comprises a total of 31 Governors, 18 of whom are elected to represent public constituencies, 7 who are elected as Staff Governors, and 6 Appointed Governors.

The members of the Council of Governors who served during the year are as follows:

<u>Public Governors</u>		
Derby City	9	Mr Alan Bate Mr Michael Flude (from October 2013 - next highest polling candidate) Mrs Gail Goodman Miss Anne Johnson Mr Vincent Kenny (served for 1 year as highest polling candidate from July 2012 and then re-elected from 1 July 2013) Mrs Wendy Locke (resigned October 2013) Miss Nishi Madan Miss Beverley Martin Mrs Rita Merrison (up to 30 June 2013) Dr Peter Roberts (from 1 July 2013) Mrs Shirley O'Sullivan (from 1 July 2013)
Amber Valley	4	Mr Roland Fitzgerald Mr Paul Gibbons Mr Andrew Loades Ms Jenny Ireland
Erewash	2	Mr Nigel Horridge Vacancy for 2013/14
Derbyshire Dales & Southern Derbyshire	2	Cllr Garry Purdy (from July 2013 - next highest polling candidate) Mrs Glennis Marsden (resigned May 2013) Mr Cedric Stevenson (resigned June 2013) One vacancy for remainder of 2013/14
Rest of Midlands (including former East Staffs & NW Leicestershire)	1	Mr Mark Crossley (from 1 July 2013)
<u>Staff Governors</u>	7	Miss Catherine Allton (resigned March 2014) Mr Kris Armoogum (from February 2014 next highest polling candidate)

		Mrs Alison Booth (from 1 July 2013)
		Mrs Loraine Evans (resigned February 2014)
		Mr Nigel Haywood (from 1 July 2013)
		Mrs Grace Pearn (from 1 July 2013)
		Mrs Sheena Hill
		Dr Gerry Van Schalkwyk (resigned June 2013)
		Mr Rohan Rajan (up to 30 June 2013)
		Mr Nick Seed
		Vacancy from March 2014
Appointed Governors	6	Dr Bill Whitehead - from 1 July 2013 – replaced Professor Guy Daly (University of Derby)
		Dr Margaret Phillips (University of Nottingham)
		Ms Kate Brown (Southern Derbys CCG)
		Cllr Mark Tittley - from 1 July 2013 – replaced Cllr Eric Ashburner (Derby City Council)
		Cllr Clare Neill – from 1 July 2013 – replaced Cllr Julie Patten (Derbyshire County Council)
		Mrs L Barker (Community Action Derby)
Total No of Seats	31	

Meetings of the Council of Governors including Attendances

Under the Trust's Constitution the Council of Governors is required to meet a minimum of three times a year. The Trust has found it necessary, particularly with the agenda of items considered by the Council, that the Council should meet bi-monthly. The attendance record is as follows:

Governor	No. of Meetings 2013/14	No. of Attendances 2013/14
Miss Catherine Allton ##	5	2
Mr Kris Armoogum ###	1	1
Cllr Eric Ashburner *	1	0
Mrs Lisa Barker	6	6
Mr Allan Bate	6	6
Mrs Alison Booth **	5	4
Ms Kate Brown	6	4
Mr Mark Crossley **	5	5
Prof Guy Daly *	1	1
Mrs Loraine Evans ###	4	3
Mr Roland Fitzgerald	6	5
Mr Michael Flude***	3	3
Mr Paul Gibbons	6	6
Mrs Gail Goodman	6	3
Mr Nigel Haywood **	5	3
Mrs Sheena Hill	6	5
Mr Nigel Horridge	6	3
Ms Jenny Ireland	6	5
Miss Anne Johnson	6	5
Mr Vincent Kenny	6	6
Mr Andrew Loades	6	5
Mrs Wendy Locke ***	3	2
Miss Nishi Madan	6	4
Miss Beverley Martin	6	6
Mrs Glennis Marsden #	1	1
Mrs Rita Merrison*	1	1

Cllr Clare Neill **	5	2
Mrs Shirley O'Sullivan **	5	5
Cllr Julie Patten *	1	0
Mrs Grace Pearn **	5	5
Dr Margaret Phillips	6	5
Cllr Garry Purdy **	5	5
Dr Peter Roberts **	5	5
Prof Rohan Rajan*	1	1
Mr Nick Seed	6	6
Mr Cedric Stevenson #	1	1
Cllr Mark Tittley **	5	4
Dr Gerry Van Schalkwyk*	1	0
Dr Bill Whitehead **	5	4

Key:

* up until 30 June 2013

** from 1 July 2013

*** up to/from October 2013

resigned May/June 2013

Resigned March 2014

From/ to February 2014

The Chairman and Chief Executive attend all meetings. Other Executive Directors attend on rotation. Non-Executive Directors are invited to all meetings which allows them to understand the views of the Governors.

Functions and Purpose of the Council of Governors

The statutory general duties of the council of governors are to:

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

Other powers include the appointment (or removal) and deciding the remuneration of the Chairman and other Non-Executive Directors, appointment of the external auditors, receiving the Annual Report and Accounts, being involved in the Annual Plan submission to the Regulator, approval of increases in Private Patient income and approving changes to the Constitution. Other roles and responsibilities and Standing Orders for Council of Governors meetings are set out in the Trust's Constitution. Decisions reserved to the Council of Governors are set out in Part 1 of the Trust's Scheme of Delegation. The Council of Governors is unable to veto or over-rule decisions made by the Board of Directors or be involved in the day to day running of the Trust, setting budgets, staff pay or other operational matters.

Governors Training and Development

Trusts must equip governors with the skills and knowledge they need to carry out the role. In 2013/14 the Governor Development Programme covering Induction and Training was formalised.

The Trust will continue to work with and support Governors in carrying out their role.

Council of Governors Register of Interests

A Register of Interests relating to the Council of Governors is regularly updated and maintained, and is available for inspection in the Corporate Affairs Office, Trust Headquarters, Level 5, Royal Derby Hospital, Uttoxeter Road, Derby DE22 3NE and on the Trust's web-site.

Council of Governors' Developments

During the course of the year, the Council of Governors continued its involvement with various working groups within the Trust, and has participated in discussions involving the Trust's Strategic Direction, the Annual Plan and the review of the Trust's Risk and Quality Assurance arrangements.

The Governors also hold informal workshop meetings bi-monthly which allows them to develop issues for discussion at the Council meeting.

The Chairman invites Governors to 1-2-1 sessions, giving an additional opportunity to exchange views. Both Governors and Non-Executive Directors have written articles for the members' magazine to raise awareness of their roles amongst the members.

The Council of Governors' Appointments and Remuneration Committee

The purpose of this Committee of the Council of Governors is to consider the appointment of and the salaries payable to the Trust Chair and the Non-Executive Directors of the Trust Board. In addition the Committee is responsible for setting the objectives for the Trust Chairman, taking into consideration the views of the Board, particularly the Chief Executive and the Non-Executives through the Senior Independent Director.

During the course of the year the Committee was involved with the appointment of Non-Executive Directors, setting and monitoring the objectives for the Trust Chairman, reviewing the Chairman's and Non-Executive Directors' salaries and receiving an update from the Chairman on Non-Executive Director appraisals. Details on membership and attendance are listed in the Remuneration Report in Part 8.

In 2013/14, the Committee recommended the following appointments/re-appointments:

- Reappointment of Mr Chris Hole

The above appointments were approved by the Council of Governors and Saxton Bampfylde, Executive Recruitment Consultants were contracted to support the recruitment of these posts.

Process for the Appointment of the Chair and Non-Executives

The Trust has in place arrangements covering the process for the appointment of the Chairman and Non-Executive Directors. These arrangements are defined in the Trust's Constitution and cover the following responsibilities:-:

- The Board of Directors will identify the balance of individual skills, experience and knowledge it requires at the time a vacancy arises for the Non-Executive Directors (including the Chair). They will draw up a job description and person specification for each new appointment.
- Under the Trust's Constitution, the Governors can re-appoint the Chair or Non-Executives for a second term of office without the need for open competition. When open competition is applicable, appropriate candidates will be identified by a Nominations Committee through a process of open competition, which will present a shortlist of potential candidates for consideration by the Appointments and Remuneration Committee appointed by the Council of Governors.
- The Nominations Committee will comprise the Chair (or Vice-Chair, unless they are standing for appointment, in which case another Non-Executive Director when a Chair is being appointed) and two Governors from the Appointments and Remuneration Committee (one staff, one public). The Chief Executive shall be entitled to attend and speak at the meetings of the Nominations Committee and the Committee shall take into account the Chief Executive's views.

- The Council of Governors' Appointments and Remuneration Committee will have responsibility for handling all further aspects of the recruitment process. When interviewing, the Appointments and Remuneration Committee will include the Chief Executive, the Chair, or the Vice Chair, if the Chair cannot attend the meeting or is standing for appointment, unless the Vice Chair is standing for appointment, in which case another Non-Executive Director. An external assessor can attend to provide advice only.
- The Appointments and Remuneration Committee will select a short list of candidates and will make recommendations to the Council of Governors who shall appoint the Non-Executive Directors. The Council of Governors shall not appoint any candidate not shortlisted or recommended by the Appointments and Remuneration Committee.
- Any re-appointment of a Non-Executive Director shall be subject to a satisfactory appraisal carried out in accordance with procedures which the Council of Governors have approved.

The Council of Governors' Membership Group

The Membership Group is primarily concerned with membership activities and membership communication and development. Although the Group did not formally meet during 2012/13 the Membership Office continued to invite Governors to participate in recruitment and engagement activities throughout 2013/14.

Having reached the target of 10,000 public members recruitment continues on a replenishment basis.

The Council of Governors Core Regulations Working Group

This Group provides assurance to the Council of Governors for the submission of official commentary to the Care Quality Commission and also in the monitoring of an agreed performance indicator for inclusion in the Trust's Quality Report, both of which are mandatory requirements on the part of Governors. The Group carries out detailed audits of clinical areas and monitors any actions arising out of the audits.

Membership

Miss Beverley Martin	- Derby City
Mr Nick Seed	- Staff (Chair)
Mrs Sheena Hill	- Staff
Mrs Jenny Ireland	- Amber Valley
Miss Nishi Madan	- Derby City
Cllr Garry Purdy	- Dales and South Derbyshire (from July 2013)
Cllr Julie Patten	- Appointed (up to June 2013)
Miss Anne Johnson	- Derby City
Mr Nigel Haywood	- Staff (from July 2013)
Dr Gerry Van Schalkwyk	- Staff (up to June 2013)
Mr Rita Merrison	- Former Derby City Governor and Public Member (co-opted)

Elections to the Council of Governors

Elections take place on an annual basis and newly or re-elected Council representatives take up their appointments with effect from 1 July. The standard term of office is three years. The maximum term of office is three times three year consecutive terms.

As part of the election process, members are required to nominate themselves, and where the number of prospective nominees exceeds the number of seats available on the Council, a ballot is held of the members within each constituency as appropriate. Governors are required to provide

sufficient biographical details on the ballot forms, to enable the membership to decide who should receive their vote.

Governors' expenses 2013/14

The following table represents the amounts paid to all Governors that have submitted a claim form in relation to mileage and reimbursements for travel expenses.

Name of Governor	2013/14 £	2012/13 £
Mr Allan Bate	71.60	100.20
Mr Peter Edwards	-	21.76
Mr Roland Fitzgerald	357.75	223.87
Mr Paul Gibbons	5.80	24.10
Mrs Boz Glover	-	10.49
Miss Jenny Ireland	372.03	307.68
Mr Vince Kenny	401.15	200.07
Mr Andrew Loades	659.12	255.92
Mrs Glennis Marsden	-	176.99
Miss Beverley Martin	1129.51	771.40
Mrs Rita Merrison	35.85	96.78
Mr Don Naish	-	123.21
Mr Cedric Stevenson	87.45	122.43
Mr Mark Crossley	700.03	-
Mrs Shirley O'Sullivan	89.53	-
Mr Garry Purdy	627.12	-
TOTAL	4,536.94	2,434.90

Please note: expenses also include re-imbusement of rail tickets, taxi fares and meals.

Nominated Lead Governor

Under existing Monitor guidance, all Foundation Trusts are required to provide details of a Nominated Lead Governor.

Miss Beverley Martin was elected by the Council of Governors to be the Lead Governor in July 2012 for the remainder of her current term of office (to the 30 June 2015).

The role of the Nominated Lead Governor is defined by Monitor in Appendix B to the NHS Foundation Trust Code of Governance (published December 2013).

PART 5 –TRUST MEMBERSHIP

The Trust membership is defined into two categories, Staff membership and Public membership.

Staff Membership

In the case of Staff membership, all staff (on a permanent contract or a contract of over 12 months) are automatically made members of the Foundation Trust, unless they decide to opt out. The number of staff opting-out of membership has been very small. At the end of March 2014, there were 8,045 staff members.

Public Membership

The boundaries for Public Membership were extended in March 2014. It now covers the local population of Southern Derbyshire and also the balance of the electoral areas in the East and West Midlands. The minimum age for membership is 16 and they must live within the defined areas as listed in the Trust's Constitution.

Public Membership Constituencies

Public membership has increased slightly from 10,329 at the beginning of April 2013 to 10,360 by the 31 March 2014. The agreed target for public membership remains at 10,000.

The overall Membership position at the 31 March 2014, by constituency is as follows:

Public Constituency	2013/14
At year start (April 1)	10,329
New members	784
Members Leaving	753
At year end (March 31)	10,360

Staff Constituency	
At year start (April 1)	7,812
New Members	759
Members leaving	526
At year end (March 31)	8,045

Combined Public and Staff Constituencies	18,405
---	---------------

Constituency	1 April 2013	31 March 2014
Amber Valley	1,601	1,610
Dales and South Derbyshire	1,400	1,411
Derby City	5,808	5,758
East Staffordshire and North West Leicestershire*	568	643
Erewash	952	938
Staff	7,812	8,045
TOTAL	18,141	18,405

* Extended to Rest of Midlands – March 2014

Public Membership Analysis

Public Constituencies	Total Membership
Age Group	
0-16	6
17-21	155
22+	9,863
Unknown	336
Total	10,360
Ethnicity:	
White	8,165
Mixed	49
Asian or Asian British	584
Black or Black British	194
Other	35
Unknown/ not disclosed	1,333
Total	10,360
Gender	
Male	3,430
Female	6,879
Unknown/ not disclosed	51
Total	10,360

Membership Development

The Council of Governors approved the revised Membership Strategy (2012 – 2015) in September 2011. Having reached the target of 10,000 public members' recruitment continues on a steady replenishment basis with all governors encouraged to participate in recruitment and engagement activities. A number of steps have also been taken to ensure a representative membership, including attending diverse events and targeted recruitment and engagement.

The Trust has taken the opportunity to attend various local events during 2013/14 to raise its profile and membership.

We have worked with the Derbyshire Healthcare Foundation Trust and the East Midlands Ambulance Service on a number of joint events, with a view to encouraging membership and engagement with all three Trusts.

Constituency Meetings

Based on low turn-out rates, the Membership Group decided to move away from the traditional constituency meetings and instead focused on working with partners by attending a number of Forums throughout the Trust's catchment area.

Members' Events

The popular 'Health Information Talks' series continues to attract the public and existing members. The Trust is continuing to use this method of engaging and receiving feedback from the membership on a wide range of issues. After each presentation the Governors are available should any member wish to have an informal discussion about any concerns or issues affecting them. Another reason to hold these presentations is so members can hear about new advances in healthcare or find out what happens behind the scenes in a particular department.

The Annual Members' Meeting held each September is well attended by over 250 members and is a valuable opportunity for the Board, and the Governors to understand the views and concerns of the members. The Membership Office continues to work with the Communications Office and the Engagement Office on opportunities to involve members.

Contact with Council of Governors Representatives

Any member of the Foundation Trust wishing to make contact with their Governor representative should contact the Trust's Membership Office by email dhft.membership@nhs.net or call 01332 786896 and arrangements will be made for the Governor to make contact.

PART 6 – COMPLIANCE AND PUBLIC INTEREST DISCLOSURES

Sustainability/Climate Change

The Climate Change Act 2008 legally obliges NHS organisations to take action to reduce carbon dioxide equivalent emissions by 80% by 2050. The NHS has an interim target of a 10% reduction by 2015 from a 2007 base line. According to the respected medical journal “The Lancet”, climate change is “the biggest global health threat of the 21st century”. Our business is health and we have a moral duty to act on health threats and to manage future demand on the health service.

Derby Hospitals NHS Foundation Trust can play a significant part in helping the NHS to achieve its objectives by becoming the flagship Trust in innovative, practical and financially viable environmental solutions, embedding in its culture the dynamic and enthusiastic desire to change the way we do business, to ensure a fully sustainable organisation is created. The Trust Board therefore approved in 2012 its Sustainability Management Structure.

This comprises of a Sustainability Strategy with a nominated a Non-Executive Director to oversee the sustainability agenda within the Trust, and a Sustainability Development Management Plan together with a detailed Action Plan setting out our ambitions and how we plan to deliver reductions in CO2 emissions from building energy use and official travel and by our supply chain.

Derby Hospitals NHS Foundation Trust recognises the importance of its Corporate Social Responsibility within its operation, and strives to integrate fully social, economic and environmental concerns into all levels of its business. This is reflected in the way we engage and interact with our stakeholders; our employees; our patients; PFI partners; our contractors; the general public and the wider communities in which we operate.

The Trust considers that its Corporate Social Responsibility is integral to the effective delivery of healthcare excellence.

NHS England, Public Health England and the Local Government Association among many others, jointly launched A New Sustainable Development Strategy in January 2014.

The New Sustainable Development Strategy for the Health, Public Health and Social Care System 2014 - 2020 is titled

"Sustainable, Resilient, Healthy People and Places – A Sustainable Development Strategy for the NHS, Public Health and Social Care system"

The new strategy aims to reduce carbon emissions, and protecting natural resources, preparing communities for extreme weather events and promoting healthy lifestyles and environments are key to the concept.

The aim is also to reduce the negative impact on the environment by managing energy use and reducing waste by switching to other sources of energy, improving recycling facilities and using fewer disposable items.

Organisations are being encouraged to develop a local strategy, measure their success with regular reporting, and evaluate their progress as well as joining up with local Health and Well-Being Boards.

Derby Hospitals NHS Foundation Trust is committed to engaging with and implementing the above Strategy.

The Trust also recognises the importance of working with key partners in the delivery of effective carbon reduction, such as, other NHS Trusts, the NHS Sustainable Development Unit, Department of Health, Derby City Council, the University of Derby, University of Nottingham, local schools, and Clinical Commissioning Groups.

Our Sustainable Development Management Plan highlights key areas of focus including responsibility and accountability, environmental legislation, energy management, procurement, travel and transport, water and waste management. The Sustainability action plan sets out a range of actions necessary to take the Trust to a higher level, as part of our ambitious target to reduce carbon emissions.

Key actions include:

- The setting of a new carbon reduction target.
- The establishment of a Carbon Management Sustainability Group and supporting group Energy, Transport and Procurement.
- A comprehensive communications strategy.
- Enhanced management of data about emissions and waste.
- Producing an annual Carbon Footprint
- A review of the outstanding measures, success and barriers to progress in our carbon management programme, followed by implementation where appropriate.

Table 1: Carbon and Energy Reduction Targets

Target	% Reduction	Timescale	Current Trust Status
NHS. Carbon Reduction Strategy (long term)	34% reduction in emissions from a 1990 baseline	30 years by 2020	Currently carrying out retrospective analysis back to 1990 baseline
NHS Carbon Reduction Strategy (short term)	10% reduction in overall carbon emissions (energy water waste transport & procurement)	By 2015 from 2006/07 baseline	Year 2011/12 achieved 4% reduction compared to year 2010/11 (The 3rd Trust Carbon Footprint completed for 2011/12)
Trust Carbon Management Programme	20% reduction in energy Kilowatt hrs from a 2008/09 baseline	5 years 2013/14 from a 2008/9 baseline	Year 2013/14 (5 year) achieved a 24% reduction (4% greater than target due to a very mild winter and other actions arising from our close monthly monitoring)
New Trust Target For 2014/15	25% reduction in energy Kilowatt hrs from a 2008/09 base line	1 year	In progress

Timescales

The Trust recognises that to achieve these targets, or subsequent targets, will require a prolonged and concerted effort focusing on a range opportunities of investment to save and practical opportunities. Specific measures the Trust has implemented to reduce its emissions and manage its sustainability impacts include:

- The Trust approved in 2012 its Sustainability Management Structure. A Sustainability Strategy and a Sustainability Development Management Plan together with a detailed Action Plan and nominated a Non-Executive Director to oversee the sustainability agenda within the Trust.
- An energy awareness campaign among staff, using the enthusiasm and dedication of the Environmental Champions, which included the distribution of 4,000 energy awareness booklets to staff and visitors and the annual Energy Awareness month in November
- Monthly performance monitoring and trend analysis of energy and water consumptions and Waste management
- Annual whole Trust Carbon Foot Print now carried out by a Trust team
- Moves to introduce e-rostering and paperless outpatients services
- Inclusion of sustainability options in the development of major projects
- An award winning transport strategy promoting, among other measures, car-sharing and walk and bike to work schemes, home working and flexible working where appropriate.

OUTCOME REPORTS 2013/2014

These are based on the new reporting framework requirements and is aligned with the “Greening Government Commitment Guidance” The framework requires reporting under 3 different headings called “SCOPES”

The Three Scopes of emissions are:-

Scope 1 Energy Direct

1. Fuels Combustion from gas boilers
2. Owned Transport
3. Fugitive Emissions from air conditioning, refrigeration and medical gases

Scope 2 :- Energy Indirect

- Purchased Electricity

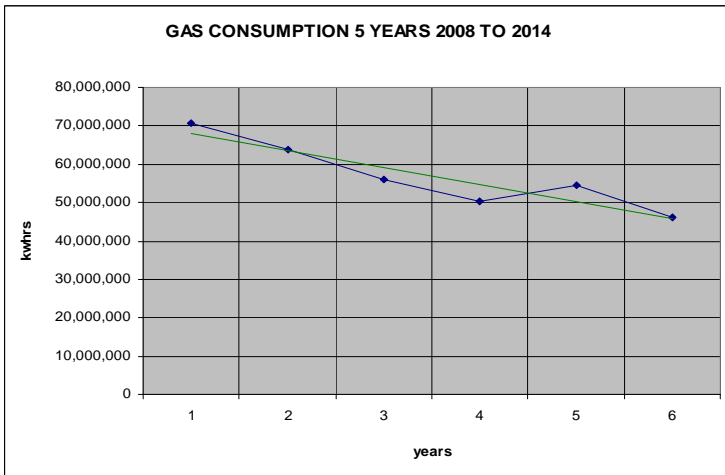
Scope 3:- Other indirect

1. Business Travel Via transport not owned by the Trust
2. Waste

SCOPE REPORTS

Scope 1 (Energy Direct)

Fuels Combustion Gas

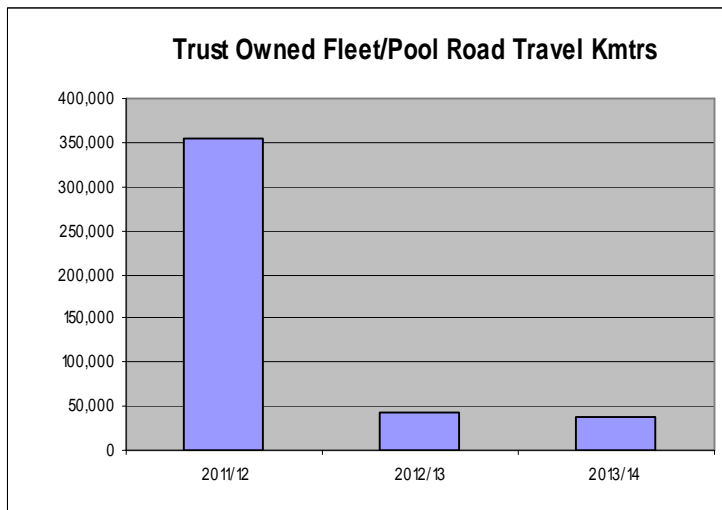


Commentary

GAS

Reduction in gas consumption 2013/14 compared to 2008/09/ - **34%**
 Closer monitoring & control plus remodelling of operational parameters

Trust owned transport

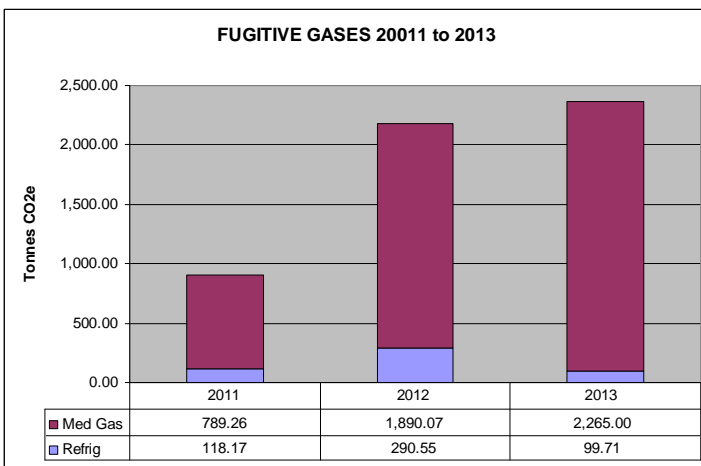


Commentary

Trust owned transport

Reduction in mileage 2013/14 has been sustained since the removal of "yellow" bus facility in 2012/13

3 - Fugitive gases

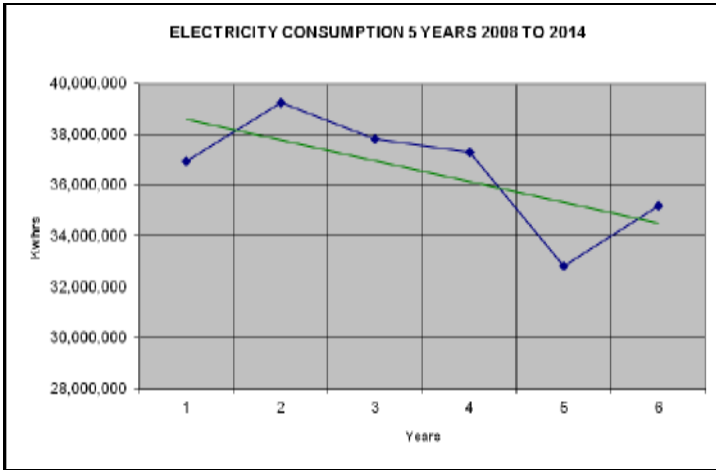


Commentary

Fugitive Gases

Medical gases (Nitrous Oxide) the increase in the use of nitrous oxide is in line with increased Trust activity

Scope 2 :- Energy Indirect



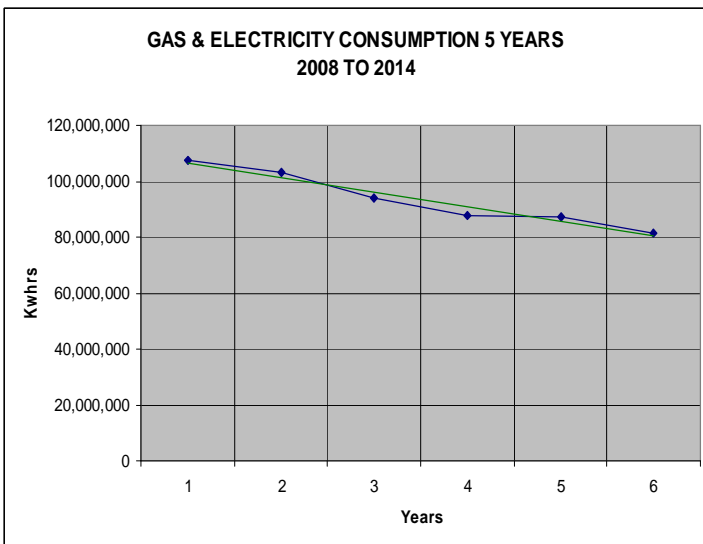
Commentary

Purchased Electricity

Reduction in electricity 2013/14 compared to 2008/09 - **5%**

Achieved by closer monitoring & control plus remodelling of operational parameters

Trust 5 Year Performance Outcome Gas & Electricity

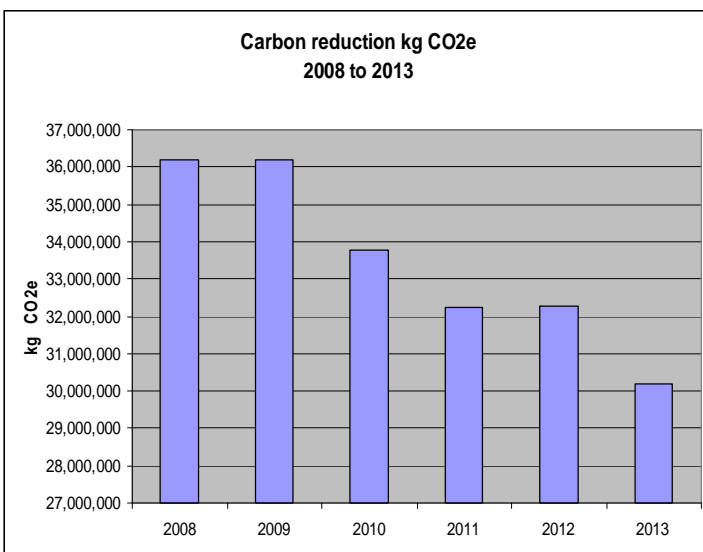


Commentary (Outcome)

Gas & Electricity Kilowatt hrs

YEAR 5 2013/14 REDUCTION TARGET 20% OUTCOME 24% reduction

The Trust 5 year performance target included Gas & Electricity (Scope1&2) Trust reduction target 20% from base year of 2008/09 includes fuel used for Gas Boilers (heating, hot water and sterilisation processes) and purchased electricity

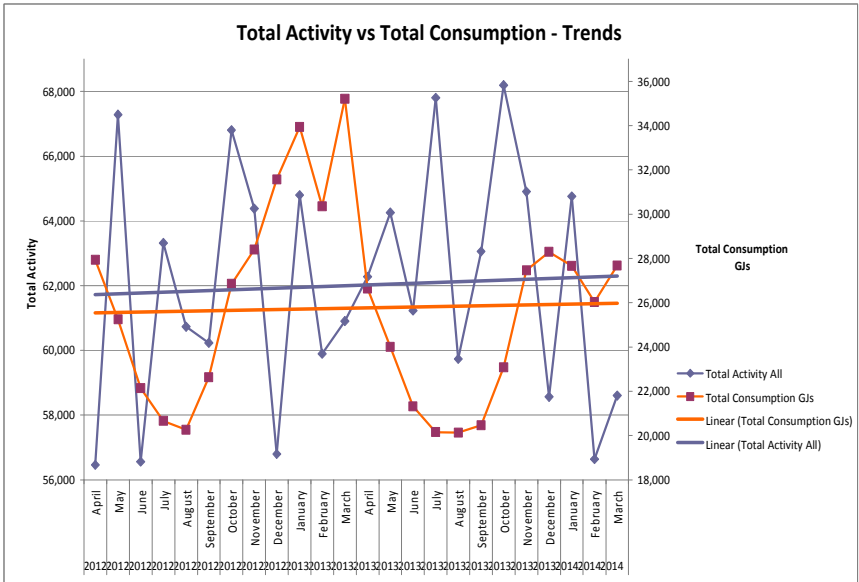


Commentary (Outcome)

Gas & Electricity kilograms of CO2e

YEAR 5 2013/14 OUTCOME 17% reduction

CO2e, or carbon dioxide equivalent, is a standard unit for measuring carbon footprints. The idea is to express the impact of each different greenhouse gas in terms of the amount of CO2 that would create the same amount of warming. That way, a carbon footprint consisting of lots of different greenhouse gases can be expressed as a single number.



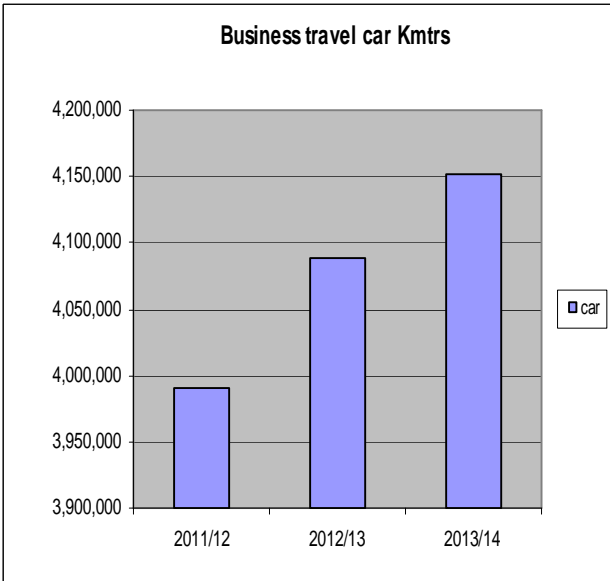
Commentary

**TRUST TREND ACTIVITY
RELATIVE TO ENERGY
CONSUMPTION
(ELECTRICITY & GAS)
2013 / 2014**

Energy consumption is relatively in line with Trust activity, but as can be seen from the previous graphs we are continuing to deliver year on year savings

Scope 3 (Other indirect)

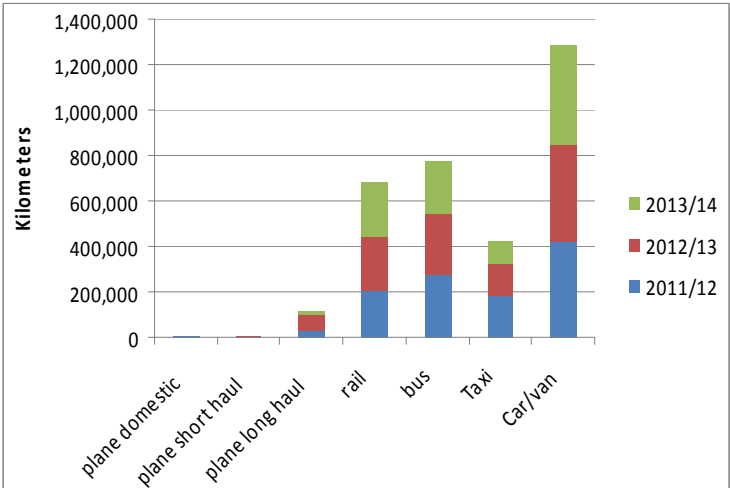
**Business travel
Car**



**Commentary
business travel car**

Business travel in cars has marginally increased over the previous year. This is travel by staff in their own cars to meetings, training conferences etc.

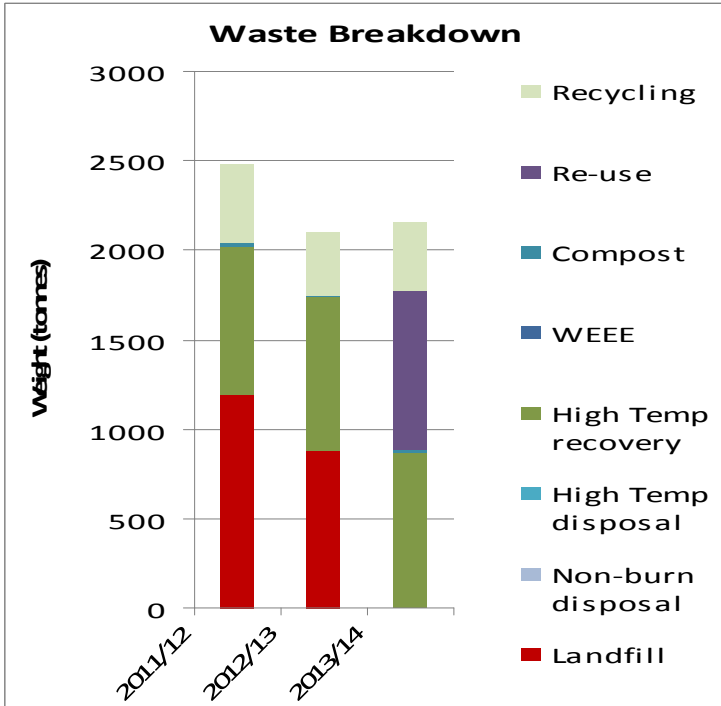
**Business travel
Other**



**Commentary
business travel other**

Non owned transport includes all our contracted transport services & lease vehicles. This has steadily reduced over the past 3 years. Stricter guidelines on booking of taxis & couriers by using the most efficient routes have contributed to this reduction.

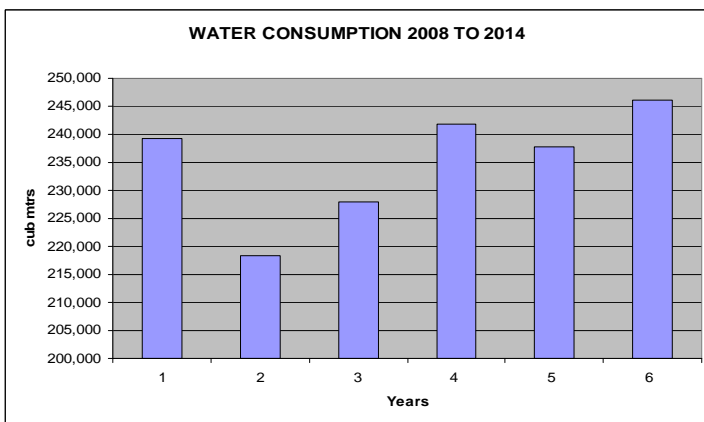
Waste



Commentary

Waste usage has increased 3% in line with activity however no waste goes to landfill and 40% of waste now goes for heat recovery at other sites.

Water



Commentary

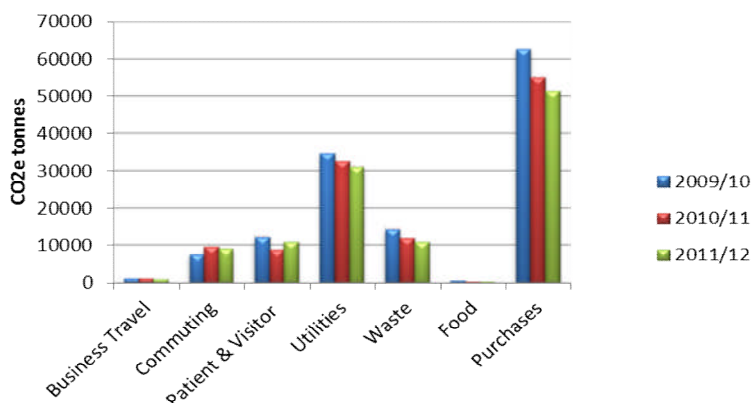
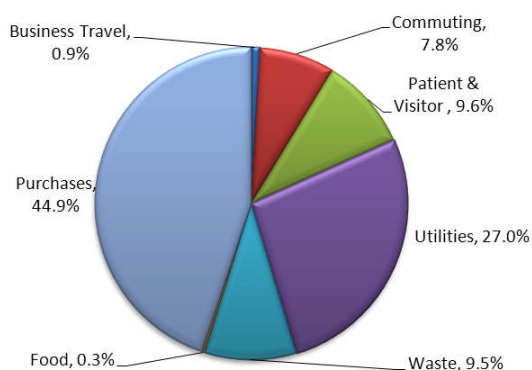
Water

Water consumption has increased 3% from the base year 2008/09 this increase has occurred this last year and is still being evaluated

Carbon Footprint

The carbon footprint analyses of Derby Hospitals Foundation Trust for 2009/10, 2010/11 and 2011/12 include a wide range of the hospitals operational activities with only a few exclusions due to a lack of data. All the data gathered for this footprint is more accurate than previous and fewer assumptions were used. Both footprint analyses include electricity, gas, and water, business travel, staff commuting, patient and visitor travel, capital purchases, consumables, food and waste. The latest calculated footprint of 114,343 tonnes CO₂e for 2011/12 is broken down as follows:

DHFT Total Carbon Footprint 2011/12 (Tonnes CO2e%) of main elements included in the footprint



The Carbon footprint for Derby hospitals in 2010/11 was 119,381 tonnes CO₂e compared to the 2011/12 footprint of 114,343 tonnes CO₂e. This equates to a carbon footprint reduction of 4% compared to 2010/11.

Carbon Reduction Commitment (CRC)

Due to the legislative requirements the Royal Derby Hospital (RDH) electricity and London Road Community Hospital (LRCH) gas and electricity consumptions are registered under this scheme. Phase 1 of the CRC Scheme has now closed and the Trust has registered under Phase 2 (April 2014 onwards). Initial estimates for 2013/14 emissions have been calculated at c. 21,100 tonnes CO₂e (2012/13: 21,838).

European Union Emissions Trading Scheme (EUETS)

The European Emissions Trading Scheme (EUETS) is a system for greenhouse gas emissions allowance trading. The Trust was required to participate in the scheme during Phase II (2008-2012). Continued participation in EUETS Phase III would have resulted in the application of stringent emission reduction targets, with significant financial implications. The Trust therefore elected to be monitored under the UK's "Small Emitter" and Hospitals Opt-Out Scheme from 2013 in lieu of EUETS Phase III. This scheme was introduced in recognition of the disproportionate administrative burden imposed by EUETS on small emitters.

The Opt-Out Scheme still requires the Trust to meet challenging emission reduction targets. The allowable level of emissions reduces incrementally each year through to 2020, culminating in a 22% (2.75% per year) reduction on the 2011 level of emissions by 2020. Failure to meet annual targets will result in a requirement to purchase allowances for the excess emissions. Verified emissions in 2013 were 7,500 tonnes CO₂e against a target of 6,355.

AWARDS 2013

Derby Hospitals has won the award for Large Employment Site of the Year and has achieved Gold Accreditation for sustainable travel at the Connected Business Awards, organised by "Connected" – Derby's brand for promoting sustainable transport in the city. The Trust was also highly commended in the Travel Initiative of the Year category – for offering employees who walk or cycle 12 free entries into the staff car park each year – Andrea Shaw the Trust's Sustainability Officer was highly commended as Travel Champion of the Year.

Future Trust Energy Reduction Target for 2014/2015

Further to the NHS targets shown in Table 1 the Trust has set a further target for energy reduction in Kwhrs terms for 2014/2015 of 5%

Capital Investment Carbon Reduction

The Department of Health has funded a ground source heating scheme for the London Road Community Hospital and is due to be commissioned July 2014.

This will allow the decommissioning of 30 year old existing steam boilers which have become very inefficient as a result of the significant load reduction after the DRI services were transferred to the City site (now Royal Derby)

The scheme will further improve the Trust Carbon Footprint

Equality, Diversity and Human Rights

To demonstrate our compliance with both the general and specific duties of the Equality Act 2010 (the Act), the Trust publishes a suite of information about its workforce, policies and services that may affect people with protected characteristics and this can be found on the Trust website via the following link: <http://www.derbyhospitals.nhs.uk/about/equality-diversity/equality-delivery-system/>.

The Trust publishes its annual Workforce Equality Assurance Report in October each year and a copy of our most recent report can be found on the Trust website using the following link: <http://www.derbyhospitals.nhs.uk/about/equality-diversity/>.

Our Approach

The Trust Board and the Council of Governors are fully committed to achieving a Personal Fair and Diverse approach in the way we treat and care for our patients as well as the ways, in which we manage, lead and communicate with our staff.

The Executive lead for Equality and Diversity is the Director for Workforce Management.

We have in place a meeting structure that enables us to identify Personal, Fair and Diverse examples of good practice as well as areas for improvement. The meeting structure includes the Personal Fair and Diverse Action Group, who are responsible for the operational review of our Equality Action Plans. Matters raised during these meetings are then escalated to the Equality and Inclusion Steering Group, chaired by the Director of Workforce Management.

We have in place an Equality, Diversity and Human Rights policy that sets out our commitment to promoting equality, valuing diversity and protecting human rights. The policy is consistent with our vision of an organisation that focuses on Personal, Fair and Diverse services that meet individual needs, a reality, we are determined to identify and eliminate any inequalities in everything we do and promote equality of access. We are firmly committed to ensuring that our workforce are treated fairly, with dignity and respect and encouraged to take a range of opportunities to enable them to develop to their full potential.

Our Success in 2013/14:

During the financial year we have continued to champion equality, diversity and human rights in four key areas, linked to the Equality Delivery System Goals:

1. Better Health Outcomes for All

In particular during 2013/14 we have:

- a. Ensured that our contracts with suppliers and other service providers adhere to the Equality Act 2010 and the principles of the EDS;
- b. Started to develop an integrated model of care for frail older people within Acute and Community Services and
- c. Reviewed our maternity workforce model to improve patient experience

2. Improved patient access and experience:

Significant work has taken place in the way we support patients to access our services and to improve their experience as a patient through:

- a. Worked successfully with a patient representative to review all hearing loop systems at department entrances and improved the experience of patients who use hearing loops systems when they come to the Trust;
- b. Involved a range of patients from diverse groups in the redesign of some of our services
- c. Reviewed the provision of Hand Alcohol dispensers to ensure they are at the right height for wheelchair users and
- d. Monthly place inspections are carried out with members of Healthwatch City to gather the perspective of services users in how they access our hospital estates

3. A representative and supported workforce:

This year we have completed a number of actions that enable us to ensure that our staff and our future workforce feel that they are valued and treated fairly, including:

- a. Developing a Mini Guide that supports staff and other applicants to apply for employment opportunities at Derby Hospitals
- b. Implementing the Skills Passport (an online application) that provides all staff with access to information about the Training and development that they need to do in their role. The application can be accessed via computer or smartphone;
- c. Increased the number of staff who have participated in an appraisal;
- d. Offered a number of opportunities for young people to access opportunities for experience and learning to enhance their job and career development, such as Apprenticeships, work experience, pre-degree nursing experience and more recently we have been working with the Prince's Trust to offer the Get Into Health programme.

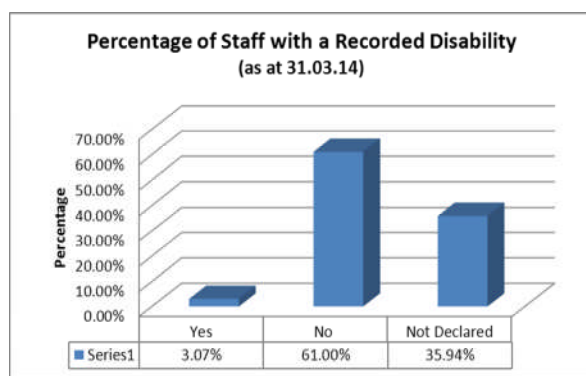
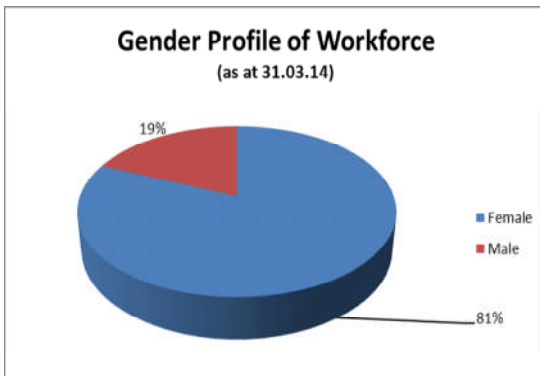
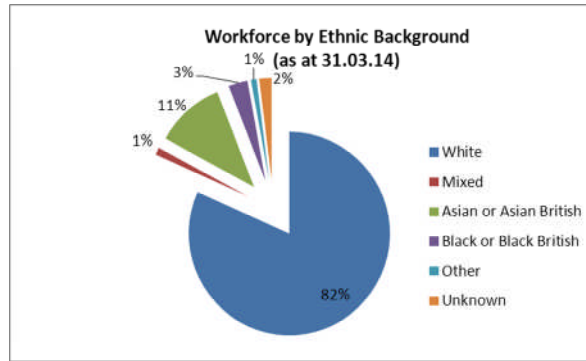
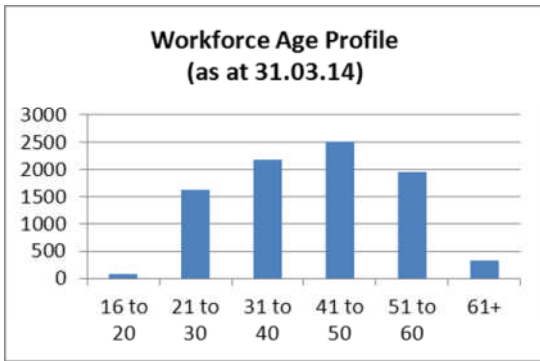
4. Inclusive Leadership:

In addition to supporting and delivering on the above three goals, our leaders have enabled us to:

- a. Engage and consult with our local community and patients about the services we provide and how they are delivered;
- b. Involved our staff in developing services and responding to patient needs and
- c. Provided a range of development opportunities for existing and emerging leaders that help them to lead and manage their staff in a fair and effective way.

Workforce Equality Profile:

The following graphs show the diversity of our current workforce in relation to age, gender, ethnic background and disability. It is important to recognise that the work and actions being delivered as part of the Equality Deliver System Goals and specifically Goal 3 – A representative and supported workforce will enhance the diversity of our workforce in particular, ensuring that our workforce is representative of our local population.

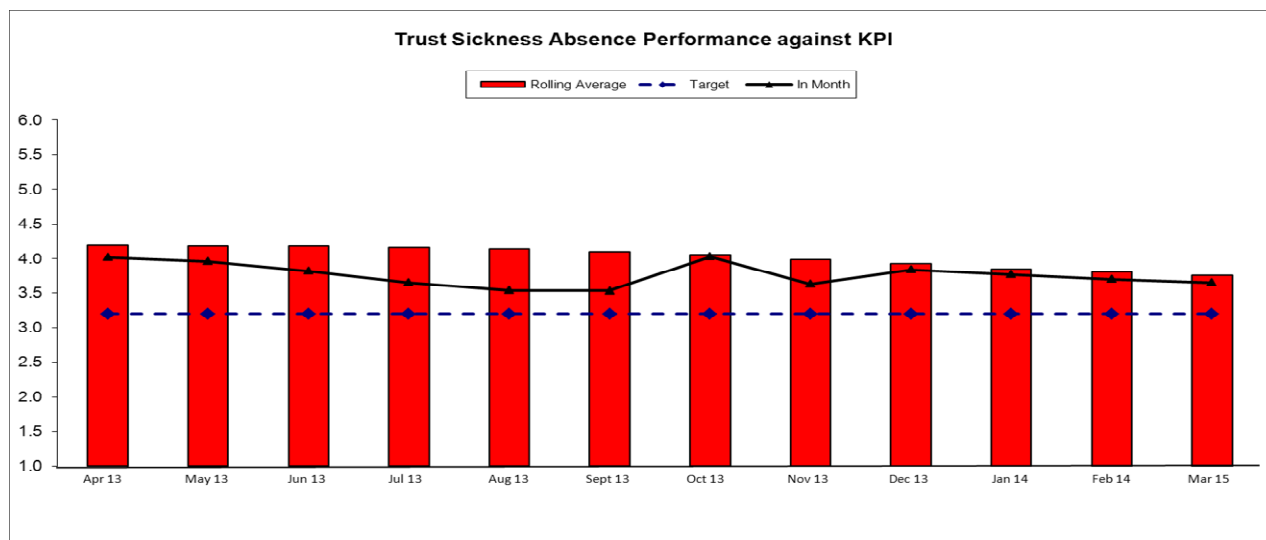


Health and Wellbeing of Our Workforce:

Over the last 12 months we have continued to work in partnership with our staff-side colleagues to support our commitment to improving the health and wellbeing of our workforce. This has included:

- Launching our ‘Get Health, Stay Healthy’ campaign, which encourages our staff to take positive steps to maintaining and improving both their own health as well as the health of our patients. The campaign uses a variety of communications such as intranet, posters and focus groups to ensure consistent and clear messages about the campaign are cascaded throughout the Trust;
- Winning a prestigious national “Flu Fighter” Award for a significant improvement in the number of staff who had the ‘flu vaccine’;
- Running monthly health and wellbeing campaigns that were well-attended by staff, patients and visitors, focussing on key public health messages. This achieved recognition nationally through the National Institute for Health and Care Excellence (NIHCE)
- Our Head of Occupational Health was invited to be an expert specialist panel member for the NIHCE Audit Development Group for Workplace Health guidance
- We held our second Staff Fun Day in July 2013 to support our continuing commitment to the NHS physical activity challenge
- Working closely with our line managers to develop a proactive approach to health and wellbeing at department level and
- Being shortlisted for a national award in recognition of the work we have completed in promoting mental wellbeing at work.

The graph below demonstrates the positive and sustained effect our rates across the Trust for the 2013/14 financial year.



Health and Safety at Work

During 2013/14, the Trust’s commitment to Health, Safety and Wellbeing has continued to develop with improvements in our performance towards minimising the adverse impacts to individuals and the business as a result of ill health and injury.

A new Divisional structure has been embedded and continues to ensure a strong Health and Safety focus. This is led from the top by the Chief Executive, who is the accountable officer responsible for Health and Safety. In this role the Chief Executive is supported by the Director of Workforce Management and provided with specialist advice from the Trust’s Health and Safety Manager. In addition, our departmental managers, an infection control team and a range of specialist advisors have day-to-day responsibility for ensuring that we maintain a safe environment for our staff and our patients.

The Strategic Health and Safety Committee is the principal consultation forum on Health and Safety within the Trust and where health and safety performance is monitored. The committee meet regularly four times per year and is chaired by the Director of Workforce Management.

The safety of those who use our services or work in the Trust is of significant importance to us and the identification and control of hazards as well as effective reporting and investigation of accidents and incidents enables us to provide a safe environment for patients, staff and visitors.

Over the last 12 months we have not received any prosecution/enforcement notices from the HSE and this is an indicator of robust management systems that protect Health, Safety and Welfare of our patients, staff and visitors.

Staff Survey Report

Our Approach

Our aim is to create a positive and supporting culture of continuous learning, where openness and transparency is encouraged to ultimately improve both the experience of patients and staff. We want all staff to feel empowered to put forward ways to deliver better and safer services. Staff engagement is a central theme running through our Quality through Workforce Strategy.

During 2013/14 we have responded to the feedback we receive from our staff and in particular that received from our recent staff survey. We have increased and enhanced the ways in which we engage with our staff and in particular we have developed our “Living Our Values” tool, which enables us to develop open conversations with staff at ward and department level to consider how Compassion, Attitude, Respect and Equality are embedded throughout the Trust.

In response to the results of the 2012 National Staff Survey and our local Staff Impressions survey during 2013, we have improved the ways in which we engage, communicate and seek feedback from our staff. In particular:

- A number of Listening events have taken place to encourage staff to provide feedback about the way services are delivered and improved;
- One of our general managers now writes a weekly ‘blog’ for his team to keep them informed about matters of interest and importance both to the team and within the Trust;
- Our Pride of Derby and Celebrating Success Awards have seen increased nominations and demonstrate how we are recognising our staff for the work they do. These awards are well-received and popular amongst our staff and those who receive the awards take pride in achievement and
- We have reviewed our appraisal processes to improve the quality of the appraisal and development conversation between our staff and their managers.

During 2014/15, the Trust will continue to build upon its existing engagement structures (e.g. *face2face*, *surveys*, *team meetings*) exploring ways how it can engage more staff in the improvement of services, patient feedback, learning from complaints and incidents.

National Staff Survey Data

	2012		2013			
	Trust	National average	Trust	National average		
Response Rate	52	50	45	49		
Top 4 Ranking Scores						
	2012		2013			
Top 4 Key Factors	Trust	National Average	Top 4 Key Factors	Trust	National Average	Trust Improvement against key factor 2012
Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months	22%	24%	Percentage of staff feeling satisfied with the quality of work and patient care they are able to deliver	83%	79%	+3% <i>(Higher the score the better)</i>
Percentage of staff believing the trust provides equal opportunities for career progression and promotion	90%	88%	Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months	21%	24%	-1% <i>(lower the score the better)</i>
Percentage of staff feeling	80%	78%	Effective team working	3.8	3.74	+0.16 <i>(Higher the score)</i>

satisfied with the quality of work and patient care they are able to deliver						<i>the better</i>)
Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in the last 12 months.	29%	30%	Percentage of staff able to contribute towards improvements at work	71%	68%	+5% (Higher the score the better)

Bottom 4 Ranking Scores						
2012			2013			
2012 Bottom 4 Key Factors	Trust	National Average	2013 Bottom 4 Key Factors	Trust	National Average	Trust deteriorated against key factor 2012
Effective team working	3.64	3.72	Percentage of staff feeling pressure in last 3 months to attend work when feeling unwell	33%	28%	+1% (lower the score the better)
Percentage of staff having well-structured appraisals in last 12 months	31%	36%	Percentage of staff witnessing potentially harmful errors, near misses or incidents in last month	38%	33%	+4% (lower the score the better)
Percentage of staff reporting good communication between senior management and staff	22%	27%	Percentage of staff reporting errors, near misses or incidents witnessed in the last month	87%	90%	-1% (Higher the score the better)
Percentage of staff reporting errors, near misses or incidents witnessed in the last month	88%	90%	Percentage of staff experiencing harassment, bullying or abuse from patients relatives or the public in the last 12 months	32%	29%	+3% (lower the score the better)

Future priorities and targets

During 2014/15 we will be undertaking quarterly staff impressions surveys, which will provide a framework for staff to say if they would recommend our Trust as somewhere for their friends and family to receive care and if they would recommend us to their friends and family as somewhere to work. The Staff Impressions will also offer the opportunity for us to obtain further feedback on key areas for development identified from national staff survey, including,

- reporting errors, near misses, incidents;

- raising concerns;
- staff engagement
- support and wellbeing

Private Finance Initiative

In September 2003 the Trust signed a 40 year contract with Derby Healthcare plc for the construction, maintenance and operation of facilities management services for a new hospital based on the Derby City Hospital site. The capital cost of the project is £334m.

Regulatory Ratings

Monitor assesses the performance of the Trust using Key Performance Indicators, designated as Regulatory Ratings.

There are three ratings

- Financial Risk Rating, assessed on a scale from 1 (Poor) to 5 (Excellent) FRR, for the first two quarters of 2013/14

Replaced by - Regulatory Assessment Framework scale from 1 (Poor) to 4 (Excellent) - RAF from Q3 2013/14.
- Governance assessed as Green (Good), Amber/Green (Limited concerns), Amber/Red (Potential breach of terms of authorisation) or red (poor)
- Mandatory Services assessed as Green (Good), Amber/Green (Limited concerns), Amber/Red (Potential breach of terms of authorisation) or red (poor)

Monitor implemented a revised Continuity of Services Risk Rating (CRS) assessment regime during 2013/14 for Foundation Trusts and then for all Licensed Healthcare Providers from 14/15.

The Trust achieved a RAF rating of 1, against a planned level of 2, under the new Risk Assessment Framework rating (part of CRS) implemented by Monitor from October 2013. This was mainly due to the deterioration in the liquidity position of the Trust resulting from the deficit trading position.

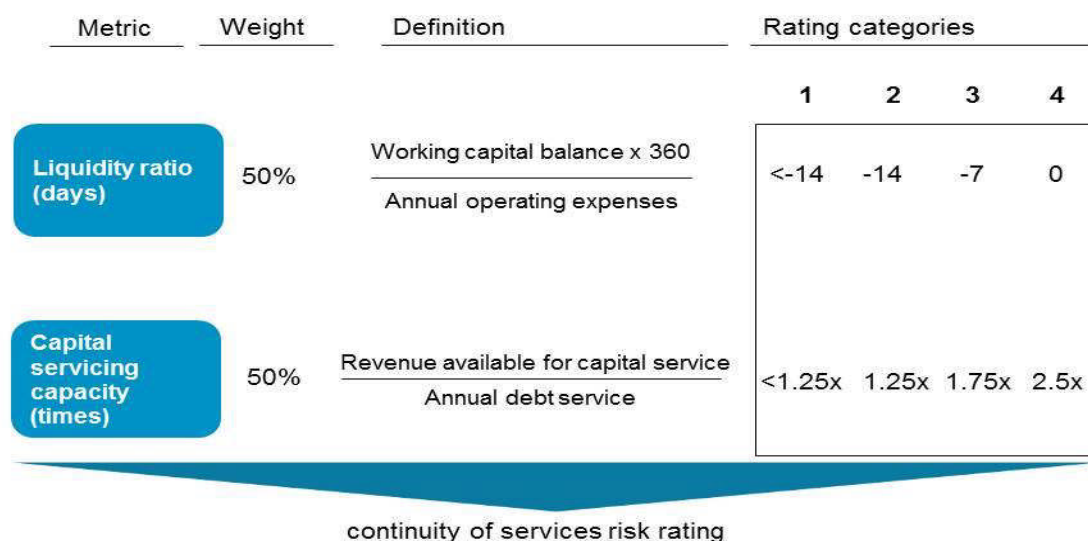
The continuity of services risk rating (CRS) states Monitor's view of the risk facing a provider of key NHS services. There are four rating categories ranging from 1, which represents the most serious risk, to 4, representing the least risk. A low rating does not necessarily represent a breach of the provider's licence. Rather, it reflects the degree of financial concern Monitor may have about a provider and consequently the frequency with which Monitor will monitor it.

The continuity of services risk rating incorporates two common measures of financial robustness (see Diagram, on next page):

- (i) **liquidity**: days of operating costs held in cash or cash-equivalent forms, including wholly committed lines of credit available for drawdown; and
- (ii) **capital servicing capacity**: the degree to which the organisation's generated income covers its financing obligations.

Monitor considers that these measures should be calculated as part of a board's normal financial reporting at well-run organisations.

The Trust is unable to dramatically improve its RAF rating under the new assessment regime due mainly to the impact of the PFI assets accounting treatment adopted under the new regime which dramatically influences the Capital Servicing Capacity calculation, of which Monitor are fully aware.



Currently ratings are assessed at the outset of each financial year and reviewed on a quarterly basis. During the current year, following the Monitor letter to the Trust in January 2012, the Trust has been subject to monthly ratings monitoring.

Ratings performance has been as follows:

	Annual Plan 2012/13	Quarter 1 2012/13	Quarter 2 2012/13	Quarter 3 2012/13	Quarter 4 2012/13
Financial Risk Rating	3	3	3	3	3
Governance Risk Rating	Amber-Red overwritten to Red	Amber-Red overwritten to Red	Amber-Red overwritten to Red	Amber-Red overwritten to Red	Amber-Red overwritten to Red
	Annual Plan 2013/14	Quarter 1 2013/14	Quarter 2 2013/14	Quarter 3 2013/14	Quarter 4 2013/14
Financial Risk Rating	3	3	3	-	-
Risk Assurance Framework Rating	2	-	-	1	1

The submission to Monitor of the Trust's Performance Returns in 2013/14 also continued the requirement to meet with Monitor on a monthly basis during 2013/14 and 2014/15.

Whilst the Trust is still technically in breach of its Licence, namely:

- a) Condition 2: the general duty to exercise functions effectively, efficiently and economically, and
- b) Condition 5: its governance duty.

As part of the Monitor oversight process, as the Compliance regime changed on the 31st March 2013 to the Licensing regime, the Trust has had two additional enforcement notices applied to its licence, namely;

- The development of an action plan with stakeholders on delivery of the A&E target.
- A financial plan for 2013/14 which delivers an underlying break-even position

During 2013/14, the Trust commissioned external assurance with regard to agreed milestones to ensure that:

- a) the Trust's 2013/14 budgeting methodology and process were robust and sustainable;
- b) the Trust's ongoing forecasting methodology and process were robust and sustainable;
- c) robust cash forecasting, reporting and management are in place; and
- d) the Trust's strengthened financial governance and financial department resources are effective and appropriate.

The Trust received a positive response from the externally commissioned assurance assessment to all of the above milestones and this was positively acknowledged by Monitor.

Following a series of monthly meetings with Monitor they have been assured with regards to the improvement in Trust performance in all of the above three areas and have indicated they are likely to review with their Compliance Committee the status of the Trust during 2014/15, as to whether it requires to remain in breach of its Licence. Until that time the Trust will remain on monthly monitoring.

Compliance with the Better Payment Practice Code

Details of the compliance with the above Code are set out in Note 13 of the Financial Statements.

Freedom of Information Act

The Trust fully complies with the Freedom of Information Act (2000). Details of the Trust's Publication Scheme and how to make requests under the Act are on the Trust's website www.derbyhospitals.nhs.uk

During the course of the year the Trust has responded to many requests for information, and these have been dealt with in accordance with the Trust's policy and the Freedom of Information Act.

Trust Policies and Procedures Relating to Counter Fraud

The Trust engages 360 Assurance (formerly East Midlands NHS Local Counter Fraud Services), who undertake counter fraud work in accordance with Secretary of State Directions and the Independent Regulator's License. Counter fraud workplans, annual reports and ad-hoc progress reports are presented to and considered by the Audit Committee.

Trust Auditors

Details of the Trust's Auditors and their charges can be found at page 41 of this Report and Note 12 of the accounts.

EVENTS OCCURRING SINCE THE BALANCE SHEET DATE – 31 MARCH 2014

Since the balance sheet date, the following issues have occurred:

Council of Governors Elections

The 2014 election process commenced in April and the process was administered on the Trust's behalf by the independent Electoral Reform Balloting Services Limited. Elections are conducted in accordance with the legislation set out in the NHS Act 2006 (as amended), and also in accordance with the provisions set out in the Trust's Constitution.

The close of nominations was 8 May 2014. There will be an election in Amber Valley, Dales and South Derbyshire, Derby City and Erewash constituencies. The closing date will be 18 June 2014.

Appointment of Non-Executive Directors

In April 2014, the Council of Governors approved the appointment of Mr Graham Bragg as Non-Executive Director to replace Mr Sandeep Sharma who resigned from his post in June 2014. Mr Bragg succeeds Mr Sharma as the Chair of the Finance and Investment Committee.

Mr Bragg's last position was Interim Chief Executive of the Royal Orthopaedic Hospital NHS Foundation Trust, up to his retirement in December 2013. He had spent over twenty years there, with roles including the Finance Director and Director of Strategic and Business Development. Overall he has worked in the NHS for over 35 years. He is an Associate Member of the Chartered Institute of Management Accountants and a Chartered Global Management Accountant. Mr Bragg has also been involved with various representative bodies, including; Chairman of the Trust Directors of Finance Network (Southern), Chairman of the Audit and Corporate Governance Committee (West Midlands HFMA) and also a member of the West Midlands Healthcare Procurement Consortium.

Monitor Position on Trust Governance and Update on the Section 111 Additional Licence Condition

Further to the Additional License Condition which was placed on the Trust in October 2013, the position with respect to this Condition has developed, after the Balance sheet date. At the Trusts most recent Performance Review Meeting on the 21 May 2014, with Monitor, the Trust is now intending to apply for the removal of the Additional Licence Condition. Following discussion with Monitor officers, the Trust believes it has evidenced meeting the condition, and therefore Monitor's consequent governance concerns. The Trust is therefore currently preparing this application for removal, and in due course will receive Monitor's findings, on whether they are assured that the condition has been met.

PART 7 – QUALITY REPORT 2013- 2014

STATEMENT ON QUALITY FROM THE CHIEF EXECUTIVE

I am delighted to introduce our Quality Account and to have the opportunity to share the progress we have made with the Trust Quality Strategy and the continued achievements of our staff. This covers the aspect of our service which matters most to all of us –the quality of the care we provide for our patients.

Compassion is at the heart of what we do and In November last year the Trust was the winner of the first national Compassionate Patient Care Award for our work to enhance the care of elderly patients and those with dementia. This includes the befriending scheme by volunteers from local schools, improvements in the patients' environment including the introduction of reminiscence rooms, memory cafes and a home from home environment. This shows that as the challenges facing the NHS grow our staff remain committed to improving the quality of care in new and innovative ways.

Our aim is to continue to build on the aspects of care that matter most to patients. Following a consultation exercise with over 3,000 patients, relatives, carers and staff, we have commenced our 'Making the Moment Matter' initiative to provide what matters most to our patients which fits alongside our Taking Pride in Caring Trust vision and objectives.

A key strand of the quality strategy is to ensure patients are safe whilst in our care and the Leading Improvements in Patient Safety Programme aim has been to sustain and further reduce significant harm. By relentlessly focussing on how well we do things (processes) and how our patients do (outcomes) we have seen a decline year on year in the number of patient harm events that occur on our wards, a reduction in the number of falls resulting in injuries and our mortality rates fall to within the national average.

The current Quality Strategy ends this year and is currently being reviewed. A new Strategy will be developed which will build on the progress we have made and the priorities for the future. It is essential that feedback from service users continues to influence this work and our continuing commitment to improving patient safety, clinical effectiveness and the quality of care within our Trust.

Please read the report to learn more about the progress we have made.

This statement summarises Derby Hospitals NHS Foundation Trust's view of the quality of the NHS services that it provided or subcontracted during 2013/14. To the best of my knowledge the information in the document is accurate and the Trust Board has received and endorsed the details set out in the Quality Report document.



Susan James
Chief Executive
27 May 2014

PART 1 - INTRODUCTION TO DERBY HOSPITALS NHS FOUNDATION TRUST QUALITY ACCOUNT

Current view of the Trust's position and status for quality.

This report covers the financial year of 2013/2014 across the Derby Hospitals NHS Foundation Trust.

The first part of the report details how we performed against last year's Quality Report, followed by an overview of organisational quality and patient safety and our performance against national and local metrics in 2013/2014.

The second section identifies our priorities for improving quality, safety, and patient experience for the coming year, and where we believe further improvements are required to enhance patient care.

Our 2012/2013 Quality Report detailed the following quality improvement priorities:

- | | |
|------------------------|--|
| Patient Safety | - Implementation of the post infection Review Toolkit for the investigation of all MRSA bacteraemias
Continue zero tolerance to pressure ulcers
Roll out of Medical project initiatives.
Update the Education Strategy regarding pressure ulcer prevention |
| Clinical Effectiveness | - To further develop integrated care and new pathways, in particular for the frail elderly
Development of the Discharge Hub
Continue delivery of the 2 year Nutrition Plan
To ensure that all clinical staff have a personal development plan and undergo appropriate continuous professional development. |
| Patient Experience | - Implement Experience Based Design of Patient Pathways through Transformation Programmes
Redesign the elective pathway to improve the experience of our patients
Implement a Dementia Framework to improve the quality and experience of people with Dementia using our services and their carers
Review our maternity services model to improve patient experience and safety promoting midwifery led care.
Work in partnership with health and social care partners to transform our approach to discharge, ensuring it is timely and safe for patients with complex needs
Development and Implementation of the "Getting Healthy, Staying Healthy" strategy
Continue to develop and monitor the complaints management processes. |

PART 2 PRIORITIES FOR IMPROVEMENT

2.1 THE TRUST QUALITY STRATEGY

In September 2011 the Trust Board approved its 3 year Quality Strategy. The Strategy details how the Trust aims to continuously improve the quality of care it provides to patients, staff and key stakeholders.

The Strategy provides a working plan for the Trust to ensure it maintains a focus on its key objectives. It sets out what needs to be done and how our progress will be measured. The Quality Strategy is currently being reviewed and will be re-launched later in 2014, mapping out the Trust's key aims to further improve quality and safety over the next 5 years.

Our Strategy is based on the key principles of patient safety, clinical effectiveness and patient experience and is linked to the Trust's overall PRIDE objectives.

P Putting Patients First

Effectiveness: Continually drive down the Trust Mortality rate
Safety: Improve the safety of patients whilst in the care of the Trust by reducing avoidable harm
Experience: To continue to improve the patient's journey through the Trust and increase the number of patients who would be happy to recommend the Trust

R Right First Time

Effectiveness: Reduce the 30 day readmission rate
Safety: Reduce medication errors
Experience: Ensure that patients who are at the end of life receive the most appropriate care, e.g. End of Life Care, Right Care or the Liverpool Care Pathway.

I Investing our Resources Wisely

Effectiveness: Improving timely discharge to optimise a patient's length of stay
Safety: Invest in appropriate acuity tools to optimise nursing levels across the Trust
Experience: Invest in a ward assurance tool to provide demonstrable evidence of delivery of high standards of clinical care

D Developing our People

Effectiveness Ensure all clinical staff have an annual personal development plan and undergo appropriate continuous professional development
Safety: Work on achievement of mandatory training for all clinical staff in order to standardise practice and empower front line staff to respond positively to every patient concern every time

E Ensuring Value through Partnerships

Effectiveness: To further develop the Integrated Care Pathways for Respiratory, Dementia, End of Life, Falls, and Learning Disabilities and to initiate appropriate new pathways such as Frail Elderly Care
Safety: To improve and sustain discharge communications with GPs and the wider health and social care community
Experience: Through partnerships ensure that the patient pathway and experience of care is seamless through the acute sector and community care

2013/14 is the final year of this Quality Strategy and the remaining objectives identified have been included in reporting this year.

2.1.1 SAFETY

INFECTION PREVENTION AND CONTROL

The Trust remains fully committed to, and takes very seriously, the responsibility for the prevention and control of healthcare associated infections (HCAI), including Methicillin Resistant Staphylococcus aureus (MRSA) and Clostridium difficile (C.diff).

Infection Prevention and Control Governance Review

Over the past three years there have been a number of reviews to improve the quality of infection control practice; this has included 2 external reviews. The reviews identified a high level of assurance in the rigour and support being given to the HCAI agenda and confirmed that the Infection Prevention and Control Team are providing an appropriate and effective service.

In July 2013, Professor Wilcox, Public Health England (PHE) national lead for C.diff, was commissioned to lead a review of the prevention and management of Clostridium difficile infections in the Trust. He identified that the Infection Prevention and Control Team is clearly experienced in their discipline and that the documentation surrounding C.diff is generally of good standard.

Professor Wilcox recommended 6 key areas where improvements to practice may be beneficial to the management of C.diff within the Trust. Actions related to these key areas were incorporated into the Trust Clostridium difficile Action Plan. Professor Wilcox returned to the Trust on 23 January 2014 to review the progress made against his previous recommendations and reported on 5 key areas where improvements could be made.

The following section outlines some of the key objectives of the Trust, with particular focus on those infections that form part of the national reporting requirements. A key factor of infection prevention and control is the management of specific infections and their risk.

National Screening Programme for MRSA on Admission to the Trust

The Trust continues to screen all elective and emergency admissions for MRSA in line with the requirements of the Department of Health. Good compliance with MRSA screening continues to be demonstrated.

Key focus on Reducing the Number of MRSA bacteraemia (MRSAb)

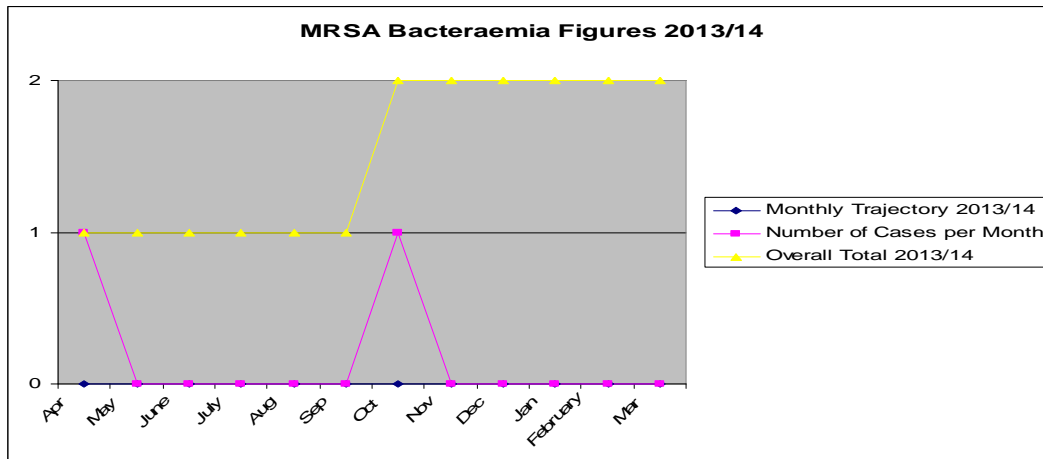
The Department of Health adopted a zero tolerance to avoidable MRSA bacteraemia infections for 2013/14. The Trust has had a year-end position of 2 MRSA bacteraemia cases, 1 of these was classed as an avoidable infection.

In 2012/13 the Trust was set a target of no more than 2 MRSA bacteraemia cases, but had a year-end position of 3.

All cases of MRSA bacteraemia are reported and investigated as a serious incident. A detailed and full investigation involving all healthcare practitioners involved in the patient's care, is carried out to consider whether all appropriate actions have been taken and to identify any learning points. All MRSA bacteraemia case investigations and learning points are discussed at the Trust Infection Control Committee.

The following graph shows the monthly trajectory and the incidence of the two cases.

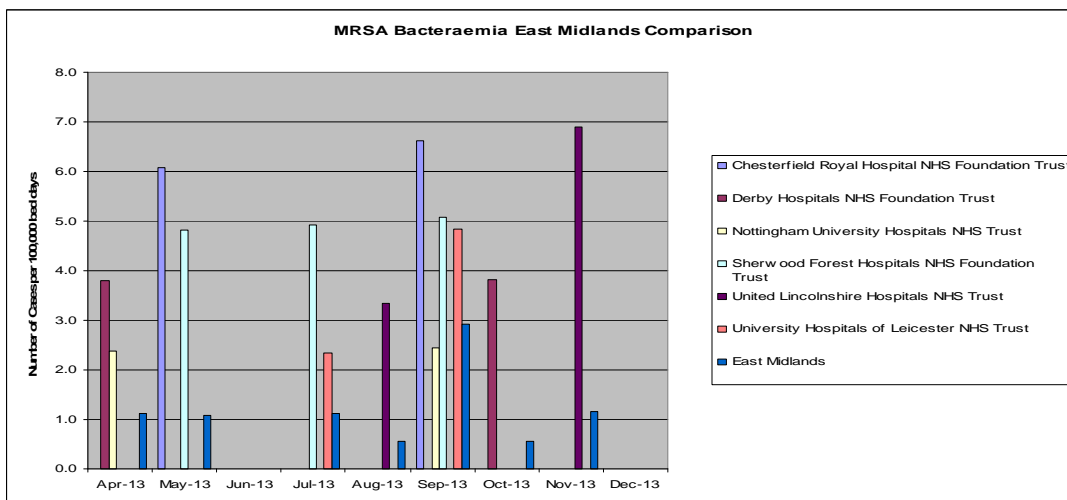
Department of Health MRSA Trajectory and Trust Performance Data 2013/14



The main learning point from the avoidable MRSA bacteraemia case was the necessity of MRSA screening on admission to identify and treat those patients who are colonised with MRSA at the earliest opportunity to prevent serious infections occurring.

Monthly MRSA Bacteraemia Comparison Data

This data is produced by PHE and is reported as a rate of 100,000 bed days to allow comparisons between organisations. The graph below compares Derby Hospitals' performance against the rest of the East Midlands on a monthly basis. It represents one case for Derby Hospitals in April and October 2013. There have been no further cases in the Trust since October 2013 (PHE has not updated the data since December 2013).



Clostridium difficile (C.diff)

C.diff is a bacterium which is found in the intestines of approximately 3% of healthy adults. It does not usually cause problems as it is kept in check by the normal bacterial population of the intestine. However, antibiotics can disturb the balance of bacteria in the gut, allowing the C.diff bacteria to multiply and produce toxins. These toxins cause illness. It is known certain antibiotics carry a higher risk of C.diff.

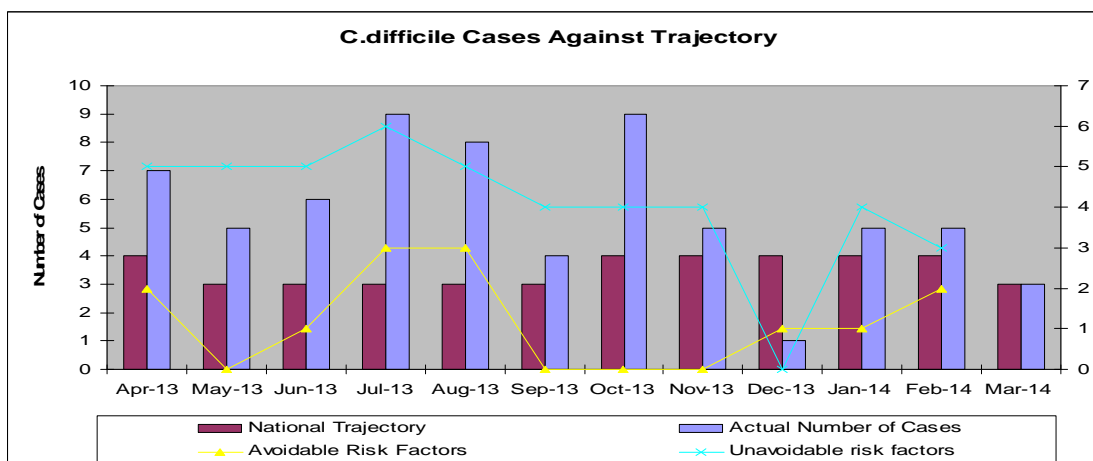
The national target set for the Trust in 2013/14 was 42 cases. The Trust ended the year with a total of 67 cases.

Continuous assessment and review is crucial to ensure that the Trust is taking all appropriate actions to minimise the risk of patients developing the infection. Root cause analysis is undertaken for each C.diff case by the C.diff Review Group. The group will determine whether all Trust policies and procedures were correctly followed. All findings are shared and discussed with the clinical teams.

The C.diff Review Group grades each case as having unavoidable or avoidable risk factors, e.g. were all Policies and Procedures followed correctly? If a case is determined to have avoidable risk factors an investigation meeting, involving all healthcare practitioners involved in the patients care, is carried out to consider whether all appropriate actions were taken and to identify any learning points. All such cases, including learning points are discussed the Trust Infection Control Committee.

Although a case may have identified avoidable risk factors the C.diff Review Group do not say the case itself is avoidable. Every case gives us the opportunity to learn and improve patient safety.

The graph below shows the Trust monthly performance against the national trajectory and whether the cases identified had any avoidable risk factors.



An external review of the management of C.diff infection in the Trust was undertaken by Professor Wilcox, PHE C.diff lead, in July 2013, with a follow up visit on 23 January 2014. Professor Wilcox acknowledged that progress has been made but there was still opportunity to further optimise the control measures for C.diff infection.

He recommended key areas for focus for the Trust:

1. Optimum use of antibiotics.
2. Proactive isolation of patients with diarrhoea.
3. Clinical leadership of RCA (root cause analysis) and changes in practice.

Actions taken:

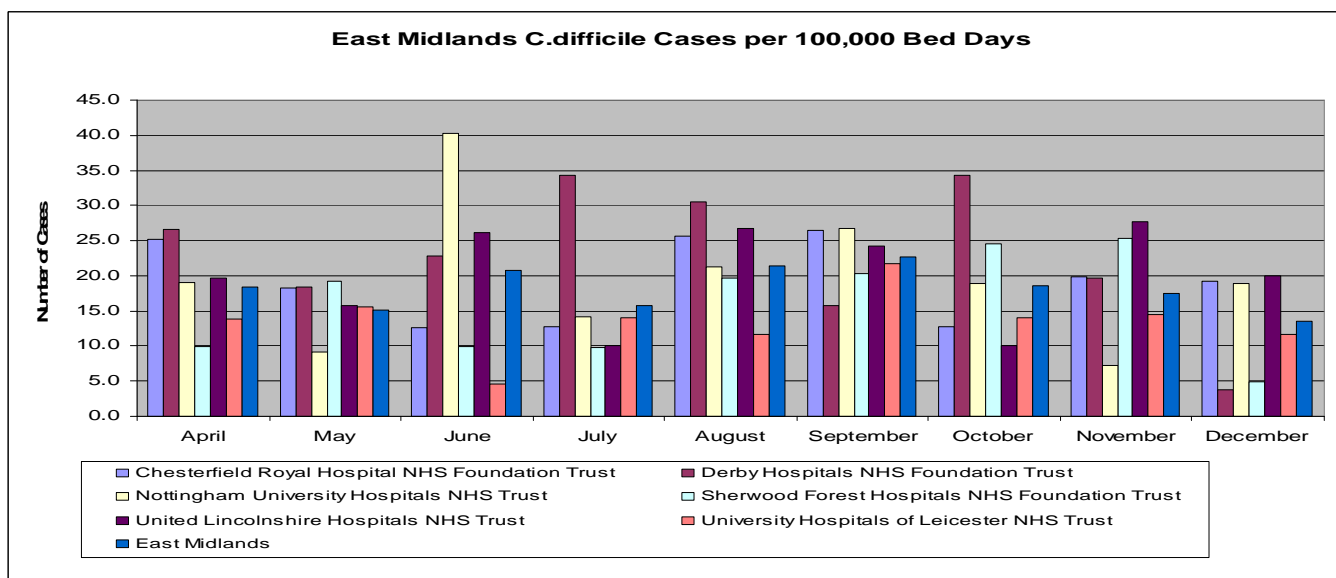
- Weekly spot check audits by Matrons of infection prevention and control practice, findings reported directly to the Chief Nurse.
- Monthly spot check audits by Heads of Nursing and Clinical Directors / Divisional Medical Directors of infection prevention and control practices and antibiotic prescribing.
- Weekly quality and safety rounds by the Chief Nurse and Medical Director.
- Back to basics focus in the Trust, focussing on hand hygiene, diarrhoea management, challenging poor practice and environmental and equipment cleanliness.
- Weekly antibiotic audits performed by medical teams, results reviewed by lead consultant and quality assured by antimicrobial pharmacist and consultant microbiologists.
- Monthly diarrhoea management audits in all ward areas, standard for isolation changed to 2 hours.
- RCAs now undertaken by clinical teams. All RCAs to be reviewed by the C.diff review meeting, chaired by Medical Director or Chief Nurse.
- Trust C.diff policy updated to reflect the requirement for not repeat testing of stool samples.

The Trust continues to take all steps possible to ensure that its antibiotic prescribing is in line with national best practice, whilst balancing the clinical needs of the patient.

The Trust continues to work closely with PHE with regard to the prevention, diagnosis and management of C.diff. PHE remains assured that the Trust has a comprehensive action plan for the on-going prevention, diagnosis, and management of C.diff within the organisation.

Monthly Clostridium difficile Comparison Data

This data is produced by Public Health England and is reported as a rate of 100,000 bed days to allow comparisons between organisations. The graph below compares Derby Hospitals' performance against the rest of the East Midlands on a monthly basis (PHE has not updated this data since December 2013).



Methicillin Sensitive Staphylococcus aureus (MSSA)

Most strains of Staphylococcus aureus are sensitive to the more commonly used antibiotics and infections can be effectively treated, these are called Methicillin sensitive Staphylococcus aureus or MSSA. Some Staphylococcus aureus bacteria are more resistant. Those resistant to the antibiotic Methicillin are termed Methicillin-resistant Staphylococcus aureus or MRSA and often require different types of antibiotic to treat them.

Methicillin-sensitive Staphylococcus aureus is a type of bacteria which lives harmlessly on the skin and in the noses, in approximately one third of people. People who have MSSA on their skin or in their noses are said to be colonised.

MSSA colonisation usually causes no problems, but can cause an infection when it gets the opportunity to enter the body through a surgical wound for example.

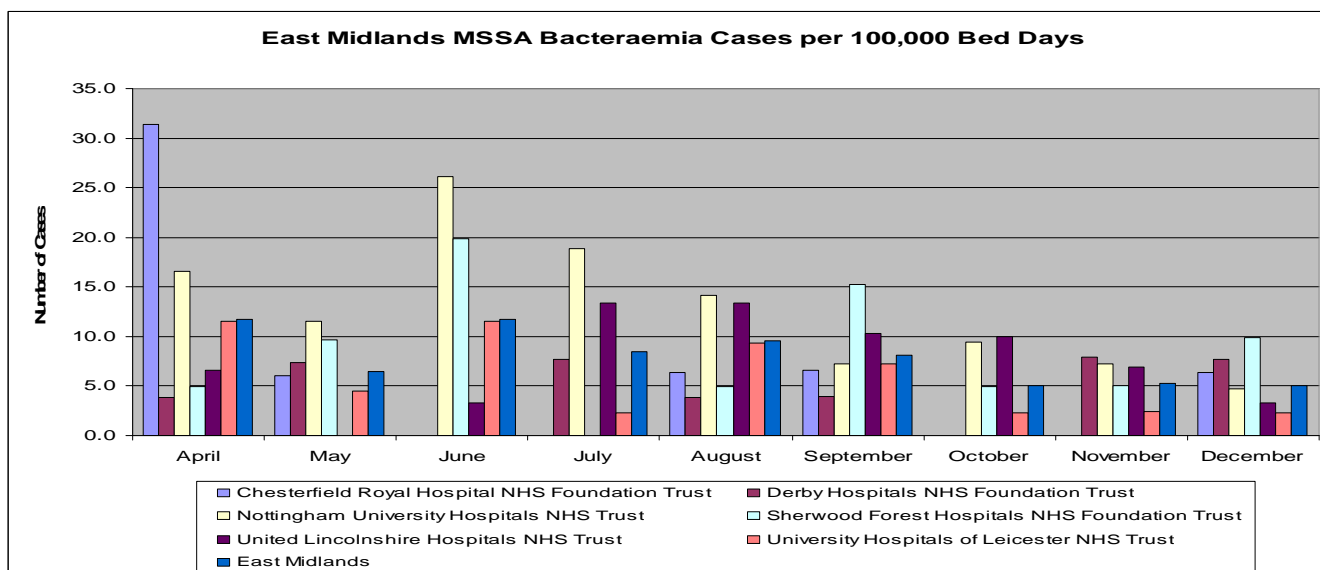
It has been mandatory to report all MSSA bacteraemia cases to Public Health England since January 2011. There is no trajectory set against MSSA at this time.

Root cause analysis is undertaken on all Trust acquired cases of MSSA bacteraemia. Since April 2013 there have been 88 cases identified, 15 of these were identified 48 hours or less after admission, meaning the cases were not attributable to Derby Hospitals. This reflects the picture seen nationally.

Monthly MSSA Bacteraemia Comparison Data

This data is produced by PHE and is reported as a rate of 100,000 bed days to allow comparisons between organisations. The graph below compares Derby Hospitals' performance against the rest of

the East Midlands on a monthly basis. It shows that Derby Hospitals generally has one of the lowest rates in the East Midlands (PHE have not updated the data since December 2013).



Escherichia coli (E.coli) Bacteraemia

E.coli is a species of bacteria commonly found in the intestine of humans and animals. There are many different types of E.coli and while some live in the intestine quite harmlessly, others may cause a variety of disease. Urinary tract infection is the commonest E.coli infection, the organisms spread from the gut to the urinary tract. E.coli can also cause infection in the intestine, causing diarrhoea, these are usually the result of food poisoning illness.

Overspill from the primary infection site into the blood stream can cause blood stream infection. These are referred to as E.coli bacteraemia.

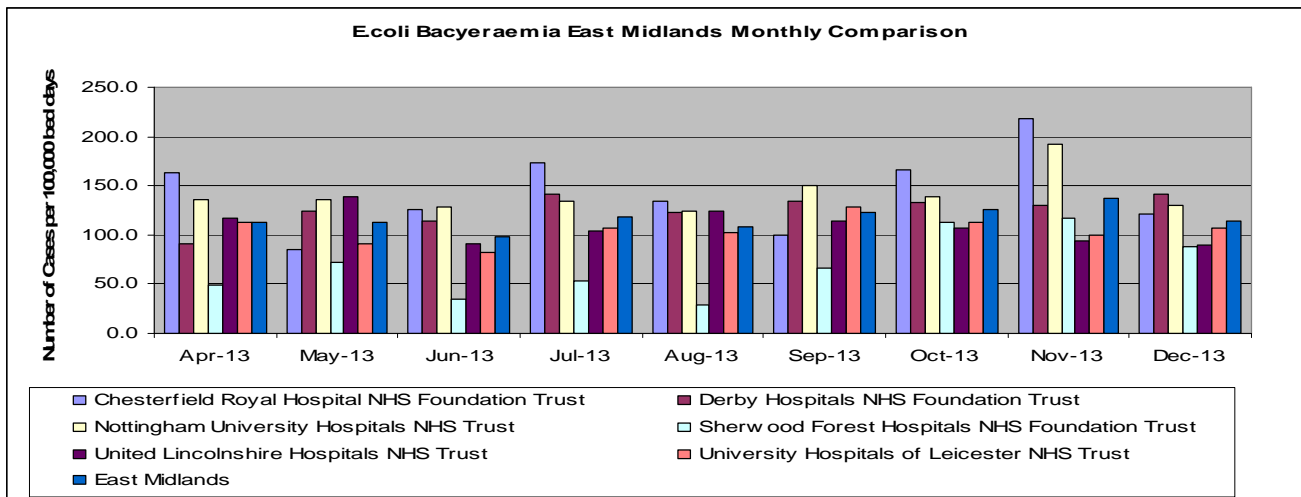
Mandatory reporting of E.coli bacteraemia commenced in June 2011. There is no trajectory set against E.coli bacteraemia at the current time.

Since April 2013 there have been 413 cases identified, 72 of these were identified 48 hours or less after admission, meaning the cases were not attributable to Derby Hospitals. This reflects the picture seen nationally.

Monthly E.coli Bacteraemia Comparison Data

This data is produced by PHE and is reported as the number of cases identified per laboratory, not by 100,000 bed days. The graph below compares Derby Hospitals' performance against the rest of the East Midlands on a monthly basis (PHE have not updated the data since December 2013).

As PHE report E.coli bacteraemia by number of cases the graph does not reflect that the vast majority of E.coli bacteraemia cases are identified 48 hours or less after admission, meaning they are not attributable to Derby Hospitals.



Norovirus

Norovirus is a virus which causes diarrhoea and/or vomiting. Although there is an increase in winter months, cases do occur throughout the year. In general the symptoms last for 24-48 hours. There are no long term effects from Norovirus and a full recovery is usually within 48 hours. Norovirus is extremely infectious, with around 50% of people exposed developing symptoms. The focus within the Trust is to ensure the spread of the illness is minimised.

The table below demonstrates the significant reduction in the number of patients and staff affected by Norovirus in 2013/14 compared to the same time period 2012/13

	Number of areas affected	Number full ward closures	Number confirmed Norovirus	Number patients affected	Number staff affected
2013/2014	12	5	15	82	17
2012/2013	34	8	18	131	38

Winter Preparedness

The Infection Prevention and Control Team put in place additional Norovirus and Influenza training in preparation for the winter season.

In addition a 'winter preparedness week' was held. Information for patients and visitors on Infection Control, Norovirus and Influenza was distributed to all ward areas for patients and visitors to the Trust. The Infection Prevention and Control team held a number of road shows at the Royal Derby Hospital and the London Road Community Hospitals to provide information for the public.

The Infection Prevention and Control and the Antimicrobial Prescribing intranet sites are updated regularly with the latest information and guidance. The Infection Prevention and control site includes 'top tips' documents for Norovirus and Influenza as quick reference guides for staff.

Hand Hygiene

Hand hygiene is a key measure in controlling the spread of infections in hospitals and remains a key focus for the Trust. Monthly, 20 minute observational hand hygiene audits continue to be undertaken in all clinical areas, assessing compliance against the Hand Hygiene policy. Compliance is monitored by exception on a monthly basis at the Infection Control Operational Group, along with any action plans. Areas of concern are escalated to the Infection Control Committee. In addition all clinical staff are required to undertake a competency assessment of their hand hygiene technique.

The following table demonstrates continued compliance with hand hygiene in all divisions:

Month	Medical Services	Clinical Support Services & Cancer	Surgical Services
April 2013	99%	100%	99%
May 2013	99%	100%	100%
June 2013	99%	100%	100%
July 2013	99%	100%	99%
August 2013	99%	100%	100%
September 2013	100%	100%	98%
October 2013	100%	100%	99%
November 2013	98%	100%	99%
December 2013	98%	100%	100%
January 2014	100%	99%	100%
February 2014	99%	100%	99%
March 2014	99%	100%	99%

Infection Control Accreditation Programme

The Infection Prevention and Control Accreditation programme takes a multifaceted approach to improving patient safety and reducing healthcare associated infections. It sets standards for infection prevention and control practice in Derby Hospitals and is a package of practices likely to reduce infection rates when carried out consistently by clinical teams.

The accreditation programme recognises excellence of practice and that the area has consistently exceeded the high infection prevention and control standards expected by Derby Hospitals. Staff in an accredited area have demonstrated their sustained commitment to patient care, safety, and infection prevention and control standards.

This project was shortlisted for excellence in infection control practice in the 2013 National Nursing Times Awards.

The following areas have achieved Infection Control Accreditation:

- Sunflower
- Ward 206
- Medical OPD
- Pulvertaft Hand OPD
- Ward 203
- Ward 204
- Ward 205
- Ward 207
- Orthopaedic Outpatients
- Spinal Outpatients
- Ward 307

The Trauma & Orthopaedic Business Unit has been the first business unit to achieve excellence across all of its areas.

The Cleaning Service at Derby Hospitals

In 2013/14 the Royal Derby Hospital has revised the cleaning model across its wards. Working in partnership with ISS, the Trust has implemented a "Team cleaning" approach. The concept is based on a team method with each member of staff having responsibility for specific rooms or tasks. The Health Care Cleaners have been issued with new colour coded uniforms which identify which areas they are responsible for cleaning. The colour coding follows NPSA Guidance. The Team Model was shortlisted for excellence in infection control practice in the National 2013 Nursing Times Awards.

The key to its success was the initial planning and audit process and working closely with the ward sisters and Infection Prevention & Control Team (IPCT). ISS continue to use microfibre for cleaning

and these cloths are laundered onsite. The laundry process and the efficacy of the microfibre cloths have been validated to ensure compliance with all national guidance.

All areas of the hospital continue to be audited following the National Standards of Cleanliness 2007:

- Very High risk areas weekly
- High risk areas monthly
- Significant risk areas quarterly
- Low risk areas annually

The audit results are shared with wards and reported on a monthly basis in the Derby Health Care Report to Trust Facilities Management and from this year at the Trust Infection Control Operational Group. Actions are initiated if there are concerns with any cleaning.

The Trust Quality Monitoring Officer continues to verify the environmental standards by undertaking a technical audit which involves ISS Facilities Services and Skanska Facilities Services.

In addition PLACE inspections take place monthly on each site conducted by the Trust Facilities Management Contract Monitoring Officer along with Trust Governor Representation. The inclusion of both Derby Healthwatch and Derbyshire Healthwatch on these inspections has added a real openness about the reporting process.

In 2013/14 Trust Facilities Management purchased 3 Hydrogen Peroxide Vapour (HPV) machines and introduced a decontamination team at the Royal Derby Hospital whose specific role is to deep clean patient equipment and subject to HPV. On instruction of the Infection Prevention Control Team the Decontamination Team will also HPV isolation rooms. The HPV is proving to be very effective method of sterilising fixtures, fittings and equipment. By using the Trust's own "Derby Door" we are able to create a decontamination room on any ward in the Trust, which allows for the decontamination of large amounts of equipment.

Trust FM and IPCT have introduced enhanced auditing using a ultra violet pen and torch, which allows us to measure the quality of cleaning undertaken by health care cleaning and nursing. This is currently being programmed on a weekly basis

In December 2013 Trust FM and ISS started a deep cleaning schedule for all wards. The process is dependent on the availability of empty bed spaces, and activity on the wards, to date the Medical Admissions Unit, Surgical Admissions Unit, and Wards 401 and 402 have been deep cleaned and where possible the HPV machine has been used. The programme to complete all wards will take over a year and will become part of our annual cleaning programme.

TISSUE VIABILITY – PRESSURE ULCER MANAGEMENT

It is nationally recognised that the incidence of pressure ulcers is a key quality indicator and that 95% are deemed preventable. Pressure ulcers are painful and distressing for the patient, and require increased support and input to the patient from a health care perspective. The Trust is participating in a significant national project to 'Stop the Pressure' and reduce the incidence and prevalence of pressure ulcers. The numbers of patients with pressure ulcers are monitored through the prevalence and incident reporting systems. The Trust has taken a zero tolerance stance to hospital acquired avoidable pressure ulcers. We have not achieved our target of zero avoidable pressure ulcers. However, there continues to be a significant change in the delivery of care in relation to key pressure ulcer prevention standards.

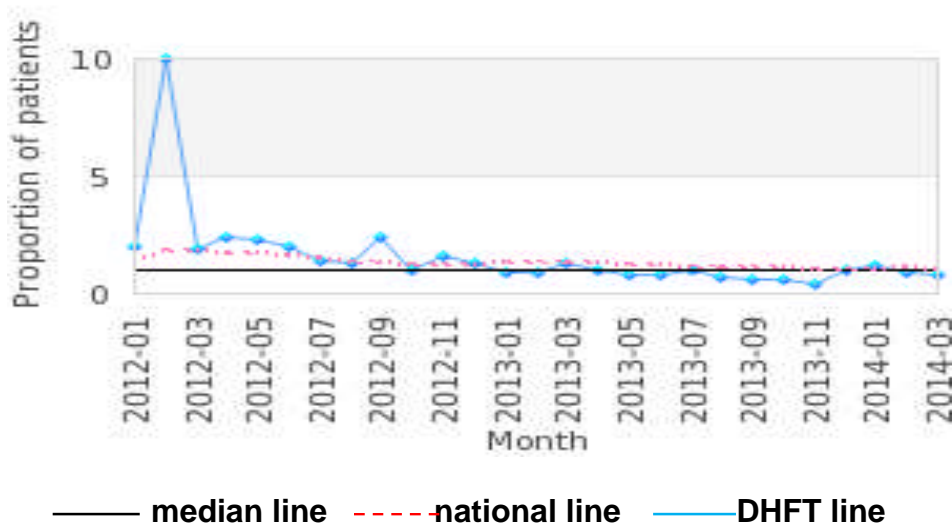
The culture and positive attitudes towards prevention has become the norm in many areas and this is evidenced in both our prevalence and incidence data.

The Patient Safety Thermometer measures prevalence rates in pressure ulcers, nationally. The total Pressure Ulcers prevalence for Derby Hospitals Foundation Trust (including admitted and acquired all

stage pressure ulcers) had a mean of 5% in 2013 which compares favorably against a performance range of regional as well as national prevalence rates.

The graph below represents prevalence of Trust acquired new pressure ulcers (acute and community) and demonstrates a sustained reduction in the total of new Trust acquired pressure ulcers since 2012. From March 2012 our prevalence rate was just above the regional and national prevalence rates at 2.5%. It is apparent from January 2013 our total prevalence rate, in line with regional prevalence rates has dipped below national prevalence rates, and since April 2013 this reduction fell below 1% and has remained below median rates through to March 2014.

New Trust Acquired Prevalence (Acute and Community)



Trust Acquired Pressure Ulcers Reported as Serious Incidents

The Trust (acute and community) reported 161 stage 3 and 4 pressure ulcers on the National STEIS system during 2013, of which 94 incidents (58%) were confirmed as unavoidable and 67 incidents (42%) were found to have some omissions in care and therefore classified as being avoidable.

There were 14 incidents (9%) categorized as avoidable in the Community. The ambition of eliminating avoidable 2, 3 and 4 Pressure Ulcers is a particular challenge in the community settings, especially where District Nursing services may only be visiting once or twice a week and the care is delegated to family, Social Care agencies, or to carers within residential homes.

The implementation of an effective and sustained pressure ulcer prevention strategy described in brief below has been instrumental in steering the Trust Pressure Ulcer Prevention Group (PUPG) and works collaboratively with other disciplines and all divisions to influence elements of pressure ulcer prevention for patients across Primary and Secondary Care.

- Excellence audit data from Divisions is scrutinized and hot spots are targeted where there is indication of poor compliance to standards. To assist in this work, the Tissue Viability Team have recently started attending Divisional monthly Senior Sisters Meetings and give an overview of the common themes, reinforce what could have been done to prevent the damage from occurring in the first place, and hold staff to account where it is evident that harm has occurred as a result of omissions of care. It also provides an opportunity to share good practice between clinical areas as well as promoting ownership of issues raised.
- Root Cause Analysis is carried out for all Stage 3 and 4 pressure ulcers. Overall learning from these Serious Incidents (SIs) are being addressed through education, monitoring the implementation of action plans to reinforce implementation of standards.

- Improved access and standardisation of training on the SSKIN Bundle (Surface, Skin Inspection, Keep moving, Incontinence, Nutrition) for all disciplines (essential to role) as well as more emphasis being placed on how care is delivered; through raising awareness on the principles of “Time to Care” which will help prompt all disciplines to ensure patients are comfortable, repositioned to stop the pressure, have access to a drink, the call bell system, toilet etc.
- A Zero Tolerance Poster Campaign was launched in November 2013 to raise awareness of common themes, including timely risk and skin assessments, appropriate surfaces, medical devices, keep patients moving, incontinence skin care protocol as well as a heel device, nutrition and hydration and discharge planning posters. A recent audit of staff as well as patients indicates this has been successful in that it has improved staff awareness as well as communications with patients on the need to keep moving.

Genuine sustained improvements have and are being made from embedding the above approaches in our efforts to prevent pressure ulcer development and assist healing of those present. Raising awareness to all staff disciplines is promoting a change of culture by challenging practice as well as motivating staff within clinical areas to discuss and find solutions as to how they can ensure key elements of care are given timely and consistently to all our patients.

NUTRITION AND HYDRATION

The Nutrition and Hydration steering group (NHSG) has worked proactively over the last year to ensure that food and drink remains on every ones agenda. Not only have they worked for patients within the Trust but also with other elements of malnutrition prevention in the wider community, to ensure that patients receive the right care and management at any point in their pathway.

Patients continue to be risk assessed on admission to identify those that will require closer monitoring. This is monitored through the Ward Assurance audit on a monthly basis and reported back to NHSG. Action plans are presented from those wards who are not achieving the target.

Initiatives highlighted in last year’s report have moved forward in the following way:

- The “Nil By Mouth” pathway has been piloted and is now ready to be presented to the Guidelines Group for ratification, prior to implementation across the Trust.
- There is now a more streamlined approach to accessing snacks and special diets with better communication between ISS, the wards and the dietitians.
- The National Descriptors training was successfully cascaded to all the wards.
- E-referrals have successfully been implemented for both Dietetics and the Nutrition Team. This has led to a more timely receipt of referral enabling priority patients to be identified more quickly.

The Nutrition Ambition Plan for 2014 – 2015 has been agreed and will be concentrating on the following areas:

- An audit will be conducted to ensure the meals provided to patients with dysphagia correspond with the National Descriptors.
- An audit of the National Patient Safety Agency (NPSA) guidance to facilitate the safe management of Nasogastric Tubes to ensure compliance within the Trust.
- Nutrition to form part of the “Fundamental Aspects of Care” programme and continued delivery of the training “Enabling patients to eat and drink safely”.
- Review of the Trust Nutrition section of the Intranet.
- Development of innovative ideas for promoting nutrition and hydration.
- Changes to the presentation of patient meals to improve the appearance.
- Continued close working between ISS and Dietetics on patient menus, regularly reviewing range and quality.

LEADING IMPROVEMENTS IN PATIENT SAFETY (LIPS)

The Trust commenced the Leading Improvements in Patient Safety programme run by the NHS Institute of Innovation at the end of 2010/11.

The Medical Director is the programme lead and has established a Patient Safety Team to lead and sustain change across the Trust. The team comprises a Consultant Physician, a Consultant Surgeon, a Nurse Consultant, a Patient Safety Pharmacist and the Head of Patient Safety.

Harm is measured by the use of the trigger tool, a process that involves retrospective records review looking for defined trigger events that are often associated with preventable harm (although for a proportion of patients this harm is a recognised side effect of treatment). Using this methodology we have demonstrated a reduction in harm from a baseline of 67 harm events per 1000 (67/1000) beds days to a median of 30.6/1000 in 2011 and 21/1000 in 2012 and 19/1000 in 2013.

Our aim for 2013/14 has been to sustain harm reduction and further reduce significant harm. Work streams continue to take forward improvements in the areas of standardisation and zero tolerance to outliers.

Progress of Note

- A continued reduction in hospital cardiac arrests with a further 10% reduction during 2013.
- The Trust has successfully bid for funding to support implementation of an electronic observation recording system which alerts medical and specialist teams to signs of patient deterioration thus supporting a prompt response. This system will be implemented across the Trust during 2014.
- The Trust has standardised nursing handovers to adopt SBAR (Situation, Background, Assessment, Recommendation) principles. This is a communication methodology which prompts staff to present information in a logical and standard way thus reducing the potential for omitting to handover information.
- Embedding of the enhanced discharge programme for patients identified at risk of re-admission in Cardiology and Respiratory occurred in 2013/14. To date over 500 patients have been enrolled with a 20% reduction of avoidable re-admissions seen in this patient group. Implementation will now spread into Diabetes and Elderly Care Wards.
- Continued promotion of key safety checks within operating theatres has led to a 100% record of completion with these being led by the Operating Surgeon (therefore re-enforcing the importance) over 70% of the time. Observational audit and on-going promotion will continue during 2014.
- Following completion of a staff perception survey on patient safety which demonstrated favourable scoring when benchmarked for team work, job satisfaction and safety climate (safety awareness, feeling confident to voice concerns and that these would be responded to) the Trust wanted to further strengthen and monitor the culture through the introduction of Safety Walks. Safety Walks involve two or three members of the Patient Safety Team visiting areas unannounced to discuss safety culture and issues with staff. This has been received favourably and has informed further safety work and initiatives, including the introduction of a Patient Safety 10 campaign in 2014 to ensure our staff consider all key aspects of care which can impact on our patient's safety. All wards will have had a Safety Walk visit during 2013/ 2014 and additional Safety Walks are to be introduced by local management teams to ensure all areas receive six monthly visits.
- Each month we undertake the Patient Safety Thermometer audit which is a prevalence audit measuring harm from falls, pressure ulcers, catheter associated urinary tract infections and venous thrombo emboli. This indicates more than 98% of our patients do not experience these harms whilst in our care and is an improvement from 95% when auditing began in March 2012 and 97% at the end of 2012/13.

2.1.2 CLINICAL EFFECTIVENESS

CONTINUE TO DRIVE DOWN TRUST MORTALITY

Mortality rates are a key measure of the clinical outcomes of a Trust. The established measurement across the country and published in the Dr Foster Good Hospital Guide is the Hospital Standardised Mortality Rate (HSMR). The HSMR is a method of comparing mortality levels taking account of differences in population structure and accounts for approximately 80% of all deaths in hospital. The Department of Health has also developed a national Summary Hospital-Level Mortality Indicator and national index, shortened to SHMI.

SHMI includes all deaths in hospital and those within 30 days of discharge. For both measures 100 is the average for hospitals.

The HSMR reported in the Dr Foster Hospital Guide for 2012/13 was 103.1 and was “within the expected range”. The Trust was banded as expected for all the mortality metrics produced by Dr Foster in the Good Hospital Guide. The SHMI value reported by the Department of Health for April 2012 to March 2013 was 110 and was banded within the 95% control limits trimmed for over-dispersion. The palliative care coding rate at Derby Hospitals was 29.06% within the time period.

The Trust scrutinises all issues relating to mortality with great care. Following a recent revision of the Quality Governance structure the Terms of Reference, chairmanship and membership of the Mortality Committee (previously the Mortality Review Group) has been strengthened. This Committee receives data on all hospital deaths and chooses certain cases to review often with valuable clinical lessons which have led to genuine changes in care. Dr Foster analysis of Trust data is examined monthly and appropriate audits undertaken to examine any areas of concern. The Medical Director leads this work which is reported monthly to Board.

REDUCE THE 30 DAY ADMISSION RATE

Work on the reduction of our re-admission rate has been focused on two main areas over the last 6 months: the implementation of the AMBER care bundle across medical and cancer wards, and pilot of the Enhanced Discharge of high risk patients within our Respiratory and Cardiology specialities. The AMBER care bundle contributes to people being treated with dignity and respect, and enables them to receive consistent information from their healthcare team. It helps people and their carers to be fully involved in making decisions and knowing what is happening with their care.

The Enhanced Discharge Model involves:

- Risk assessment
- Teach-back, a three day education and support programme pre-discharge focussing on medicines understanding, self-care and recognition of deterioration designed to help patients understand their medical condition and the impact it has on their everyday life
- Hot Handover: a verbal hand over to community teams to highlight patient discharge and needs ensuring other health professionals know what specific needs a patient may have
- Post Discharge Follow Up Call: 48-72 hours after discharge to identify any issues and support solutions which may arise post-discharge.

This model is now being rolled out across our Cardiology, Respiratory, Diabetes and DME specialities.

The Enhanced Discharge Approach has seen a 20% reduction in re-admission rates for those patients who have gone through the programme.

REDUCING MEDICATION ERRORS

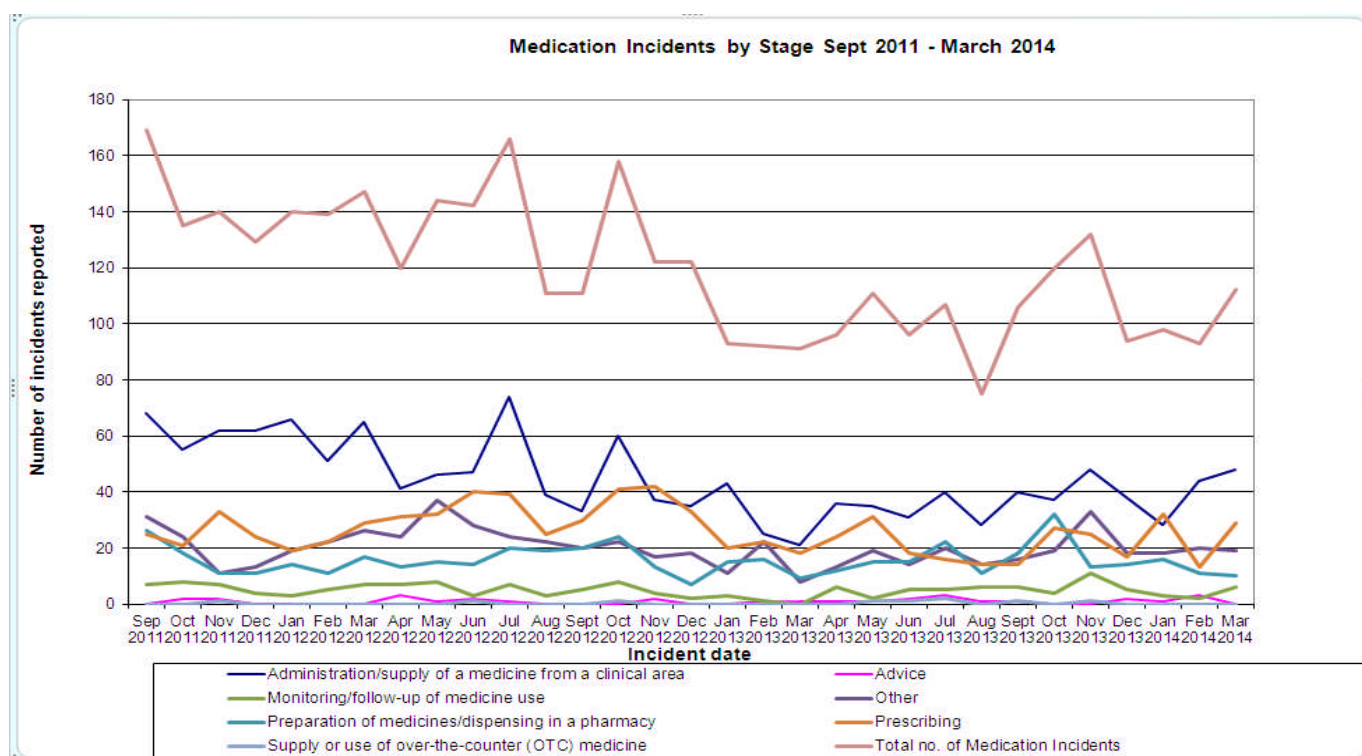
Priorities for Improvement section: ‘Right First time’ Reduce medication errors

The Trust promotes a positive safety culture and encourages incident reporting, placing the Trust in the top quartile of acute hospitals reporting to the National Reporting and Learning System (NRLS). There is widely published evidence of reduced harm in industries and organisations which have a positive reporting and learning culture.

Medication Errors

Following a 40% reduction in the number of medication incidents reported over the last two years, 2013/14 has seen the number of reports plateau at an average of 100pcm (from ~160 pcm in 2010/11).

This reflects the 40% reduction in medication error reports over the past two years due, in part, to a focus on reducing avoidable harm within the Leading Improvements for Patient Safety (LIPs) programme, and the rollout of electronic Prescribing and Medication Administration (ePMA).



The latest data released by the National Reporting and Learning (NRLS) system covers incidents reported between Oct 2012 and March 2013. The data shows that Derby Hospitals still has a healthy reporting culture, with 8.1 incidents/100 admissions reported (E Midlands acute average 7.9). Medication errors were 9.9% (down from 11.9%) of all incidents reported (Large acute average 10.2%).

At Derby Hospitals over 98% of incidents lead to low or no harm (large acute average 93.8%) with incidents leading to severe harm or death (0.1%) reported during this period at rates lower than the large acute (0.7%) and regional (0.6%) average.

There are nine 'medication events' included in the NHS list of 'Never events'. No 'Never events' involving medication occurred at Derby Hospitals in 2013/14.

This year we have introduced weekly 'newsletter' e-mails to all junior doctors on safe prescribing practice. Written by an experienced pharmacist, the newsletters focus on sharing learning from real prescribing incidents or near misses and have been well received by junior doctors.

Electronic Prescribing and Medicines Administration (ePMA)

ePMA is now live in all adult inpatient areas within the RDH and LRCH, with the exception of Ward 101, Labour ward and ITU. Approximately 80,000 prescribing activities are conducted within iCM each month.

In December 2013 the iCM discharge module was implemented, which avoids the need for prescribers to 'transcribe' discharge medications into a separate system. The accuracy of prescribing on discharge prescriptions has improved. Baseline data from pharmacy indicated that 60% of TTO prescriptions needed correcting using the 'old' Bedweb system, but with discharge prescriptions being generated within iCM the proportion requiring correction has dropped to 20%.

'Order sets' are used within the ePMA system to standardise prescribing and reduce unwarranted clinical variation. The EPMA team have worked closely with clinicians to continually develop and implement relevant 'order sets' (of which there are now approximately 100 in use).

FRAIL ELDERLY CARE

Work has progressed well on the design and implementation of the Acute Frail Elderly Pathway. The screening tool is now fully implemented in the Emergency Department and Medical Assessment Unit.

The Frail Elderly Assessment Team is fully implemented 7 days a week, 8am to 8pm, providing a Comprehensive Geriatric Assessment across Medical Assessment Unit. The team have developed joint Multidisciplinary Team documentation which is shared with GPs and used as the referral data for Community Services within City and County. The next phase of the development of the pathway is due to start in April 2014 concentrating on the transfer out of the acute setting to community services ensuring the delivery of Comprehensive Geriatric Assessment.

LONG TERM CONDITIONS

Implementation of Community Support Teams and recruitment of a Care Co-ordinator role within GP practices is helping to develop a more integrated pathway for patients with long Term conditions across southern Derbyshire.

IMPLEMENT EXPERIENCE BASED DESIGN OF PATIENT PATHWAYS THROUGH TRANSFORMATION PROGRAMMES

During 2013/14 the Transformation Team have integrated with the Patient Experience Lead to ensure that all projects have a Quality Impact Assessment carried out at the very start of the project. This has to be signed off by the Medical Director and Chief Nurse. The use of Patient Panels and patient surveys have led to informed decisions about the changes required to ensure our services are fit for purpose and as appropriate for our current healthcare market as possible whilst recognising the needs of our patients.

REDESIGN THE ELECTIVE PATHWAY TO IMPROVE THE EXPERIENCE OF OUR PATIENTS

The work this year has concentrated on the following pathways:

- Implementation of Outpatient Parenteral Antibiotic Therapy (OPAT) service delivering intravenous antibiotics at home rather than having to stay in hospital.
- Identified sessions to move cases from general theatre to day case – to provide a better experience for patients in the right setting
- Piloting a revised pre-op pathway
- A revised admission pathway for breast patients providing a better pre-theatre environment

GETTING HEALTHY STAYING HEALTHY

In January 2014 the new "Get Healthy, Stay Health" programme was launched. This programme

aligns the workplace health agenda, Making Every Contact Count (MECC), and NICE Guidelines for workplace health to ensure that the Trust strategic objectives are met and patients, staff, and visitors receive a consistent and positive message.

The overarching aim of the programme is to help staff make positive lifestyle choices, in addition to ensuring staff are able to support and sign post patients to the appropriate services.

The launch of the programme was supported by a comprehensive communication plan including road shows, team brief, target emails, poster campaign, launch of new intranet pages and signpost. In the first week over 3000 hits were measured on the intranet pages and over 40 individual e mails received from staff wanting to find out more about the services on offer.

The key topics that the programme covers are:

- Physical Activity
- Healthy Eating
- Stop Smoking
- Alcohol Awareness

In addition to the January launch there are several high profile campaigns planned throughout the year, which staff, patients and visitors are welcome to attend.

This programme will be further enhanced in March 2014 with the launch of the new Live Well programme, which is provided by Derby City Council.

IMPROVEMENTS IN TIMELY DISCHARGE AND COMMUNICATION TO OPTIMISE A PATIENT'S LENGTH OF STAY

Delayed Transfer of Care (DTOC) – Integrated Model

At the start of January 2013 Derby Hospitals NHS Foundation Trust applied a weekday system to support any patients that had gone over their Expected Date of Discharge. The daily process was supported by representatives from Derby City Adult Social Care and Greater East Midlands Commissioning Support Unit (Continuing Healthcare) supporting the daily DTOC meeting.

The vision is an integrated model to enable people to maintain the maximum possible level of independence, choice and control, whilst listening and supporting people to express their needs and wants. This increases positive self-esteem. Dignity in Care (2013).

Through the year DTOC levels were reported and overall there was a reduction in numbers of patients delayed.

Integrated Team

The Trust has a unique opportunity to develop and lead a multi-disciplinary team approach to managing complex discharge. The team incorporates strategic leadership and oversight of complex discharge progress, but also includes direct support to wards from a team experienced in all aspects of complex discharge i.e. equipment, over-border partners, continuing health care and social care support.

The strategic leadership is provided through the General Manager of Integrated Care & Discharge.

Having an integrated team has enabled:

1. Caseload management of patients on the Temporary Placement in Exceptional Circumstances; following the patient in to their temporary placement within the Southern Derbyshire locality.
2. Supporting the transfer of patients to a residential setting by undertaking comprehensive 'health and social care assessments' to facilitate the patient's safe transfer.
3. Support the management of complex patient cases and reduce delays to a minimum level.

4. To co-ordinate an Integrated Discharge Team within the proposed locality model to ensure smooth handover and care at discharge from hospital. This also supports case management of complex discharges within a non-acute setting.

Transformation- improving the quality of the patient discharge

The Home to Assess strategy has been monitored and reported through a Transformation scheme called Work-Stream 4 - Better Handover to Primary Care.

During 2013/14 transformation work has been led by Derby Hospitals delivering the following:

Launching the 5-a-day strategy 'Providing safe and timely patient care 'enabling all staff to take proactive planned actions in order to optimise the patient experience. Focus has been given to earlier discharge planning, focused daily board/ward rounds using the See Home Other Plan (SHOP) principles, pulling from assessment areas early and utilisation of the discharge lounge. In addition all patient discharge information has been reviewed to optimise the opportunity for earlier communication with the patient and their significant others.

The strategy has been supported by:

- Development of a Discharge Standard Operating Procedure – rewriting the Discharge Policy, defining clear roles and responsibilities for the multi-disciplinary team and linking these with agreed internal professional standards.
- Establishing the Discharge Support Officer role and its clear link with the Community Support Teams.

This transformation work has been achieved through partnership working across the health and social community, including the Clinical Commissioning Group.

Discharge Lounge

Derby Hospitals currently has a Discharge Lounge facility located on level 2, adjacent to ward 206. The facility accommodates 3 bed spaces and 18 chair spaces.

The Discharge Lounge operates Monday to Friday from 8am until 8pm. To maximise the patient experience on the last day of their inpatient stay the workforce model has been revised to now include dedicated leadership and a designated level of portering and hostess support. Additionally there are plans to enhance the patient environment. The impact of these changes will be closely monitored through a patient experience survey.

Service Navigation – admission avoidance

Service Navigation is a committed service provided to patients who attend the Emergency Department, Medical Assessment Unit, Short-stay medical ward and Surgical Assessment Unit. The service supports patients found to be medically stable, but require assistance in facilitating their discharge or transfer, for example temporary support or respite care or rehabilitation in the community.

The Service Navigation operates:

- Monday to Friday from 8.00am until 8.00pm
- Weekend days from 8.00am until 4.00pm

DERBY BIRTH CENTRE

The Birth Centre was officially opened on Tuesday 11 March 2014 by Professor Cathy Warwick, CBE, who is the Chief Executive of the Royal College of Midwives. The opening was attended by representation from the Maternity Services Liaison Committee, the Southern Derbyshire Clinical Commissioning Group, The Trust Chairman and Executive Directors, and included midwifery and support staff from the maternity service.

The Birth Centre aims to provide a welcoming, relaxed, comfortable, and supportive environment for

women and their families. Women experiencing a straightforward pregnancy and anticipating a normal birth are cared for by enthusiastic midwives. The Midwives in the Birth Centre view childbirth as a positive life experience which enhances the long term physical and emotional wellbeing of women and their families.

The feedback from women and their families has been extremely positive, and the midwifery team led by the Senior Midwife for Low Risk is working very hard to improve the women's experiences of the birth process.

INVEST IN A WARD ASSURANCE TOOL TO PROVIDE DEMONSTRABLE EVIDENCE OF DELIVERY OF HIGH STANDARDS OF CLINICAL CARE

Derby Hospitals currently has a significant challenge in managing patient flow. Demand in the emergency department has increased and there is good evidence that admitted non-elective patients are more complex. This has had a number of consequences in the hospital including an increased length of stay and increasingly complex discharges.

This year a need was identified for an electronic patient flow system that operates in real time giving quick access to vital, clinically relevant information. This system will play a vital role as the vehicle to support daily, high quality, multidisciplinary board and ward rounds. It will help facilitate decision making crucial to appropriate admission and timely discharge. The system is available on every computer in the Trust and utilizes a large touchscreen on every ward which is used as the basis of our daily board rounds.

The system that most closely met the operational requirements of Derby Hospitals was the Hospedia Extramed system.

It has been implemented across all of our medical wards (completed in December 2013) and we have plans in place to complete the implementation (across our surgical wards) by June 2014.

We are very pleased and excited with the system and will continue to develop it further help us manage care to the benefit of our patients.

TO IMPROVE AND SUSTAIN DISCHARGE COMMUNICATIONS WITH GPs AND THE WIDER HEALTH AND SOCIAL CARE COMMUNITY

ePMA and e-Discharge summaries have been successfully rolled out across both RDH and LRCH sites.

e-signing and e-sending of outpatient letters to GPs has now been implemented across 30 specialties. The roll-out will be completed following our transfer over to our new IT system Lorenzo, which will support all patient information systems. We are still working to ensure that all specialties send letters within 14 calendar days of discharge.

The Trust has worked in partnership with primary care colleagues to develop an e-portal and call handling service for primary care clinicians to report issues with prescribing information on discharge letters/receive appropriate response. This is to be implemented during 2014.

ENSURE ALL CLINICAL STAFF HAVE AN ANNUAL PERSONAL DEVELOPMENT PLAN AND UNDERGO APPROPRIATE CONTINUOUS PROFESSIONAL DEVELOPMENT

Every employee should meet with their line manager to identify and prioritise their learning and development needs for the next year in a Personal Development Plan (PDP). This is presented in an annual training needs analysis and informs the Trusts' annual workforce development plan. In identifying the priorities reviewers and / or managers consider the following:

- What training, development and or learning do individual employees need to achieve the requirements of their job description
- Does the training, development, and/or learning, reflect the agreed SMART objectives set from the annual development plan (Specific Measurable Achievable Realistic Timely);
- What training, development, and/or learning, do individual employees require to meet planned service developments, transformation developments;
- What training, development and or learning do individual employees need to reflect changing work roles and ways of working;
- What training, development and or learning do individual employees require who have been talent spotted or to support succession planning and career development;
- Consider the wider resources available including time and funding to support training, development and learning;
- How will the individual employee disseminate knowledge and skills from training, development and learning activity?

Evidence of appraisal activity is recorded with the Electronic Staff Record (ESR). Evidence of PDP is retained by the individual employee in their records (paper and or electronic versions) and by their manager.

WORK ON ACHIEVEMENT OF MANDATORY TRAINING FOR ALL CLINICAL STAFF IN ORDER TO STANDARDISE PRACTICE AND EMPOWER FRONT LINE STAFF TO RESPOND POSITIVELY TO EVERY PATIENT CONCERN EVERY TIME

Derby Hospitals are working with Skills for Health and Derbyshire Health and Social Care Organisations to agree minimum standards for Mandatory Training. This will enable the agreement of Core Skills Framework Standards.

At Derby Hospitals we have a blended approach to learning, with dedicated training rooms, and e-Learning which is available in the workplace, or accessible from home.

All staff have the opportunity to access their own Training Passport, which is a web based App, highlighting their mandatory training status. This is designed to run on all Smartphones, Tablet Devices and desktop / laptop computers (PC and MAC). The Training Passport equips our staff and trainers to access the appropriate tools to manage their own learning and education, empowering individuals to work flexibly and efficiently through learning at work.

The App displays the mandatory training activities relevant to staff job roles, using a red, amber and green (RAG) model.

The App highlights which mandatory training activities are:

- in date (Green)
- need refreshing within the next 90 days (Amber)
- out of date (Red)

Reports are generated monthly to detail staff compliance and bi-monthly exception reports are produced to identify to managers which staff are non-compliant. This information on training allows staff to be booked on relevant e-Learning courses via the Training Passport; this is available at work or at home to all Trust staff 24/7. This information is required as part of Appraisal and Development Review and for Incremental Pay Progression purposes from April 2014.

Train the trainer (cascade training) is available for some subjects, to enable senior staff to deliver training and ensure competence in subject areas that are mandatory and essential to service within their working areas.

2.1.3 PATIENT EXPERIENCE

In 2012/13 the Trust has reviewed its Patient Experience Framework to shape and guide the Trust on its priorities to continue to build on its vision to deliver PRICE in caring and put the patient at the heart of all that we do.

The 10 point approach to this Framework looked at all aspects of care. The importance of ensuring the organisation grows with both the NHS and the people that it serves is vital if we are to understand the needs of our ever changing Healthcare economy.

During 2013 Derby Hospitals began a campaign called "Making Your Moment Matter" based on the Patient Experience Framework set out in 12/13. This Framework aimed for us to provide "Always Events" and during the course of the project development and after discussion with patient groups we decided to Brand this project "Making Your Moment Matter".

We know from the feedback we receive that the small things that we do often make a big difference to patients, their carers and their families. We want to understand the things that make the difference to our patients, and to the member of staff caring for them. The aim of the project is to ensure that we listen to both our patients and staff and that this consultation exercise fitted alongside our Taking Pride in Caring Trust vision and objectives, as well as the National Nursing 6 C's - Developing a Culture of Compassionate Care.

We wanted staff, patients and their families to help us develop a set of statements which are right for both our organisation and our patients.

23 statements were drawn from some of the feedback we receive from patients, their carers, and their families. Also information gained from our Friends and Family Test.

This was a large scale consultation with a target audience of 3000 people. Data from the consultation was gathered using a variety of methods including the listening events which proved to such a success that the Trust has set a calendar of listening events for 14/15 which will be set out later in this report. Other methods included:

- hard copy feedback forms which included an option to leave contact details if the patient/carer would be happy for their hospital experience to be used as a patient story;
- an online feedback form;
- feedback forms translated into the top 8 languages used at Derby hospitals by our interpreting service (Latvian, Polish, Punjabi, Russian, Slovak, Urdu, Arabic and Kurdish) and were made available for download on the Trust website;
- staff forums; and
- direct consultation with partnership organisations.

The methodology ensured we had a wide range of responses that meant something to both staff and service users which when published could be related to or be recognised as a direct comment from them.

The following Top 5 " Moments " have been recorded from this consultation:

We will treat you as a person, not just a patient, with dignity and respect at all times.

We will give you the best possible treatment that is available to you.

We will understand your needs by listening, empathising with you, and keeping you informed.

We will make the place you are treated in clean, safe and the environment as caring as possible.

We will give you information in a way that you can understand, to help make decisions about your care.

The statements set out the Trust's Pledge to its patients , visitors and carers to ensure that we deliver the best possible patient experience by not just doing the " Big Stuff" but ensuring we get the smallest interaction with a patient right first time.

This campaign will be rolled out across the Trust during 2014/15 through embedding this into every aspect of teaching we do in the Trust induction and in conversations during staff appraisals both medical and non-medical, ensuring we touch every member of staff delivering care in all its forms.



The Fundamentals of Care (FC)

This is an innovative flexible programme that engages staff in a meaningful conversation about what people want from our services. Through activities and the use of a variety of media, staff are invited to explore their own values, the Trust values, and the kind of care they would want for those people important to them.

Films and patient stories punctuate an interactive experience that discusses both the emotional needs (module FC1) and physical needs (module FC2) of those who require our care.

Themes included in FC1 are: Reflections on own values and the needs of those important to us, Public perception including the media, Francis Report, Keogh Review, The 6 Cs and Care Makers, PRIDE, CARE, Communication skills and Patient Stories.

Themes included in FC2 are: Meaningful interactions and 'rounding', tissue viability, nutrition and hydration, pain management and falls prevention.

The programme was launched in September 2013 and was delivered to the Trust senior nursing team as well as approximately 100 of our Sisters, Charge nurses and lead therapists. Both of which demonstrate the level of priority the Trust has given to this project and the patient experience in turn.

We are providing monthly sessions from February of 2014 and this will reach in excess of 200 of our clinical staff by the end of the schedule. The programme has also been included in our inductions for newly qualified nursing staff so that all those who begin their nursing career with us will see that the patient experience is at the centre of what Derby Hospitals delivers across all its services.

Person Centred Care Project

Personalisation is a programme designed to embed person centred care into the culture on the wards. This is achieved by the use of a variety of tools that enable the staff caring for the patient to find out about and understand the person behind the patient and how to better support them and engage with them whilst they are in hospital.

The 1 page profile is like a mini 'this is me' document and details what and who are important to the patient. It also lets us know what their interests are etc.

Staff also complete a mini one page profile that will be displayed on the ward. This is so that patients and family can begin to know the person behind the uniform. By staff and patients knowing a little bit about each other and their interests it will be easier to strike up conversations about mutual interests etc.

Where possible every patient will be asked at the beginning of every day what small thing needs to happen on the ward that day in order for it to be a good day for them. At the end of the day staff ask the patient if their good day has been achieved.

Half way through the patients' stay on the ward, the senior nurse will sit down with them and discuss what is working well and what is not going so well. If this can be rectified at the time it will be. This information will be collated and reviewed every few months to identify any themes and the art of the possible with regard to addressing them.

Highlights from National Inpatient Survey 2013

The majority of results from this survey present the care delivered at Derby Hospitals in a very positive light. In most aspects, Derby Hospitals also fares better than the national average scores. The most positive findings were that over 80% felt they were always treated with dignity and respect (a slight improvement on last year); 84% rated their overall experience as 7 out of 10 or above; 85% of planned admissions felt they were admitted in a reasonable timeframe and few experienced changes to appointments; over 70% thought the hospital, including toilets and bathing areas, were very clean; 84% felt they had the right amount of information about their care; and the vast majority had confidence in the staff caring for them (85% confidence in doctors, 78% confidence in nurses).

Whilst there were very few negatives, a number of improvement areas have been identified. Around 30% felt there were only enough nursing staff some of the time; however, this may be simply down to perception. On questions regarding the quality of information given at various stages of care, although most reported they were given information in a clear and understandable way, around a quarter of patients either didn't feel they had any clear information or reported that it was only clear some of the time. In line with trends from complaints, almost half the respondents reported delays to discharge (47%), and of these, 56% reported that the delay was caused by a delay in receiving medicines. Furthermore, 35% of patients who'd received an operation or procedure said that how they would feel afterwards either hadn't been explained at all or had been only explained to some extent.

In relation to those negative elements found in the report the Trust is looking at the following key actions:

1. To develop the work with our patient panel to try and understand how we can make information sharing easier for the patient given that a lot of the information supplied can be of a complex nature.
2. The Patient Experience Team will be carrying out induction training for the new junior doctors in 2014/15 and this will be a theme of that training.
3. The Trust discharge project will have a key focus to improve the delay in receiving.
4. The Patient Experience Team will be working with surgical colleagues to look at the type of information supplied at the time of consultation, in relation to both the after effects of the surgery they are about to undergo, but also the general rehabilitation period expected.

Respondents

In the 2013 National Inpatient Survey, 431 patients responded from a sample of 900, which represents a good response rate of 48%. This compares to 476 in 2012, a response rate of 53%, so our response rate has gone down slightly.

Of those that responded, the vast majority were the actual patient. In some cases, a friend or relative completed the survey, and a number of patients were assisted in completing the survey.

Overall experience

In terms of patients' overall experiences, most felt they were treated with dignity and respect, most felt they had been given opportunities for feeding back their experiences, and many people were aware of how to make a formal complaint. Most ratings of overall experience were 8 out of 10 or above.

National Cancer Patient Experience 2012/13

The Cancer Patient Experience Survey 2012/13 (CPES) follows on from the implementation of the CPES in 2010 and 2012. The CPES provides information that can be used to drive local quality improvements by the Trust and Commissioners; there is a plan to repeat the survey.

155 acute NHS Trusts participated in the survey which included all adult patients (aged 16 yrs and over) with a primary diagnosis of cancer who had been admitted into hospital as an inpatient or as a day case and was discharged between 1st September 2012 and 30th November 2012. The response rate at the RDH was 68% (national 64%) which was 743 questionnaires being returned. Where numbers of respondents in a particular tumour group were less than 20 (representing rare cancers), the individual tumour data is not available.

The survey has 15 categories which comprises of between 3 and 8 questions (overall 64 questions).

Who responded by tumour group?

Tumour Group	Number of respondents
Breast	143
Colorectal/lower Gastrointestinal	112
lung	35
prostate	42
Brain/Central Nervous System	2
Gynaecological	66
Haematological	103
Head and Neck	30
Sarcoma	0
Skin	36
Urology	113
Upper Gastrointestinal	49
other	12

Where we are doing well?

Derby Hospitals had 23 question responses that were in the top 20% category (compared to 15 in the 2012 National Cancer Survey), with a statistical improvement being noted in 8 of these questions.

Listed below are the themes:

- * Patients' views being taken into account by doctors and nurses discussing treatments.
- * Given the right amount of information about condition and treatment.
- * Clinical Nurse Specialists listened carefully and patients felt they got understandable answers to important questions most of the time.
- * Staff explaining what would be done during tests and easy to understand written information being given to support this, alongside being given a complete explanation of test results in an understandable way.
- Patients feeling that they are given enough privacy when discussing condition/treatment, being examined and being treated.
- Patients feeling that the hospital staff did everything to help control pain all of the time.
- Written information about:
 - cancer type
 - explaining possible side effects
 - discharge written information and who to contact if worried post discharge

* demonstrates a statistical improvement from the National Cancer Survey results 2012

Where might we need to improve?

The Trust was placed in the bottom 20% for 3 questions (compared to 7 in the 2012 National Cancer Survey). The bottom 20% range is a comparative range with other Trust and is measured on a scale. Whilst it may seem rather negative to be in the bottom 20% on a particular question, in some cases the margin of tolerance between being 'in' or 'out' of the bottom 20% is very small.

The 3 questions were:

- Patients being given a choice of different treatments
- Staff did everything they could to control the side effects of chemotherapy
- When rating the NHS care over all 'patients being offered written assessment and care plan'

Developing Real Time Patient Feedback

The Trust has been committed to gathering real time patient feedback this year using a varying array of methods including the use of both performing and visual artists.

Listening to the patient on a one to one basis is so important. It is what we then do with the information to effect change.

An example of this type of real time listening can be seen through the "Singing Chefs" food project.

In the 12 /13 inpatient survey the Trust found that its scores in relation to food had dropped by a small amount on the previous year and in an effort to find out what the problems were the Facilities Team in conjunction with the Arts Co-ordinator drew up a project that saw two performing artists survey patients out on the ward about their experience of the food served at the Royal Derby site. During this interview patients were asked to score five themes out of five, those being Taste, Texture, Choice, Temperature and Amount. Once rated out of five this rating was placed on a music stave board and the tune played back to the patient using a violin. So if your selection was say 1 the note would be low and if scoring 5 it would produce a high note. This form of interaction was all noted and the music recording produced was given to the patient as a keepsake of their eating experience. The real value of this exercise was seen in the fun the patient had giving feedback and this led to a more open approach that just filling in a survey card.

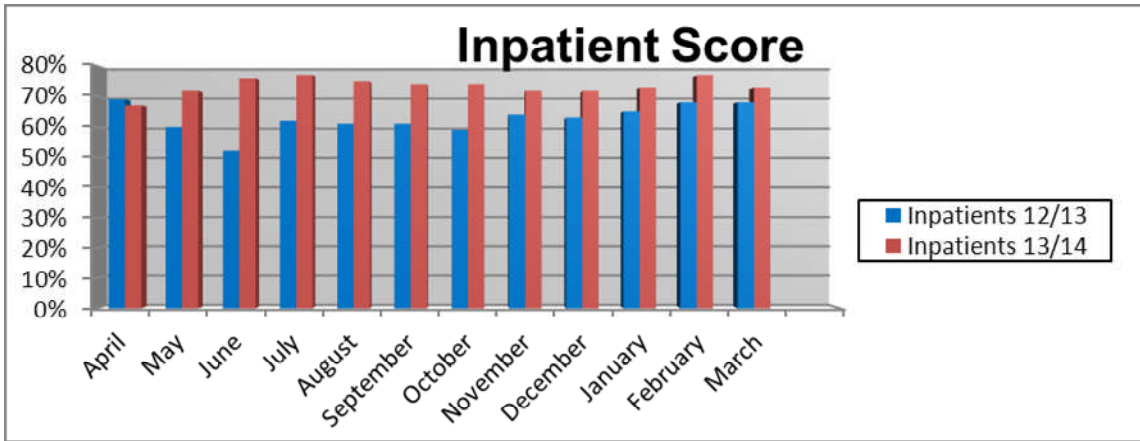
These themes have been fed back to the Catering Team and real improvements made in the last two menu changes at the Royal Derby site. Changes which have seen smaller portion sizes available to patients, changes in our light bites menu and the introduction of "Wraps" as well as sandwiches as a new choice. This just demonstrates the power of listening differently and what achievements can be made.

The Trust will continue using new and varied ways of getting this real time feedback which will be made all the easier with the introduction of our Electronic Friends and Family Test.

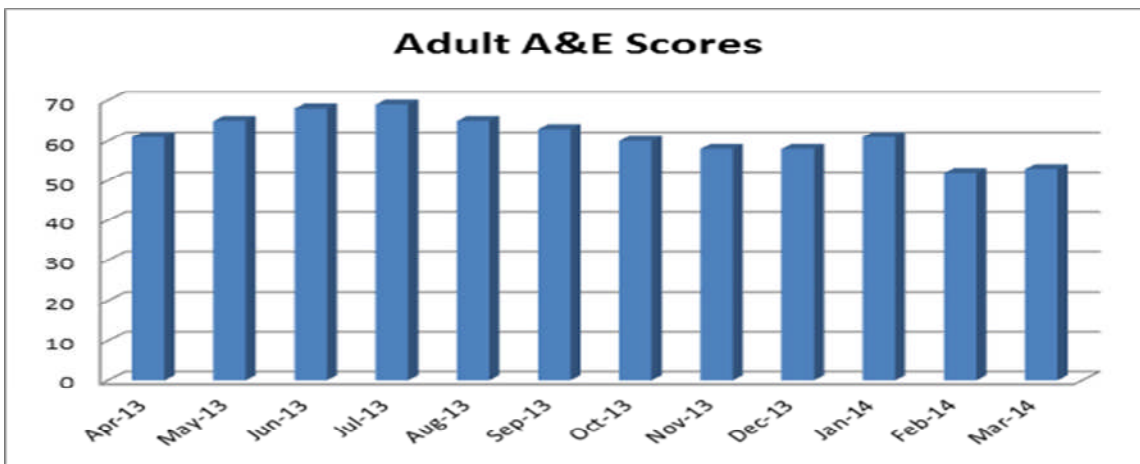
Friends and Family Test

Response rates for our Friends and Family Test are still variable across the Trust and this is constantly challenged at department level. However the Trust Score against Friends and Family are some of the best in the region.

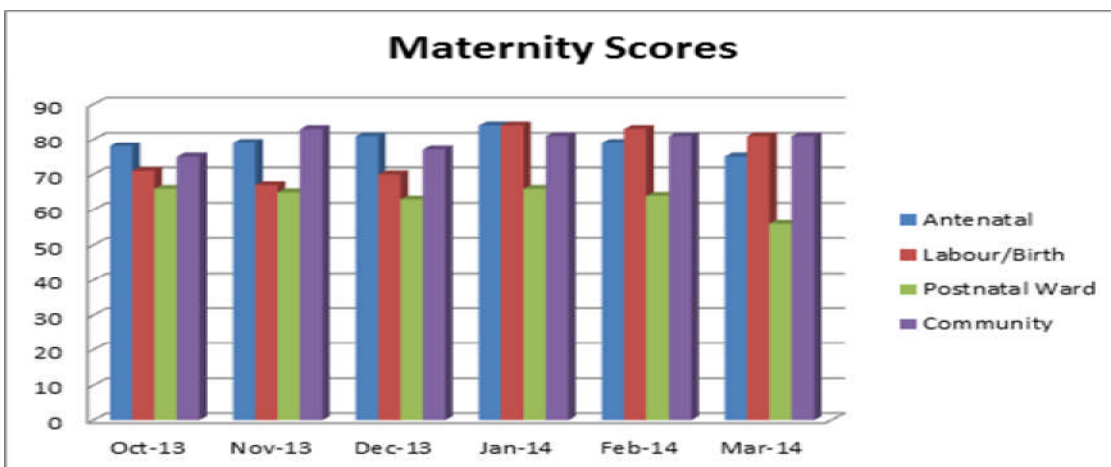
Over the last year compared with 2012/2013 the Trust has seen a steady rise in its Friends and Family test score for inpatient Services.



Emergency Department (ED) Friends and Family Scores have been variable over the last year with a trend that reflects the times in which we have seen higher activity in the area. Since the collection of ED scores via text messaging in November 2013 after a low early response rates recorded we have seen these pick up.



Maternity Services were added to the Friends and Family Test in October 2013 and are now in their fifth month of reporting with some really good scores being achieved. Maternity Services saw increases in both scores and response rates in January 2014 and with the addition of a electronic web based input portal we hope to increase the response rates further

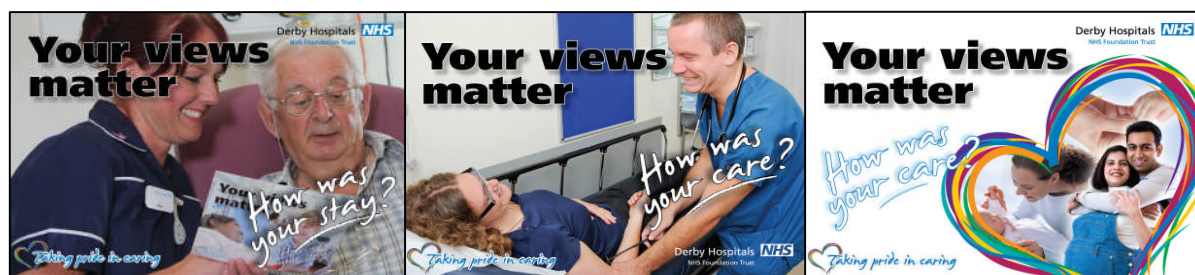


The Friends and Family Test is due to be rolled out further to Community Services and Outpatient areas as well as to staff in April, October and December 2014. The Trust is developing plans on how to capture this data.

Currently we use 3 methods to capture the Friends & Family Test data: our "Your Views Matter" Cards, Text Messaging in ED and via an Electronic portal which we rolled out in March 2014, This will allow for a on line portal to be available to all patients, visitors, and carers, This will allow us to correlate feedback between both staff and patient experience.

The challenge to the Trust in 14/15 will be to ensure we keep the flow of information from all of these formats available for the organisation to learn from and adapt to the comments made about services if appropriate

The Your Views Matter Campaign was designed to support and enhance the Family and Friends Test. The campaign was set up to raise awareness of the different ways in which people could tell us about their experiences. This continues with a great deal of success. To support this, a new 'postcard' style feedback card was designed which incorporated the Family and Friends question, plus 4 further questions which focused on safety, information and communication. There is also a section for people to leave comments or suggestions on where we are doing well or where we could improve.



As part of the campaign posters on who to speak to on the ward if someone has a concern have been put up in inpatient areas. Banners advertising the campaign have been placed across the Trust and information for staff and patients has been put onto the Intranet and Internet.

The outcomes to date have been very positive with the majority of people responding to the additional questions identifying that they have had a positive experience, with particular focus on the positive and caring attitude of staff.

Positive comments are passed onto staff and also our communications and marketing department to ensure that information is shared.

As many of the comment cards carry a positive message (currently 85% of comments made) these are now scanned directly into the database and are e-mailed back to the Ward / Department to the senior nurse for display / onward communication.

Health Service Journal (HSJ) Awards

Health Secretary Jeremy Hunt encouraged all organisations to enter a new HSJ Award category which was backed by the Department of Health.

The Compassionate Patient Care category showcased the ways in which the health service has built on the recommendations of the Francis Report, and highlight organisations at the forefront of the patient centered care agenda.

The HSJ Awards are the largest celebration of healthcare excellence and Compassionate Patient Care joined 21 other categories. Health Minister Norman Lamb, on behalf of Health Secretary Jeremy Hunt, awarded Derby Hospitals Foundation Trust this inaugural award for its integrated partnership working over elderly patient care. Saying the breadth of project demonstrated at the judging stage showed that the words compassion and care was a constant throughout those projects in place.

COMPLAINTS AND COMPLIMENTS

In 2013/14 the Trust has continued to welcome patient feedback. Following a review of the Complaints Policy, there has been a continuing focus to ensure that we effectively and efficiently answer concerns and continually use this information to improve our services.

	2011/12	2012/13	2013/14
Number of Complaints	573	602	736

Although we do not wish there to be more Concerns and Complaints, the increase continues to be encouraging as more people are telling us about their experience. The increase is felt to be due to the heightened awareness amongst the public about the option to complain. This trend reflects the local and national picture, and our own internal campaign related to 'Your Views Matter'. Proportionately, there have been a higher number of concerns this year and we have made significant effort to resolve peoples' concerns quickly, reducing the need for them to follow the formal complaints process.

The Trust has assessed itself against the National Complaints Report '*A Review of the NHS Hospitals Complaints System. Putting Patients back in the picture – Clwyd and Hart, October 2013*' and improvement work is well established as a result of this.

The key areas of focus are;

- Ensuring that staff are trained to deal effectively and efficiently with concerns
- Embedding systems to make sure that learning and improvements from complaints are part of our core activity
- Consolidating the use of the electronic information system to ensure that complaints and concerns are responded to in a timely manner

We have established a Complaints Review Group to carry out monthly reviews of the quality of our complaint responses. Consisting of Non-Executive, Governor and staff members, the group feed back to staff to ensure that learning takes place. The Trust has also enlisted the support of the Patients Association in surveying all people who make a complaint about their experience of the complaints process. Learning from complaints takes place at several different levels of the Trust, at Board, Divisional, Business Unit and local ward and department levels.

Complaints Received by the Health Service Ombudsman

A person may refer to the Health Service Ombudsman (HSO) if they do not feel that the Trust has responded to all of their concerns, or they are unhappy with the way in which we have dealt with their complaint. The HSO gives the Trust the opportunity to ensure that all local resolution has taken place to try and resolve the issues. The HSO will give an independent view on the complaint.

In 2013/14 there were 7 new referrals received by the HSO which is a reduction from the previous year (18). This is encouraging because it means that more complaints are successfully resolved by the Trust.

Compliments

The Trust has widened the ways by which compliments are received, with the comments from Friends & Family and NHS choices website adding a rich source of information to the compliments received in writing by the Trust. The high number of compliments received is very encouraging and are fed back to the department teams to reinforce good practice.

Source of feedback	In writing	NHS choices website	Friends & Family
Number of Compliments	359	32*	8838**

* Data collected from September 2013

** Data collected from June 2013

DEMENTIA CARE

The Trust is continuing to develop the Framework for improving the experience of patients with Dementia as part of the overall approach to enhancing the quality of care for frail elderly people.

There is now a range of training and development programmes to improve Dementia awareness and a new E-Learning package has been developed. Dementia training has been rolled out via our One Stop Shops. This has been very well attended and we now have 2,500 staff having received general Dementia Awareness training.

13 senior members of nursing staff have also been trained in delivering a 'Best Practice in Dementia Care' course. This training has enabled them to become qualified facilitators of the same training so that they are now able to lead others within the Trust through the programme.

A very successful Dementia event took place in September 2013 to look at we can further improve how we care for patients with dementia. This involved a wide range of hospital staff and many of our community partners' action plans have been developed as a response to suggestions given on the day.

In wards that specifically have high numbers of elderly patients and those with a diagnosis of Dementia a number of initiatives have taken place, this has included the introduction of the 'Memory Cafes' which are designed as rooms which replicate certain eras and offer patients a place of consistency and calm whilst in the hospital setting. Environment changes have been made on some of our key wards, including painting individual bays different colours, better signage and a room being changed to become a dining/activity space. We are currently looking at the further environmental improvements we need to make.

The Trust has participated in the 'Enhancing the Healing Environment' programme provided by the Kings Fund. This training now enables staff members to undertake specialised environmental audits to enable the Trust to further improve the environment for people with dementia.

There is now a Psychiatric Liaison Team within the acute Trust available 7 days a week, 24 hours a day comprising of Mental Health Nurses, Consultant Psychiatrists, Psychologist and a Social Worker, who are supporting the assessment of patients with confusion and Dementia and advising on best care for patients.

As part of the Commissioning for Quality and Innovation (CQUIN) programme of work there has been a dedicated CQUIN focusing on early diagnosis, and referral for people over the age of 75. The Trust has consistently made these targets which have improved the recognition, assessment and referral for specialist care of patients with a diagnosis of Dementia.

The Trust Board have signed up to the national 'The Right Care' campaign and have submitted our pledges towards getting it right, this will be available and published on the internet along with all the other acute hospitals pledges.

The Trust's priorities for the coming year will be;

- To increase the numbers of staff who have specialist training, particularly for those who directly care for patients with Dementia
- To continue to enhance our environment to make them more therapeutic for people with Dementia
- To further develop our individualised care plans for patients with Dementia, in close collaboration with community colleagues

LEARNING DISABILITIES

The Learning Disability Liaison Nurse continues to support the patients, carers and staff in improving

the experience of this patient group. Assessing the care needs and advising on specific requirements including communication techniques, complex behaviours, and reasonable adjustments to assist the trust in effectively meeting the healthcare needs of people with a learning disability.

Support for pre-operative appointments has increased; this enables the planning to be discussed and the reasonable adjustments to be made prior to admission for surgery.

A photographic journey has also helped with this to show the patient and carers where they will be going and who they will meet. This reduces the anxiety for the patient and the carers, which leads to a positive hospital experience.

The Traffic Light Assessment continues to be well received by people with a learning disability and their carers, and is now recognised by the staff that come into contact with this patient group.

Alerts / patient flags continue to be imputed onto the PAS / Lorenzo systems; clearly identifying the person has a learning disability.

The short films on the web site have been used within training and within the community, and we are looking to do more filming for other departments within the hospital.

DEVELOPMENT AND IMPLEMENTATION OF WARD ASSURANCE TOOL

The Ward Assurance Tool is currently being reviewed in line with best practice and other organisations.

From 1st March 2014 indicators will be restricted to red or green, i.e. compliant or non-compliant. This will remove the potential risk of complacency. The ward assurance indicators will be reported against other safety measures through the Trust Quality Review Committee.

A performance management process will be developed to support the new approach. This will include a period of increased supervision and audit for those areas consistently falling below 95%. The process will also identify, reward, and give recognition to the most improved wards.

ENSURING THAT PATIENTS WHO ARE AT THE END OF LIFE RECEIVE THE MOST APPROPRIATE CARE

The Trust remains committed to providing high quality care to patients who are at the end of their life, and their loved ones. In 2013, we have been one of 71 Trusts participating in the national programme 'Transforming End of Life Care in Acute Hospitals'. This programme has been designed to enable more people to live and die well in their preferred place and encourages staff to use tools and resources, in particular five key enablers which are highlighted below. Delivery of this programme in Derby is being led by the End of Life Team, within the department of Palliative Medicine.

Advance Care Planning

Advance Care Plans record patients' wishes and preferences for end of life care. Throughout 2013, the End of Life Team provided training for community staff on the use of the *Gold Record*, a locally designed patient-held booklet in which advance care plans may be documented. These booklets are now in use in the community, given out by a range of community staff working with patients at the end of life. The Gold Record is a Trust Commissioning for Quality and Innovation (CQUIN) to secure improvements in quality of services and better outcomes for patients. The CQUIN enables the Trust to monitor the number of advance care planning discussions with patients using the Gold Record.

Electronic Palliative Care Co-ordination Systems (EPaCCS)

A system enabling key information to be communicated between healthcare professionals will improve coordination of care so that patients' wishes can be achieved wherever possible. Since 2013 the Trust has worked with Southern Derbyshire Clinical Commissioning Group (SDCCG) to introduce a common system that can be implemented across all providers involved in the care of patients at the end of life.

Amber Care Bundle (ACB)

The AMBER care bundle encourages clinical teams to identify critically ill hospital patients whose recovery is uncertain and who are at risk of dying in the next one to two months. This leads to better involvement of patients and their families in discussions about treatment and future care. The success the Trust has had with the implementation of this programme to date has led to the Trust being labelled as a 'faculty hospital'. All of the medical wards and the Medical Assessment Unit are now using this approach. As a baseline for 2013/14 55% of patients supported by the tool should have a documented discussion about their clinical uncertainty, this is currently recorded for 84% of patients. Work continues to implement the AMBER care bundle across all other wards in 2014/15.

Rapid Discharge Home to Die

Most patients say they would prefer to die at home, yet many die in hospitals. During 2013 we commenced a project, led by a facilitator, assessing the obstacles that may make it difficult for us to respond to an urgent request from a dying hospital patient to die at home.

Liverpool Care Pathway

Following an independent review led by Baroness Neuberger of the Liverpool Care Pathway, (LCP) it was recommended that that the LCP be withdrawn by July 14th 2014. The Trust has issued guidance regarding use of the LCP in caring for dying patients during the interim period and will be directed by forthcoming national guidance as we move forward.

The Leadership Alliance for the Care of Dying People (LACDP) has produced further interim guidance regarding the LCP and we continue to await the final formal guidance. The interim guidance highlights that the Neuberger report had 44 recommendations, of which withdrawing the LCP was only one. The LACDP (a group made up of about 20 organisations) has to respond to all of them to come up with a comprehensive response on quality in end of life care.

The priority areas within the interim guidance for care in the last days of life are as follows:

- Recognising and communicating the possibility that a person may die within hours/days and reviewing this decision and plan regularly
- Communication with patient and family at this time
- Involving patient and family in decisions at this time
- Identifying needs of patient and family at this time
- Creating an individual plan of care for these days

The development of an "Individualised End of Life Care Plan" is still under discussion. Derby Hospitals are working with the local CCG's to develop documentation encompassing all of the above priorities. The above changes will need to be held within a framework of robust education for staff working both in Primary and Secondary Care.

Further Trust initiatives in End of Life Care

The National Bereavement Survey (VOICES)

The National End of Life Care Strategy (DOH, 2008) set out a commitment to promote high quality care for all adults at the End of Life stating that outcomes of End of Life care would be monitored through surveys of bereaved relatives.

The National Bereavement Survey (VOICES) commissioned by the Department of Health and administered by the Office for National Statistics (ONS, 2011) used a questionnaire which was completed by bereaved relatives as a method of evaluating these experiences.

This questionnaire has been re-designed to provide a mechanism for assessing the quality of care provided to people at the End of Life within Derby Hospitals and has been used within the Trust since January 2013.

Through the use of the VOICES questionnaire the team are able to measure the quality of care given to patients at the End of Life, their families/close friends and carers, and to use the results to plan and improve the quality of the care provided.

Carer's Diary

The Trust has also introduced a Carer's Diary for loved ones of patients in the last in the last days of life. Relatives and carers are encouraged to write down comments and questions regarding processes at the end of life. Concerns may also be raised.

This information is read by staff and acted upon as necessary. The Carer's Diary is now used across the Trust.

A review of the Carer's Diary identified two themes: observations on care and expressions of thanks and appreciation. To date there have been no concerns regarding personal care needs not being met.

2.2 PRIORITIES FOR IMPROVEMENT DURING 2014/15

The Trust continues to ensure that the Quality Strategy is embedded throughout the organisation and that these objectives are achieved. These objectives were developed through organisational learning, patient feedback and surveys. Wider engagement was not undertaken when those objectives were developed.

Staff views were taken into account following work developed as part of the Quality in Action event which all leadership staff from the Trust Business Units and Corporate Teams attended.

From 2014 objectives and targets will form part of the performance management arrangements for each Division within the Trust and be subject to regular review and scrutiny by the Quality Committee and Trust Board.

Monitoring and measurement of progress will be undertaken with the appropriate Trust committees and groups. These will report into the Quality Review Committee, Quality Committee, and the Trust Board. The priorities for 2014/15 have taken into account feedback and engagement with staff and patients through our:

- Dementia workshops
- Francis Listening Events
- Making your Moments Matter

Consultation with:

- Quality Committee
- Governors Workshops

Patient Safety:

Protect patients from C.Difficile
Continue to drive down mortality rates
Implement speciality level mortality review groups
Introduce public ward staffing and safety information

Clinical Effectiveness:

Develop "toolkit" of quality assurance methods i.e. risk and quality reviews and safety walks
Embed Trust inter-professional standards
Reduce opportunities for clinical variation

Patient Experience:

Embed "Making Your Moment Matter" as a key caregivers strategy
Roll out Fundamentals of Care education programme to all staff groups
Implement year 2 of the Dementia Strategy continuing to improve the environment for patients
Enhance opportunities to use real time patient experience feedback to drive improvements

Ensure our complaints process is responsive and demonstrates the shift to a learning organisation

2.3 REVIEW OF SERVICES

The Trust provides a wide range of secondary care NHS services and since April 2011 has continued to provide the Adult Community Services across the City Centre.

During 2013/14 Derby Hospitals NHS Foundation Trust provided and/or sub-contracted 102 relevant health services. The Derby Hospitals NHS Foundation Trust has reviewed all the data available to them on the quality of care in 102 of these relevant health services.

The income generated by the relevant health services reviewed in 2013/14 represents 100% per cent of the total income generated from the provision of relevant health services by the Derby Hospitals NHS Foundation Trust for 2013/14.

2.4 PARTICIPATION IN NATIONAL CLINICAL AUDITS AND NATIONAL CONFIDENTIAL ENQUIRIES

Audit is integral to providing evidence that the Trust is meeting national targets and demonstrating compliance with the recommendations and guidance from the National Confidential Enquiries of Patient Outcome and Death (NCEPOD), the National Institute for Health and Clinical Excellence (NICE) and the Department of Health.

The Trust Audit Group has an important role in assisting Divisions in the prioritisation of audits and monitoring progress against the Divisional Annual Audit Programmes and Action Plans when improvements are indicated and checking that re-audits are carried out. The Trust Audit Strategy and Audit Policy are available for staff on the Trust Intranet.

During 2013/14 39 national clinical audits and 2 national confidential enquiries covered relevant health services that Derby Hospitals NHS Foundation Trust provides. The Audits and Enquiries for which data collection was completed during 2013/14 are shown in the tables below. This data includes the number of cases submitted to each audit or enquiry as a percentage of the number of cases required by the terms of that Audit or Enquiry.

During 2013/14 Derby Hospitals NHS Foundation Trust participated in 77% of national clinical audits and 100% of national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

NATIONAL CONFIDENTIAL ENQUIRIES INTO PATIENT OUTCOME AND DEATH (NCEPOD) REPORTS

The aim of NCEPOD audits is to maintain and improve standards of patient care in all specialties by reviewing the care of patients in confidential surveys and making the results and recommendations available to the Trust and relevant Clinicians and Departments. The Trust has an NCEPOD Ambassador who is responsible for the formalised process of review and management of National Confidential Enquiry reports and recommendations. The process includes identification of a designated Clinical Lead and a robust reporting structure via reports to the Mortality Review Group, Clinical Audit and Effectiveness Committee.

The national clinical audits and national confidential enquiries that the Derby Hospitals NHS Foundation Trust was eligible to participate in during 2013/2014 are as follows:

National Confidential Enquiries					
Title		Participated During 2013/14	Completed	Cases Submitted	% of Required/Eligible Cases
Subarachnoid Haemorrhage	NCEPOD	✓	✓	1	100%
Alcohol Related Liver Disease	NCEPOD	✓	✓	3	100%
Tracheostomy Care	NCEPOD	✓	✓	3	100%
Lower Limb Amputation	NCEPOD	✓	✓	7	100%

The following NCEPOD Reports were received in 2013/14 and reviewed by the appropriate sub-committee of the Board.

Measuring the Units: A Review of Patients who Died with Alcohol Related Liver Disease

The aim of this study was to identify remedial factors in the quality of care given to patients who died from Alcohol related Liver Disease (ARLD) and the following recommendations were made.

Key Recommendations

- All patients should be screened for alcohol misuse. An alcohol history including weekly units drunk, patterns and recent drinking behaviour, time of last drink, indicators of dependence and risk of withdrawal should be documented.
- All patients with a history of potentially harmful drinking should be referred to alcohol support services for physical and mental assessment. The patient's GP should be informed re the referral and outcomes.
- Each hospital should have a 7day Alcohol Specialist Nurse service with a liver specialist and psychiatry liaison nurses for assessment, brief interventions and access to services within 24hours of admission.
- Each acute hospital should have an MDT Alcohol Care Team led by a Consultant with dedicated sessions.
- All patients with decompensated alcohol related liver disease should be seen by a gastroenterologist/hepatologist. This should be within 24 hours and no longer than 72hours after admission.
- Escalation of care for patients with alcohol related liver disease, whose background functional status is good, should be actively pursued and there should be close liaison with medical and critical care teams when making these decisions.
- Robust guidelines should be available and all clinicians should be familiar with them and trained in their use.

Trust Self Assessment

The Trust was compliant in 14 of the 27 recommendations, partially compliant in 7, not compliant in 4 and actions planned for 2, and these will be addressed through a monitored action plan.

Managing the Flow: Aneurysmal Subarachnoid Haemorrhage

This study examined the pathway of care from presentation to hospital, the initial management, surgical intervention, rehabilitation and discharge for patients suffering an aneurysmal subarachnoid haemorrhage (aSAH), and the following recommendations were made:

Key National Recommendations

- Formal networks of care should be established in secondary care, that include standard protocols for the initial assessment and management of aSAH patients in secondary care and their care during transfer.
- Accepted methods of establishing priorities for treatment should be established across networks.
- Standard operating procedures for the management of aSAH patients (including for their peri-operative care) should be established.

- Nationally agreed specifications and appropriate funding are required to ensure that aSAH patients receive optimum rehabilitation and support post-operatively and post discharge.
- The clinical presentation of aSAH needs to be highlighted in primary and secondary care education programmes, observing the guidelines for the management of lone acute, severe headache published by the College of Emergency Medicine.
- Standard operating procedures in secondary care facilities to improve the diagnosis, stabilisation, management, referral, and transfer of patients with an aSAH to neurosurgical centres should be introduced nationally.
- Improvements in organ donation rates from non-survivors of aSAH will require the development of hospital policies and audit.

Trust Self-Assessment

The Trust was compliant in 1 out of the 10 recommendations and partially compliant in 2; 4 were not applicable to the acute Trust.

Actions include:

- Audit of the management of aSAH will be carried out in the Emergency Department
- Assessment of the proportion of patients with headache having a full neurological examination will be part of the audit.
- Development of a protocol for the management of aSAH which will include the use of Nimodipine.
- Organ donation rates will continue to be monitored by the Trust Organ Donation lead

Current Studies

Study	Report Due Date
Lower Limb Amputation	Spring 2014
Tracheostomy Care	2014
Gastro Intestinal Haemorrhage	June 2015

NATIONAL AUDITS

Participation in National Audits 2013/14

The national clinical audits and national confidential enquiries that Derby Hospitals NHS Foundation Trust participated in, and for which data collection was completed during 2013/14, 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 chart also identifies audits for which data collection is continuous.

Title	Acronym	Participated in 2013/14	Completed	Cases Submitted	% of required/ eligible cases submitted
Trust Wide					
National Audit of Dementia NAD	NAD	✓	completed	40	100%
Children					
Childhood Epilepsy RCPH National Childhood Epilepsy Audit		✓	Ends May 14	10	100%
Diabetes RCPH National Paediatric Diabetes Audit	PNDA	✓	On going	145	100%
Paediatric Asthma British Thoracic Society		✓	On going	48	100%
Moderate or severe Asthma in Children (Emergency Departments) College of Emergency Medicine		✓	In progress	50	-

Title	Acronym	Participated in 2013/14	Completed	Cases Submitted	% of required/ eligible cases submitted
Acute Care					
Emergency Use of Oxygen British Thoracic Society		✓	yes	755	100%
Adult Community Acquired Pneumonia British Thoracic Society		✓	Data collection started 01.12.14	-	-
Cardiac Arrest National Cardiac Arrest Audit	NCAA	✓	yes	91	100%
Adult Critical Care ICNARC CMPD	ICNARC	✓	on going	1071 cases from 01.01.13 to 4.12.13	100% (yearly cycle not yet completed)
Potential Donor Audit NHS Blood & Transplant Audit		✓			100%
Rheumatology & Early Inflammatory Arthritis		✓	Starts Feb 14	-	-
Inflammatory Bowel Disease	IBD	✓	Starts Feb 14	-	-
Chronic Obstructive Pulmonary Disease	COPD	✓	Starts Feb 14	-	-
Sentinel Stroke national Audit Royal College of Physicians	SSNAP	✓	On going	60	Started Sept 13 data collection still active
Immediate Management of the Patient with Rupture: Open versus Endovascular Repair	IMPROVE	✓	yes	17	15 eligible = 88%
Carotid Interventions Audit	UKCAE	✓	completed	75	100%
National Vascular Database	NVDb	✓	completed	489	100%
Severe Sepsis and Shock College of Emergency Medicine		✓	On going	-	-
National Emergency Laparotomy Audit Royal College of Anaesthetists	NELA	✓	On going	-	Started Dec 13
Long-term Conditions					
Diabetes National Diabetes Audit	ANDA	✓	3023	1381	46%
Adult Asthma British Thoracic Society		✓	On going	-	-
Elective Procedures					
Hip, Knee & Ankle Replacements National Joint Registry	NJR	✓			
Heavy Menstrual Bleeding	RCOG	✓	On going	156	
National PROMs Programme	PROMs	✓	On going	1128	78.80%
Liver Transplantation NHSBT UK Transplant Registry	NHSBT	✓			
Peripheral Vascular Surgery National Vascular Database	VSGBI	✓			
Cardiovascular Disease					

Title	Acronym	Participated in 2013/14	Completed	Cases Submitted	% of required/ eligible cases submitted
Acute Myocardial Infarction & Other ACS MINAP	MINAP	✓	✓	-	100%
Heart Failure Heart Failure Audit	HF	✓	On going	229	100%
Coronary Angioplasty		✓	✓	-	100%
Renal Disease					
Renal Replacement Therapy Renal Registry		✓	On going	-	100%
Renal Transplantation NHSBT UK Transplant Registry		✓	On going	181	100%
Cancer					
Lung Cancer National Lung Cancer Audit	NLCA	✓	✓	300	100%
Bowel Cancer National Bowel Cancer Audit Programme	NBOCAP	✓	✓	100	100%
Head & Neck Cancer DAHNO	DHANO	✓	✓	100	100%
Oesopho-gastric Cancer National OG Cancer Audit	NAOGC	✓	✓	180	100%
Trauma					
Hip Fracture National Hip Fracture Database	NHFD	✓	✓	566	100%
Fractured Neck of Femur College of Emergency Medicine		✓		50	
Blood Sampling & Labelling NCA of Blood Transfusion		✓	On going	24	100%
End of Life					
Care of the Dying NCDAH		✓	✓	50	77%

National Audit Reports 2013-14

The reports of 5 national clinical audits were reviewed by the Derby Hospitals NHS Foundation Trust in 2013/2014 and the Derby Hospitals NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.

1 The Effectiveness of Prophylactic Granulocyte Colony Stimulating Factor (GCSF) in reducing Neutropenic Sepsis (NS) with adjuvant Chemotherapy for primary breast cancer

Background

Chemotherapy for breast cancer can affect the body's ability to fight infection since the bone marrow that produces our body's defence cells, as well as the breast cancer cells, are affected by it. This study looked at the use of a treatment (GCSF) that boosts the bone marrow's ability to produce the white blood cell defence cells.

Recommendations

GCSF is a cost effective therapy that should be used in combination with certain chemotherapy regimes.

2 Heavy Menstrual Bleeding (HMB)

HMB is a relatively common condition that affects women's physical, emotional, social and material quality of life. This third Annual Report focuses on the experiences and health outcomes of women with HMB once they have been referred to the NHS outpatient clinics. The report recommended a focus on younger women including those with non-white ethnicity and those in severe pain, or poor health, as these were highlighted as being less satisfied with their care.

3 National Paediatric Diabetes Audit (NPDA) 2011-12

The NPDA is commissioned and sponsored by the Healthcare Quality Improvement Partnership (HQIP) as part of the national clinical audit programme. Participation is now a mandatory standard for a Paediatric Diabetes Unit (PDU) to receive Best Practice Tariff (BPT). Over the last few years there has been a move towards intensification of therapy including carbohydrate counting, multiple daily injections and continuous subcutaneous insulin infusions.

The NPDA will act as a measuring tool for the implementation of such initiatives. The NPDA covers the components of the National Service Framework for Diabetes and includes details on the number of children and young people with Diabetes in England and Wales, the care processes they receive and outcome measures, including inpatient admissions for Diabetic Ketoacidosis (DKA). Individual data is available for each PDU for care processes and treatment targets. Only national data is available for admissions.

Key findings: care processes and treatment target

1. England: Overall significant improvement in number of children and young people achieving HbA1c<7.5%
2. Derby PDU: Improvement in number achieving HbA1c<7.5%, median HbA1c and mean HbA1c during 2011-12 compared to 2010-11. Local data better than the overall national data (see below).

	England 2010-11	England 2011-12	East Midlands 2011-12	Derby PDU 2009-10	Derby PDU 2011-12
Mean HbA1c		73 mmol/mol (8.8%)	70 mmol/mol (8.6%)	75 mmol/mol (9.0%)	70 mmol/mol (8.6%)
Median HbA1c		71mmol/mol (8.6%)	68 mmol/mol (8.4%)		68 mmol/mol (8.4%)
% HbA1c < 58 mmol/mol (7.5%)	15.7%	17.4%		16.6%	21%

3. England and Wales: only 6.7% of all children and young people over 12 years had all care processes recorded (HbA1c, BMI, BP, urinary albumin, cholesterol, eye screening and for examination.)
4. Derby PDU: 75.9% did not have all care processes recorded. This was due to lack of foot examination only.

Key findings for hospital admissions: national data

- Incidence of DKA remains high but evidence that it has declined slightly in some age groups and especially girls
- 15.7% were in DKA at diagnosis
- 1 in 10 due to hypoglycaemia
- In over half cause of admission unknown

Recommendations:

Treatment target (HbA1c)

1. Introduction of local high HbA1c (above 9.0%) policy with focussed action plan for these individuals.

- Revision of new patient guideline : Higher starting doses of insulin for new patients, more aggressive correction of high blood sugars from the beginning aiming to get Hba1c <7.5% within 3 months of diagnosis.
- Pump service: Further expansion of insulin pump service planned. -currently approximately 50 patients out of 240, following NICE guidance.

Care processes

- Foot examination is now part of annual screening so all individuals should have all care processes performed.
- Improved quality of data input -Band 4 diabetes assistant practitioner appointed 2013 now inputting all data.

Hospital admissions

- Aim to reduce the incidence of delayed diagnosis in primary care and DKA at diagnosis: New guideline for GPs on shared care Pathology website accessible by GPs, recent education session at GP refresher course,
- Coding of hospital admissions: Working with coders to ensure coding accurate.

4 United Kingdom Obstetric Surveillance Survey (UKOSS)

A United Kingdom Obstetric Surveillance System to describe the epidemiology of a variety of uncommon disorders of pregnancy. This includes: Thrombocytopaenia, Cardiac Arrest, and Advanced Maternal Age. Information from these studies may be used for the development of clinical guidelines, prevention and treatment, counselling for women, and may influence service planning and the management of safety issues. This report will be discussed at Governance meetings and areas of concern will be discussed and relevant actions planned.

5 National Bowel Cancer Audit (NBOCA) 2013

The report refers to patients diagnosed from 01 April 2011 - 31 March 2012 and data was submitted prior to December 2012.

There is a concern that the data is unreliable as insufficient numbers of our cases have been included.

Trust v National Results

	National Average (%)	Royal Derby Hospital (%)
Case ascertainment *		92
Discussed at MDT	98	82
Seen by clinical nurse specialist	88	86
Staging CT reported	89	81
Surgery reported	58.6	14
Median Lymph node harvest	16	16
Lap rates	49	19
	National Average (%)	Royal Derby Hospital (%)
30 day mortality (adjusted)	2.9	0
90 day mortality (adjusted)	4.5	2.4
2 year mortality (adj)	24.5	16.5
MR performed for rectal cancer	86	82
Radiotherapy for rectal cancer	35	45
APER rate for rectal cancer	24	9
Stoma present at 18 months for rectal cancer	51	33
Stay > 5/7	69	64
Readmission at 90 days	20	17

* case ascertainment and data completeness refers to data on age/sex/ASA/TNM and site of cancer being reported, but does not mean operative data is reported.

6 National Cardiac Arrest Audit

The National Cardiac Arrest Audit (NCAA) is the National Clinical Audit for in-hospital cardiac arrest. The purpose of NCAA is to promote local performance management through the provision of timely, validated comparative data to participating hospitals. NCAA is a joint initiative between the Resuscitation Council (UK) and Intensive Care National Audit & Research Centre (ICNARC).

NCAA monitors and reports on the incidence of and outcome from, in-hospital cardiac arrests and aims to identify and foster improvements, where necessary, in the prevention, care delivery and outcome from cardiac arrest. This Trust collects and enters data according to the NCAA data collection scope and comprehensive dataset specification. The NCAA dataset was developed to ensure that all hospitals collect the same standardised data, so that accurate comparisons can be made.

The NCAA Report provides an overview of the completeness of the data that the Royal Derby Hospital has reported. To include analysis of activity; stratified analysis of activity (drawing comparisons between this Trust and national data); and basic, anonymised comparative analysis (risk adjusted).

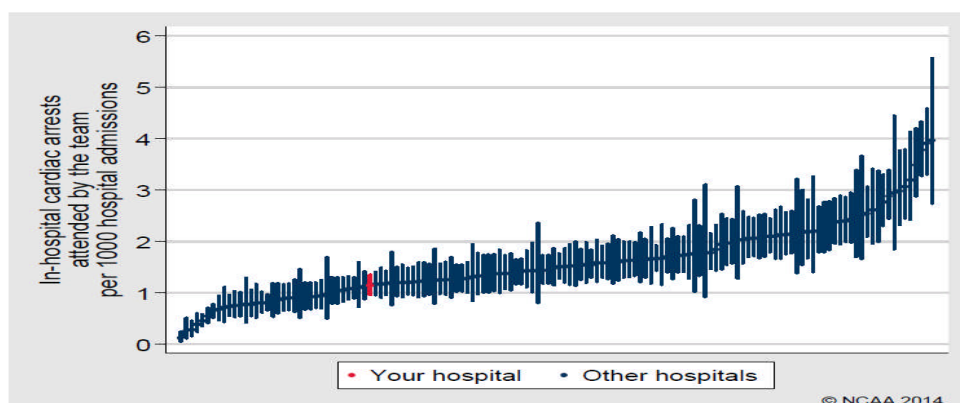
Trust Findings

The Trust entered into the NCAA and commenced submitting data from April 2012. The most recent report which has been received is the third quarter report for the period April - December 2013.

The following graph represents the reported number of cardiac arrests per 1,000 hospital admissions for adult, acute hospitals in NCAA (for the period that this Report covers).

Comparison Reporting from NCAA Audit for In-hospital Cardiac Arrest Rate of in-hospital cardiac arrests

The following graph presents the reported number of in-hospital cardiac arrests attended by the team (i.e. pre-hospital arrests are excluded) per 1,000 hospital admissions for adult, acute hospitals in NCAA.



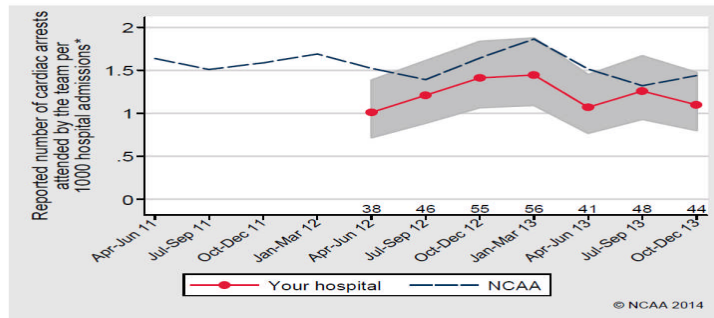
In the graph above, data for Royal Derby Hospital is presented in red, and data for other hospitals are presented in blue (for the period that this report covers). The Confidence Interval (CI) gives an idea of how accurately the value has been estimated. A narrow CI indicates a more accurate value.

The interpretation of the data is subject to:

- the inclusion of the most recent nine months of validated data for all adult acute hospitals participating in NCAA;
- the inclusion of hospitals with at least five in-hospital cardiac arrests attended by the team and at least three months data in the given financial year;
- an assumption that all hospitals are capturing the numerator and denominator data accurately; and
- variation across hospitals of type of admissions included in denominator data.

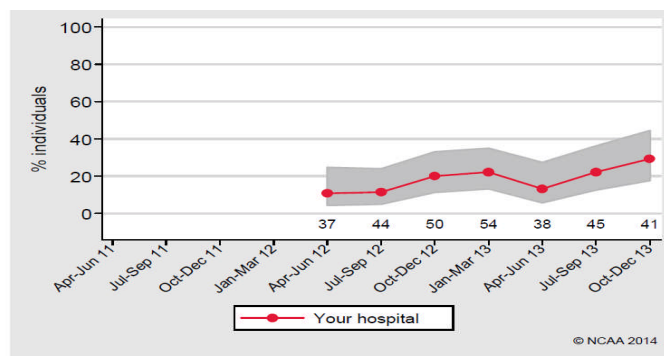
Results

Rate of cardiac arrests attended by the team per 1000 hospital admissions - trended



*Total includes elective, non-elective, and day cases (excludes babies born in your hospital and neonates)

Status at hospital discharge (alive) – trended



Note: NCAA comparator data are not plotted as these data are not risk adjusted
n = 0 individuals recorded as "patient still in your hospital" (excluded)

As a comparison RDH total number of cardiac arrests during 2011/12 was – 247, In 2012/13 the total number of cardiac arrest have been reduced to 202 resulting in a significant reduction of 18%. There has been a further reduction 2013/14 with an unconfirmed total of 183 cardiac arrests. It has been noted that the survival to hospital discharge in the 3rd quarter NCAA report has also improved compared to the same period 2012/13.

Trust Key Actions

- To continue with the quality of data collection and maintain the speed of data collection/entry.
- Compare outcomes with the other NCAA participating hospitals and examine what other factors (e.g. age, etc.) might be causing any variations seen.
- Examine survival rates following cardiac arrests and if they fall under the NCAA scope, review any unexpected patterns in patient outcome.
- To continue to identify and review specific resuscitation team calls for unexpected patterns in patient outcome, escalation or issues surrounding resuscitation status.
- To continue to circulate the NCAA reports to key individuals within the Trust, Medical Director, groups and committees.

DIVISIONAL AUDIT ACTIVITY

The Clinical Audit Department within the Trust continues to promote and support adherence to the approved Clinical Audit process to ensure the provision of accurate clinical audit information for the Trust and external organisations. Clinical audit also identifies improvements in patient care, good practice and excellence in the services provided by the Trust.

The Clinical Audit Department works closely with the Post Graduate Medical Education Centre and Foundation Programme Director to co-ordinate the Foundation House Officer, Year 2 of training (F2) Audit Programme. This ensures active involvement of junior doctors in the audit process and their

ability to select and complete a clinical audit that is of value to patient care within the trust and add to their professional development.

Each Division develops a local Clinical Audit Forward Programme that is monitored by the Audit Department as part of the overall Trust Clinical Audit Forward Programme. Topics include, National Guidelines, NICE Guidance, National Service Frameworks, Clinical Risk and Clinical Indicators.

The Clinical Audit Department provides support and resources to facilitate audits throughout the Trust. All audits are registered and monitored through to completion.

Local Clinical Audit Activity by Division

		In Progress	% In Progress	Completed	% Completed	Continuous	% Continuous	Abandoned	% Abandoned	National Audits	% National Audits	Audits Against NICE	% Audits Against NICE
Medicine	Emergency Dept	13	0	1	7%	0	0	0	0	1	7%	3	21%
	MAU	5	100%	0	0	0	0	0	0	0	0	2	40%
	Medicine	74	80%	9	10%	9	2%	0	0	14	15%	4	4%
	Rehabilitation	4	100%	0	0	0	0	0	0	0	0	0	0
	Paediatrics	18	62%	6	3%	1	3%	4	14%	3	10%	5	17%
Clinical Support Services & Cancer	Critical Care	22	40%	14	25%	7	13%	12	22%	3	5%	1	2%
	Cancer Services	20	77%	3	12%	3	12%	0	0	4	15%	4	15%
	Imaging	16	53%	10	33%	4	13%	0	0	1	3%	0	0
	Pharmacy	5	21%	0	0	0	0	0	0	0	0	1	4%
	Pathology	8	40%	7	35%	3	15%	2	10%	7	35%	2	10%
Surgery	Surgery	32	86%	3	8%	2	5%	0	0	3	8%	6	16%
	T&O / Hands	51	96%	0	0	0	0	2	4%	1	2%	6	11%
	GUM	4	44%	5	56%	0	0	0	0	1	11%	0	0
	Obs & Gynae	38	72%	9	17%	6	11%	0	0	13	25%	8	15%
OVERALL		305	68%	67	15%	35	8%	20	4%	51	11%	42	9%

The reports of 17 local clinical audits were reviewed by the provider in 2013/14 and Derby Hospitals NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.

Title of Audit	Aim	Key Findings	Actions
Management of epileptic women in pregnancy	To assess the care pre-conception	Not all women had appropriate pre-conception counselling in the ante-natal period.	Liaise with GPs and neurologists in providing pre-conception counselling and develop protocol and patient information leaflet
Patient satisfaction survey following day case shoulder surgery under regional anaesthesia.	To review patient complaints /dissatisfactions in order to improve patient care		Patients to receive a patient information leaflet regarding regional anaesthesia
Respiratory Action Plan for Chronic Obstructive Pulmonary Disease (COPD) patients	To assess the use of self-management for exacerbations of COPD	Plans were useful in 60% of cases. 40% had not used them or relied on health professionals for support.	The results were in line with other studies that show not all patients want or have the ability to self-manage. For re-audit next year.
To assess compliance with current bone health assessment in patients attending the Falls Clinic	To optimise management of Vitamin D deficiency	60% had a low Vitamin D level. 40% required increased dose Vitamin D loading. No single or combination of risk fracture factors	Compliance section on drug history chart if patient taking Vitamin D and calcium supplements. Liaison with Pharmacy to develop a protocol for

		predicted deficient patients	Vitamin D loading in all suitable patients attending Falls Clinics.
Peri-Splenectomy care	To assess performance with British Committee for Standards in Haematology	Overall vaccination performance had improved and antibiotic prophylaxis performance had been maintained.	Development of a checklist to improve performance and development of an automated letter to E Mail to the GP when the decision for splenectomy is made.
Re-Audit of the World Health Organisation (WHO) STOP moment	To audit performance against National Patient Safety Guidelines introduced in 2011	The STOP moment was performed in 88% of cases and there was an increase in the proportion of checks but a reduction in completeness.	Consultant led STOP checks and re-audit.
Re-Audit of Steroid prescribing in Palliative Care	To determine if steroid prompt stickers are being used on treatment charts and how effective they are.	There was an increase in compliance but inconsistent use of stickers. Excellent steroid treatment plans. Patients admitted on steroids don't have stickers and may have been clerked by non (NMU) doctors	Re-audit
Analgesia following arthroscopic ankle arthrodesis prior to the use of popliteal catheters.	To consider the effectiveness of other modes of analgesia following arthrodesis		Patients having this procedure should be given Patient Controlled Analgesia (PCA) or sub-cutaneous Morphine. Better documentation of pain control. Suitable patients should have popliteal catheter local anaesthetic infusions.
Occupational Therapy Patient Satisfaction Study	To determine if patients found the service beneficial in enabling them to manage safely at home following discharge	No significant change from last year's audit. Most patients were satisfied with the support they received.	Re-audit
Patient satisfaction with care provided by the Adult Respiratory Team	To evaluate service user comments to help shape and improve future service provision.	The majority of the study findings were very positive and indicated a high level of satisfaction.	Review of a complex case highlighted in the study. Re-audit to include clinic availability and running to time.
Timely checking of Specialist Registrar Computerised Tomography (CT) reports pending Consultant review.	To assess if the current standard for senior review by 100hrs the next day and the documentation of communication of significant findings are realistic/achievable.	Almost all reports were available to the clinical team according to the standard. Written documentation of communication of major findings fell below the standard	Protocol revised. For re-audit in 6 months
Cholestasis in pregnancy		Half of patients would not meet new diagnostic criteria. No difference in delivery or neonatal outcome.	New Guidance in line with other Units nationally. Vitamin K use only with prolonged Prothrombin Time. Trainee education and discussion at Multidisciplinary forums.
Management of epileptic women in pregnancy	14 Maternal death 2006-2008 attributed to epilepsy. To assess the antenatal management of pregnant women with epilepsy	Good at providing multidisciplinary care Vitamin K prescription inappropriate 3/2. Overall good maternal and perinatal outcomes in well controlled epileptics	Liaise with GPs and neurologists in providing pre-conception counselling Proforma in ANC to prompt special aspects of ANC for pregnant women with epilepsy Access to patient information leaflet regarding postnatal care and advice in the ANC(<i>epilepsyaction</i>)

Title of Audit	Aim	Key Findings	Actions
Cholestasis in pregnancy	To review local practices and identify if there was over intervention.	Found that half of patients would not meet new diagnostic criteria. No difference in delivery or neonatal outcome in women induced early vs expectant management	New Action limit of BA 14 for diagnosis of OC - implemented in 2013 Review of guidance in line with other Units nationally to include Vitamin K use only with prolonged Prothrombin time - implemented in 2013. Trainee education and discussion at multi-disciplinary forums to ensure consistent rationalisation of investigations.
Laparoscopic surgery for endometrial cancer.	To review our practice against NICE national standards.	Conversion to TAH small and in keeping with the national average. Less blood loss noted than TAH. Complication rates between TLH and BSO, and TAH and BSO comparable	For Endometrial Ca to be treated laparoscopically if no exception criteria. Audit of 5 year survival rate in RDH patients.
Hypertension in Pregnancy – Aspirin uptake	To review our practice against NICE guidelines.	Aspirin was not given as recommended in a timely manner to those women at risk.	To raise awareness in all clinical areas and community bases. Refer identified women sooner in the pregnancy – high risk women to be booked with a Consultant at 12 weeks gestation – implemented 2014.
Intrauterine insemination at the fertility clinic.	To compare IUI treatment outcomes against the national average (HFEA).	Higher number of pregnancies where cycles were stimulated with HMG. No pregnancies when post wash motile sperm count is less than 2 million.	Proposed we develop a business case to support the use of HMG for ovarian stimulation.

DERBY CANCER AUDIT

Background and reason for Audit

The Dr Foster organisation monitors several outcomes of health care including mortality. It assigns a risk of death during a patient's hospital admission based on the admission diagnoses and co-morbidities. From this risk calculation Dr Foster generates an expected number of deaths and compares the expected number with the actual (observed) number of deaths in a diagnostic group. A score of 100 means the observed and expected deaths are the same; a score of above 100 indicates more deaths than Dr Foster would expect.

For cancer deaths, particularly secondary cancers, the number of deaths within Derby Hospitals has consistently exceeded the number that Dr Foster has predicted, so a thorough audit was carried out and covered all areas of the patient's pathway:

- Method, urgency and source of admission
- Initial grade of admitting doctor
- Time to consultant review
- Number of wards visited by the patient
- Number of consultants involved in care
- Final place of death
- Likelihood of death (by opinion)

- Details of metastatic spread
- Recorded Cause of Death and the Cause of Death that a consultant would have written
- Any Palliative or Terminal Care pathway provided
- Any discussion with HM Coroner and any post mortem undertaken

Conclusions: Data, Diagnoses and Dr Foster

Dr Foster data missed half of the actual number of cases, but this was because they had not been coded fully. Our data showed that the actual number of deaths was the same as the Dr Foster expected value per month.

The main areas for improvement are:

- Medical record keeping
- Consultant involvement early in the patient's admission, as well as in determining the death certificate entry and the subsequent clinical coding.
- Mortality meetings to review every death in the speciality
- Computerised mortality database]
- Consistent involvement of cancer specialists or palliative care team as indicated

2.5 PARTICIPATION IN CLINICAL RESEARCH AND INNOVATION

The NHS aspires to the highest standards of excellence and professionalism – in the provision of high quality care that is safe, effective and focused on patient experience; in the people it employs, and in the support, education, training and development they receive; in the leadership and management of its organisations; and through its commitment to innovation and to the promotion, conduct and use of research to improve the current and future health and care of the population. Respect, dignity, compassion and care should be at the core of how patients and staff are treated not only because that is the right thing to do but because patient safety, experience and outcomes are all improved when staff are valued, empowered, and supported.

(Principle 3 of the NHS Constitution, 26 March 2013)

The importance of innovation and medical research is underscored by this Principle as integral to driving improvements in healthcare services for patients.

(Handbook to the NHS Constitution, 26 March 2013)

The promotion and conduct of research continues to be a core NHS function and continued commitment to research is vital if we are to address future challenges. Further action is needed to embed a culture that encourages and values research throughout the NHS.

(Quality, 2.4, The Operating Framework for the NHS in England 2012-13)

RESEARCH

Derby Hospitals NHS Foundation Trust is a research-active teaching hospital with research taking place in most disease areas and specialties across the organisation. Activity in clinical research is a hallmark of high quality service and it places our Trust at the leading edge of patient care and treatment.

In 2013-14, research studies and clinical trials took place in obstetrics, maternity and gynaecology, paediatrics, cardiology, dermatology, hepatology, gastroenterology, renal medicine, cancer and palliative care, lymphoedema, diabetes, stroke, rheumatology and musculoskeletal disease (including physiotherapy), hand surgery, vascular surgery, ophthalmology, neurology and Parkinson's Disease, general surgery, respiratory medicine, rehabilitation and accident and emergency.

The number of patients receiving relevant health services provided or sub-contracted by Derby Hospitals NHS Foundation Trust in 2013/14 that were recruited during that period to participate in research approved by a research ethics committee was 3,856.

Recruitment to a number of studies has been notable, including a study in renal medicine, "Defining the long-term consequences of acute kidney injury: the AKI Risk in Derby (ARID) study" which

recruited 268 patients in the first 10 months of the year. Acute Kidney Injury (AKI) refers to an abrupt decline in kidney function and is often seen in unwell patients. The ARID study, led by Dr Nick Selby, Consultant Nephrologist, is designed to address the lack of good quality research in this area.

The "UK Aneurysm Growth Study" opened at Derby Hospitals NHS Foundation Trust at the start of 2013-14 and, in the just first 10 months of the year, it has provided the opportunity for 621 patients to participate in research.

The study aims to find out more about abdominal aortic aneurysms (AAA). An AAA is a condition where the main artery in the body swells up and there is a risk of it bursting as a result. These AAAs can be identified when they are small, but there is no treatment for them other than high-risk surgery. Recently, a national screening programme (the NHS Abdominal Aortic Aneurysm Screening Programme) has been established and patients attending for screening are invited to participate in the study. The AAA Screening Programme at Derby Hospitals NHS Foundation Trust is led by Mr John Quarmby, Consultant Vascular Surgeon and managed by Mr David Miller.

In 2013/14, the Trust was involved in conducting 311 clinical research studies and approximately 122 new studies were given permission to start in the Trust. This level of participation in clinical research demonstrates the Trust's commitment to improving the quality of care we offer and to making our contribution to wider health improvement. Our clinicians stay abreast of the latest treatment possibilities and active participation in research leads to successful patient outcomes. Our engagement with clinical research also demonstrates the Trust's commitment to testing and offering the latest medical treatments and techniques.

A number of applications have been made by Chief Investigators within the Trust for National Institute for Health Research (NIHR) and other high quality research funding. Applications have been made to NIHR Research for Patient Benefit; British Renal Society; BMA; BUPA; Dunhill Medical Trust; Pfizer; NIHR Health Technology Assessment (HTA); Kidney Research UK; Medical Research Council (MRC) DPFS.

A number of these research funding applications have been successful and this is a further indication of the high quality research environment within the Trust which supports the delivery of high quality patient care.

Research grant awards made in 2013/14 include:

- 5 £2.9 million awarded to Mr Amit Goyal, Consultant Oncoplastic Breast Surgeon, by NIHR HTA for a 10 year, multi-centre trial:

"POSNOC – Positive Sentinel Node: adjuvant therapy alone versus adjuvant therapy plus clearance or axillary radiotherapy. A randomised, controlled trial of axillary treatment in women with early stage breast cancer who have metastases in one or two sentinel nodes".

Women with early breast cancer usually have this removed either by wide local excision (lumpectomy) or removal of the whole breast (mastectomy). During the operation, one or two lymph nodes (glands) are removed from the armpit (axilla) to check if the cancer has spread to them, a procedure called sentinel node biopsy. A quarter of women, have cancer in these nodes. Current practice is to offer these women chemotherapy and/or hormone therapy, plus axillary treatment. Axillary treatment is either further surgery to remove all the remaining nodes from the armpit (axillary node clearance) or axillary radiotherapy.

Our study will recruit almost 1900 women diagnosed with early breast cancer and cancer in their sentinel node biopsy. Patients will be randomised either to adjuvant therapy alone, or to adjuvant therapy plus axillary treatment (axillary lymph node clearance or axillary radiotherapy). Adjuvant therapy is systemic chemotherapy and/or hormone therapy, with radiotherapy to the breast or chest wall if indicated.

- 6 £300,000 awarded to Professor Maarten Taal, Consultant in Renal Medicine, by the Dunhill Medical Trust for a study entitled: "Clinical impact of adopting a new equation utilising cystatin C

and creatinine to estimate glomerular filtration rate for diagnosis and risk prediction in older people with chronic kidney disease in primary care”, which is part of the larger Renal Risk in Derby (RRID) study.

Measurement of creatinine, a blood chemical cleared by the kidneys, is used to estimate how well the kidneys are working (glomerular filtration rate, GFR) and diagnose chronic kidney disease (CKD). Creatinine levels are, however, influenced by other factors that may result in lower GFR values and over-diagnosis of CKD, particularly in older people who are more commonly labelled as having CKD. This study evaluates the impact of using creatinine, together with another marker of kidney function called cystatin-C to more accurately diagnose kidney disease.

- 7 £108,000 awarded to Dr Vaughan Keeley, Consultant in Palliative Medicine, Dr Lorraine Pinnington, Associate Professor and Professor Christine Moffatt, Professor of Clinical Nursing Research by the Multiple Sclerosis Society for a study entitled:

“Chronic Lower Limb Oedema in people with Multiple Sclerosis: prevalence, precipitating factors and secondary consequences”.

People with Multiple Sclerosis (pwMS) can experience leg swelling which does not go away easily. This form of Chronic Lower Limb Oedema (CLLO) is generally thought to arise as a result of reduced mobility, blood pooling, and impaired lymphatic flow.

This study will estimate the prevalence of CLLO in multiple sclerosis patients of Derby Hospitals NHS Foundation Trust; it will describe the severity, causes, and secondary consequences of CLLO.

- 8 £22,000 awarded to Ms Fiona Willingham, Team Leader Dietician, by the British Renal Society for a study entitled:

“Pre-emptive rehabilitation to prevent dialysis-associated morbidity (PREHAB)”

Chronic kidney disease is associated with general lethargy and muscle wasting, which can affect day-to-day life. This study continues our assessment of a programme of weekly sessions of exercise, education, and support to reduce the impact on quality of life.

RAISING THE PROFILE OF RESEARCH

Each year, we celebrate International Clinical Trials Day by placing a number of posters and stands, manned by Research & Department staff, in key locations around the Trust where they can be seen and visited by patients, staff and visitors to the Trust.

The aim of International clinical Trials Day is to raise awareness of health research and to highlight “It’s OK to ask” about clinical research.



INNOVATION

Derby Hospitals NHS Foundation Trust continues to enhance the quality of its services and develop new sources of income through its innovative staff and the support provided by the Research & Development Department. The Trust has an Innovation and Horizon Scanning Group, which identifies

and develops any potential clinical and technological developments which may impact on clinical services within the Trust and to link these to the Trust Strategy.

Innovation is about developing new ideas and “inventions”, to generate new products or services (product innovation) and new ways of working (process innovation).

Product Innovation & Intellectual Property

NHS Innovation Hub Membership

In January 2012, the Trust became a member of Health Enterprise East Ltd, a NHS Innovations Hub which provides financial support and personnel to enable the Trust to take forward, commercialise and disseminate its innovations.

In the last year, colleagues from Health Enterprise East have held monthly innovation surgeries within the Trust as well as travelling to meet with Trust staff who have raised ideas about innovations with the Trust's Assistant Director of Research & Development. The appropriate Intellectual Property Rights (IPR) for the various inventions are being put in place and commercialisation opportunities are being investigated. There new innovations identified in the last 12 months include various software programmes, e-learning packages and training courses as well as innovative healthcare products.

Trademarks

The Trust has trademark protected the use of “Pulvertaft” for the Hand Unit and “Jenny O'Neill” for the Diabetes Centre.

Patents

Patent protection, including US Patent protection, has been granted for a limb disinfection sleeve which was invented by Mr Chris Bainbridge, Consultant Hand Surgeon. A new licensee is also being sought for the limb disinfection device to improve the commercial return on this product. Discussions with interested parties are underway. Avenues of commercialisation other than via licensing are also being explored.

Design Rights and Collaborations

The Derby Door which won the Best Interior Product Award and the Patients' Choice Award at the Building Better Healthcare Awards 2011, is an inflatable barrier which fits flush against walls and ceilings on hospital wards to form a complete seal. This innovative product was invented by Mr Paul Brooks, Head of Facilities and Director of Patient Experience. The Derby door is produced and manufactured by AirQueue Ltd in Bristol, an inflatables manufacturer. Derby Hospitals will share the net profit from these sales and as part of the manufacturing agreement the Trust received 10 Derby Doors.

Other NHS Trusts have also purchased the Derby Door and sales are starting to rise. The Trust will be taking the lead on marketing the Derby Door with AirQueue Ltd taking on the roles of manufacturing and sales. Discussions are taking place with the East Midlands Academic Health Science Network regarding their support in disseminating the uptake and spread of this innovative product which was awarded the East Midlands Academic Health Science Network award for Patient Safety in the Health Enterprise East 2013 Innovation Competition.

Spin Out Company

Derby Hospitals NHS Foundation Trust is a significant share-holder and partner in iQudos Medical Services. iQudos Medical Services provides a nurse-led service for management of benign prostate disease. The company is in the process of setting up a similar service for stable prostate cancer and other disease domains. In June iQudos was runner-up in the Outstanding Achievement Awards category of the Medilink East Midlands Innovation Awards 2013. iQudos was also a finalist in the "Efficiency in Medical Technology" category of the HSJ Efficiency Awards announced in September 2013. The company is looking to increase its geographical coverage and is in discussions (under a CDA) to investigate this further. This is an on-going action.

2.6 GOALS AGREED WITH COMMISSIONERS

CLINICAL QUALITY AND INNOVATIONS MEASURES (CQUIN)

A proportion of Derby Hospitals NHS Foundation Trust income in 2013/14 was conditional upon achieving quality improvement and innovation goals agreed between Derby 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. Payment of £8.4million was made by the South Derbyshire Clinical Commissioning Group (the Co-ordinating Commissioner) and this included East Midlands Specialist Commissioners.

Further details of the agreed goals for 2013/14 and for the following 12 month period are available online at <http://www.england.nhs.uk/wp-content/uploads/2013/02/cquin-guidance.pdf>

Year		£000's	CQUIN	£000's	
2012/13	Tariff Income	£270,915		£6,237	
	Non-Tariff Income	£107,778		£2,487	
	Total Income	£378,693		£8,724	2.30%
2013/14	Tariff Income	£280,128		£6,375	
	Non-Tariff Income	£111,851		£2,194	
	Total Income	£391,979		£8,570	2.18%

Derby Hospitals CQUIN Year-End Position 2013/14

ACUTE SERVICES					
Goal Type	Goal Number	Indicator Number	Indicator Name	Indicator Weighting (% of CQUIN scheme available) and Expected Financial value of indicator (£)	Year End Result
National	1	1a	Friends and Family Test – Phased expansion	£77,939	Achieved
		1b	Friends and Family Test – Increased Response Rate	£155,878	On target to achieve (confirmed data not available until May 2014)
		1c	Friends and Family Test – Improved performance on the Staff Survey FFT	£155,878	Achieved
National	2	2	NHS Safety Thermometer – Data collection	£389,695	On target to achieve (confirmed data not available until April 2014)
National	3	3a	Dementia – Find, Assess, Investigate and Refer	£233,817	Achieved
		3b	Dementia – Clinical Leadership	£38,969	On target to achieve (confirmed data not available until April 2014)
		3c	Dementia – Supporting Carers	£116,908	Achievement to be verified through the May 2014 Contract Management Board as (partially achieved within the year)
Local	4	4	Local Dementia – Improve the management and care of patients with dementia receiving hospital care	£269,357	On target to achieve (confirmed data not available until April 2014)
National	5	5a	Venous Thromboembolism – Risk Assessment	£194,847	Partially achieved
		5b	Venous Thromboembolism – Root Cause Analyses	£194,847	On target to achieve (confirmed data not available until April 2014)

Goal Type	Goal Number	Indicator Number	Indicator Name	Indicator Weighting (% of CQUIN scheme available) and Expected Financial value of indicator (£)	Year End Result
Local	6	6a	End of Life - Implementation of Amber Care Bundle	£323,291	On target to achieve (confirmed data not available until April 2014)
		6b	End of Life - Discussions as End of Life approaches	£323,291	On target to achieve (confirmed data not available until April 2014)
		6c	End of Life - Improve care of patient and support for family in the last few days of life	£323,291	On target to achieve (confirmed data not available until April 2014)
National	7	7	High Impact Innovations - Progress for achieving the relevant High Impact Innovations identified at the pre-qualification stage	£807,760	On target to achieve (confirmed data not available until April 2014)
National	8	8	MECC - All patients in contact with frontline staff who wish to make lifestyle changes are identified through Making Every Contact Count and provided with Brief advice/ Brief Intervention	£269,357	On target to achieve (confirmed data not available until April 2014)
National	9	9	CNO Strategy – improve standards of care by implementing the Chief Nursing Officer strategy 'Compassion in Practice'	£969,873	On target to achieve (confirmed data not available until April 2014)
National	10	10	Clinical Information - Improving patient level clinical information	£811,813	TMG Indicators on target to partially achieve (to be discussed at May 2014 Contract Management Board)
National	11	11a	Discharges – Improving Patient Flow	£538,403	TMG Indicators on target to achieve (to be discussed at May 2014 Contract Management Board)
		11b	Discharges – Forward planning discharge	£1,059,970	
		11c	Discharges - Developing Discharge MDT	£269.357	
		11d	Discharges – Non weight bearing patients	£269.357	
			Sub Total:	£7,793,900	

COMMUNITY INDICATORS					
Goal Type	Goal Number	Indicator Number	Indicator Name	Indicator Weighting (% of CQUIN scheme available) and Expected Financial value of indicator (£)	Year End Result
National	1	1	NHS Safety Thermometer – Data Collection	£47,977	On target to achieve (confirmed data not available until April 2014)
Local	2	2a	End of Life – Improve communication and co-ordination of patient care at the End of Life	£45,098.5	On target to achieve (confirmed data not available until April 2014)
		2b	End of Life – discussions as End of Life approaches	£45,098.5	On target to achieve (confirmed data not available until April 2014)
Local	3	3	MECC – All patients in contact with frontline staff who wish to make lifestyle changes are identified through Making Every Contact Count and provided with brief advice/brief intervention	£50,856	On target to achieve (confirmed data not available until April 2014)
Local	4	4	CNO Strategy – improve standards of care by implementing the Chief Nursing Officer strategy 'Compassion in Practice'	£50,856	On target to achieve (confirmed data not available until April 2014)
Sub Total:				£239,886	

SPECIALIST CQUINS					
Goal Type	Goal Number	Indicator Number	Indicator Name	Expected Financial value of indicator (£)	Year End Result
National	1	1a	Venous Thromboembolism	£43,631	Partially achieved (£10,907 payment)
		1b	Safety Thermometer	£43,631	Achieved
		1c	Friends & Family Test	£43,631	Achieved
		1d	Dementia	£43,631	Achieved
National	2	2	Clinical Quality Dashboards	£87,262	Achieved
National	3	3	Haemophilia – joint scores in severe and moderate haemophilia A and B (patients aged 4 years and over)	£130,893	Achieved
National	4	4	Neonatal Intensive Care (NIC) – timely simple discharge	£87,262	Achieved
National	5	5	Neonatal Intensive Care (NIC) – timely simple discharge	£130,893	Achieved
National	6	6	Radiotherapy - improving the proportion of radical intensity modulated radiotherapy (excluding breast and brain)	£130,893	Achieved

			with level 2 imaging – image guided radiotherapy (IGRT)		
National	7	7	Renal Dialysis – Renal Units to actively encourage patients to register with and use Renal Patient View, as a proxy measure of patient empowerment	£130,893	Achieved
Sub Total:				£872,621	
Specialised				£839,897	
TOTAL Scheme Value				£8,906,405	
Total Achieved				£8,378,459	

2.7 REGISTRATION WITH THE CARE QUALITY COMMISSION (CQC)

Derby Hospitals NHS Foundation Trust is required to register with the CQC and its current registration status is registered without any conditions. During the year the Trust received 2 visits from the Care Quality Commission.

The Care Quality Commission has not taken any enforcement action against Derby Hospitals NHS Foundation Trust during 2013/14.

Derby Hospitals NHS Foundation Trust intends to take the following action to address the conclusions or requirements reported by the Care Quality Commission. Derby Hospitals NHS Foundation Trust has made the following progress by 31st March 2014 in taking such action.

2.7.1 DERBY HOSPITALS PERIODIC REVIEW-RETURN VISIT

The CQC visited the Trust on the 15th and 16th of July 2013 in order to check that the Trust had taken action to meet the following essential standards for Complaints and Records identified in a periodic review on the 16th and 17th of October 2012. The visit involved 2 medical and 2 surgical wards. Patients said they were generally satisfied with their care and the service and commented on how well they were treated and looked after.

Complaints

The Trust had identified that the systems for tracking and recording progress in dealing with a complaint were not effective and did not meet the standard. A detailed review and re-organisation of the Trust complaints policy has been undertaken with key performance indicators monitored directly through Trust Board each month.

The CQC judged that the Trust still did not meet the standard as the complaints procedure was not understood by patients and visitors, and not well publicised. Also not all complaints were being responded to in a timely and appropriate way as the recently approved and updated Trust policy on the management of complaints was not fully embedded within the organisation. This would have a minor impact on services.

A complaints improvements plan focuses on responsiveness and organisational learning is in place and is monitored through the Trust Quality Review Committee

There was evidence that:

- Ward staff were trying to resolve complaints at an early stage through meetings and discussions.
- There was evidence of learning from complaints on 3 out of 4 wards visited by the inspection team.

Records

On the previous visit in October 2012 the Trust was found to be not meeting the CQC standard as the nursing care records did not give an accurate reflection of all care and treatment needs for each patient.

The Trust still did not meet the standard on the July 2013 visit as, although generally the patient nursing records had appropriate information about the patient's care and treatment, there were some nursing care records that did not provide an accurate and complete account. The lack of information meant patients were not protected against the risks of unsafe care and treatment. This would have a minor impact on services. The Trust's nursing documentation was reviewed and re-launched in 2013. This is monitored through the monthly ward assurance audits.

- There were improvements in recording of information including, food and fluid charts and discharge plans
- A Trust-wide audit of the new care plan document was carried out in January 2014. Results showed that there were good to excellent evaluations of care, and further amendments to nursing documents are to be made to minimise replication. There is to be an ongoing training update for all staff with continuous monitoring by Ward Sisters and further audit following the release of updated documents.

Accordingly, the Trust has enacted plans to address the concerns raised by the CQC and is awaiting a re-inspection to formally confirm our compliance.

2.7.2 OPHTHALMOLOGY OUTPATIENTS

There was an unannounced visit to the Ophthalmology Outpatient Department on December 16th and 17th which was initiated from a concern raised anonymously to the CQC. The visit focused on regulation 9 care and welfare reviewing the patient pathway to ensure that patients were receiving the appropriate treatment and follow up.

During the review a list of 20 sets of records were reviewed by the a member of the team who raised concern that there was potentially information contained in the medical records related to pre-existing conditions that had not been taken into account. As the member of the CQC was not qualified to validate the information the Trust was requested to review the notes.

The Care Quality Commission received additional reports and analysis of patient records and the review was described as broadly positive. They spoke highly of the team as a whole and commented on the positive respect and understanding between all staff. The final judgement from the Care Quality Commission was that we were meeting this standard and that patients generally experienced care, treatment and support that met their needs and protected their rights.

The Trust has since commissioned an expert Ophthalmology Consultant from Leicester to review the total list of 48 patients and we await the outcome of the report.

2.7.3 SOUTHERN DERBYSHIRE CLINICAL COMMISSIONING GROUP (CCG) QUALITY VISITS

These visits are undertaken as part of the CCG's quality assurance process with the aim to understand how the services are operated and delivered within the Trust, and to gain assurance that the care given is high quality and evidence based.

There have been 6 visits.

- MATERNITY SERVICES VISIT 24.06.2013

The purpose of this visit was to understand the ways in which the service supports the transition through pregnancy to family life through partnership working. The team found staff were enthusiastic and committed and demonstrated pride in their role. The quality of services was good and there were no serious concerns reported.

Recommendations included:

- A review of out of hours cover
- To continue the Breast Feeding initiative with the introduction of the Unicef framework
- Review of the Screening Co-ordinator role

- **OLDER PEOPLES SERVICES VISIT 22.08.2013**

This visit included the Medical Admissions Unit, Medical Outpatients Department, Wards 401,405, 403, 216 and 205 and the Specialist Assessment and Rehabilitation Centre at the London Road Community Hospital. The team found staff who were very skilled and enthusiastic about the care of older people. There was strong leadership and care pathways were evident between sites. The Frail Elderly Patient initiative had enormous potential to form partnerships with other services.

Recommendations included:

- The development of an Information Pack for patients explaining what to expect from their care and how they could engage with this.
- The staff should ensure that the patient falls assessment links to the patient's individual care plan.
- Consideration of communication with the Mental Health Services and Care Homes to improve discharge planning.

- **END OF LIFE CARE VISIT 01.10.2013**

The aim of this visit was to find out how End of Life Care was put into action. The visit included community care and the Nightingale Macmillan Unit at the Royal Derby Hospital. It was reported that the District Nursing teams give a great service and there is good support for End of Life care in Care Homes. There is also a 24 hour service from GPs and District Nurses for patients with life limiting disease.

The Community Palliative Care Team

It was noted that there had been a 50% increase in referrals to the Community Palliative Care Team between 2008 and 2011 but no increase in capacity. This had led to a reduction in the service at weekends. There is also a lack of experienced District Nurses throughout the service and there have been failures of home care packages and subsequent hospital admissions.

Within the Nightingale Macmillan Unit the team were impressed by the environment of care and friendly staff. They also highlighted the rotation of community nurses into the Unit.

The team were impressed by the leadership and roll out of the Amber Care Bundle programme and concluded that there had been a behavioural shift in practice, assessment and recording of care.

Recommendations included:

- The role of the Amber Care Bundle Facilitator should be reviewed and a permanent post considered.
- Communication needs to be strengthened between secondary care and primary care in relation to patients who have been on Amber care during inpatient episodes.
- CCG to update staff on the roll out of Virtual Hospice and Rapid Response Projects.
- The Community Palliative Care team should have access to SystmOne.

- **OPHTHALMOLOGY THEATRE VISIT 02.12.2013**

The purpose of the day was for the team to understand how the service operated and gain assurance that high quality evidenced care was being delivered against the background of two serious incidents that occurred in 2012. There are 3 day Case Units dealing with approximately 3,500 cases per year. There is also flexibility for emergency cases.

Overall the patient experience was positive and all patients seemed to be well informed about the process. There was good communication, reassurance and post-operative checks and in theatre each patient's hand was held and could inform the anaesthetist if there was a problem.

The patient waiting area served as a clinical area for the installation of eye drops and admission details checks. Although the inspectors appreciated the rapid throughput there were concerns about patient privacy and dignity.

Recommendation:

The theatre team to consider improvements that could be made to improve the privacy and dignity of patients within the waiting area.

- DERBYSHIRE CHILDRENS HOSPITAL VISIT 09.01.2014

The aim of the visit was to gain an overview of the children's services and assurance that high quality evidence based care was being delivered.

The team reported a strong culture of self-improvement which was very child centred and linked to the Think Family initiative. Strong teamwork was evident in all departments. Future plans include the facility for observation beds in the Children's Emergency department and the refurbishment of the Outpatients Department.

Recommendations include:

- To increase the visibility of clinical staff outside the Trust to aid integration with social care and the wider health community.
- Review referrals to the Phlebotomy service
- Review the pathway for jaundiced babies.
- Evaluation of shift harmonisation.
- Establish a service improvement group to explore development options for access out of hours.

- COMPLAINTS AND PALS VISIT 27.01.2014

The purpose of the visit was for the team to understand how the service was being operated currently and gain assurance that the NHS Complaints Regulations (2009) was being enacted. Also that learning and change from the investigation of complaints was being implemented, particularly in improving the patient experience.

They conducted a review of a sample of complaints and held discussions with key members of staff to understand the process for complaints including any recent system changes. Three reports were requested from the complaints module of DatixWeb (risk management system) as detailed below:

- Complaints and PALS themed report for Business Units grouped by division including numbers.
- Complaint categories – Care Medical, Care other, Attitude and Communication. Breakdown by rag rating for Business Units grouped by Division.
- Response times for complaints closed in September, October and November 2013

Awaiting final report from the CCG at the time of publication of this report.

- EMERGENCY CARE INTENSIVE SUPPORT TEAM

Due to difficulties in achieving the 4 hour standard in the Emergency Department, Derby Hospitals invited the Emergency Care Intensive Support Team (ECIST) to review the Trust's urgent care systems and processes and make recommendations for improvement. The team visited the Trust on 15th July 2013 and 5th August 2013 and made a return visit to assess progress on 4th February 2014.

On their first visit the ECIST team reviewed the pathway from the Emergency Department, Medical Assessment Unit, inpatient wards, Care of the Elderly wards and the Discharge Team.. On their second visit in August 2013 the team carried out a length of stay review of all patients with a hospital stay over 7 days in the Acute Trust, London Road Community Hospital and Derbyshire Healthcare Community Services hospitals. The team reported positive progress since 2010 in the Emergency Department and acute Medicine and a number of opportunities for improvement particularly on the Medical inpatient wards.

Following the visit, the recommendations made by ECIST were incorporated into the Emergency Department Recovery and Improvement plan. The programme was organised into 4 work

streams, each with a Consultant Lead, a GP Lead and operational staff supported by the Transformation Team. A programme management structure has been used to manage the improvements and a wide range of actions have been taken across the Urgent Care Pathway to improve the patient journey. The work has been overseen by the Urgent Care Clinical Oversight Executive.

When ECIST reviewed progress on 4 February 2014, they recognised that good progress had been made and that there was effective working between Operations, Transformation and clinical staff. The formal report has not yet been received, but the team recommended the following priority areas for further improvement on the day of their visit:

Recommendations included:

- Continue to develop and embed early senior decision making in the Emergency Department
- Consider developing a 7 day work stream to explore reasons why Sunday discharges are still significantly lower and short/medium and longer term actions
- Apply the same improvement approach to Surgery to explore and resolve Pathway issues particularly with the Surgical Assessment Unit.
- Continue work on internal delays to increase the number of patients discharged earlier in the day
- Develop an improvement work stream for Therapy Services. Front load therapists in the Emergency Department, taking handover from ambulance staff and starting collateral history.
- Increase use of home based discharge pathways.

2.8 DATA QUALITY

Good quality information underpins the effective delivery of patient care and is essential if improvements in quality of care are to be made.

Derby Hospitals NHS Foundation Trust will be taking the following actions to improve data quality;

- We will continue with our regular programme of audits
- We are working closely with the Emergency Department to improve collection of data on investigations and procedures
- We will be ensuring all coders have undertaken refresher courses where appropriate and that they are implementing OPCS 4.7 procedure codes
- We are working with our local CCGs to reconcile Secondary User Service (SUS) data to contract data Service Level Activity Monitoring (SLAM)

INFORMATION GOVERNANCE (IG) TOOLKIT ATTAINMENT LEVELS

The Derby Hospitals NHS Foundation Trust Information Governance Assessment Report overall score for 2013/2014 was 78% and was graded green as all requirements score a level 2 or above.

The score was an improvement on 72% the previous year and reflects the continual refinement and rigour of the requirements each year.

Derby Hospitals NHS Foundation Trust did not submit records during 2013/14 to the Secondary User Service for inclusion in the Hospital Episode Statistics which are included in the latest published data due to the implementation of a new IT system in February 2014.

CLINICAL CODING AUDIT

Derby Hospitals NHS Foundation Trust has a regular programme of internal clinical coding audit. These are performed by the Trusts Clinical Coding & Data Quality Manager and her deputy, who are both HSCIC Approved Clinical Coding Auditors and Accredited Clinical Coders. These audits aim to cover a random sample of the coding in all specialties. Auditors must conform to the Auditor's Code of Practice and The Clinical Coding Audit Methodology version 7.0 must be adhered to.

All reports and action plans from audits are submitted by the Clinical Coding & Data Quality Manager to the relevant Information Governance groups for approval.

In addition to the programme of internal audit, Trusts are required to complete an audit of a random sample of 200 Finished Consultant Episodes each year to support Information Governance requirement 505. This year's Information Governance audit was completed in November 2013.

Overall, the results for this Trust showed good quality assurance;

200 FCEs	Primary diagnosis (200 audited, 187 correct)	Secondary diagnosis (755 audited, 702 correct)	Primary procedure (123 audited, 120 correct)	Secondary procedure (182 audited, 176 correct)	Episodes where HRG changed as a result of incorrect coding
August – October 2013	93.50% correct	92.98% correct	97.56% correct	96.7% correct	5

The above table demonstrates that the Trust's coding accuracy has met the required standards for Information Governance Level 2, but it highlighted the need to improve the quality of electronic source data for more robust follow-up of histology and scan results by coders and the need to use the full operational notes for coding elective procedures.

The report findings were submitted to the Information Governance groups and identified actions were put in place.

The Trust was subject to the Payment by Results clinical coding audit during the reporting period by the Audit Commission and the error rate reported in the latest published audit for that period for diagnoses and treatment coding (clinical coding) was 5.7%. This performance places the Trust better than average, but not in the top 25% of Trusts compared to last year's performance.

The two areas reviewed were 'digestive system procedures and disorders' and 'renal procedures and disorders'. The report will be published shortly and identified further actions to improve performance.

Please note, the results should not be extrapolated further than the actual sample audited.

The Trust has identified that our level of coding is lower than other comparable Trusts and this is reflected in the audit outcomes. Dr Foster organisation has repeatedly reported a depth of around 85% compared to comparator and regional trusts. This has been further emphasised by the recent work by 'Civil Eyes', EPS Research, and the management consultants PricewaterhouseCoopers.

Depth of clinical coding is a significant priority for the Trust due to the impact it has on mortality and patient outcome statistics (influenced by the recording of co-morbidities) and the financial impact of not reflecting the complexity of our workload. High quality clinical coding ensures that service performance, commissioning, and payment data is accurate.

The Trust have been working with 'Civil Eyes', a research project involving 22 Foundation Trust Hospitals which focuses on valuing medical resources for the last 12 months. The project team have conducted workshops across a number of key specialties and in each case have identified that our depth of coding is significantly lower than the majority of other Trusts in the cohort. For example across the whole Trust our average diagnosis per Finished Consultant Episode (FCE) is 3.5 compared with Plymouth where it is 5.6.

Recent analysis by PricewaterhouseCoopers as part of their work with the Trust (to support identification of Transformation schemes for 2014/15 and analyse the financial position of the Trust in line with Monitor requirements) has further highlighted the variance of this Trust against the National average and our peer group. This is seen across all major specialties, with obstetrics showing the least variance and rheumatology showing the greatest.

A Task and Finish Group has been set up to deliver a range of actions to address audit recommendations and improve the depth of coding

2.9 DELIVERY OF NATIONAL TARGETS

The following table reflects the national targets the organisation is required to report as part of its board reporting:

Indicator	Target 12-13	12/13 Full Year	Monitor Target 13-14	YTD Target to March 14	Q4 Actual to March 14	Q4 Status to March 14	Actual YTD to Mar 14	Full YTD Status
Incidence of Clostridium difficile	49	49	42	42	67		67	
Cancer: 31Day - Subsequent Treatment - Surgery	94%	94%	94%	94%	89.01%		93.04%	
Cancer: 31Day - Subsequent Treatment - Drugs	98%	98%	98%	98%	99.6%		99.54%	
Cancer: 31Day - Subsequent Treatment - Radiotherapy	94%	94%	94%	94%	95.27%		96.78%	
Cancer: 62 Day Std - Urgent Referral to Treatment	85%	85%	85%	85%	73.75%		78.88%	
Cancer: 62 Day Screening	90%	90%	90%	90%	87.1%		93.61%	
Referral To Treatment - Admitted (95th percentile) - in weeks	90%	90%	90%	90%	84.62%		86.19%	
Referral To Treatment - Non Admitted (95th percentile) - in weeks	95%	95%	95%	95%	95.51%		96.31%	
Referral To Treatment - Incompletes 92% (Snapshot)	92%	92%	92%	92%	92.01%		93.09%	
Cancer: 31 Day Standard	96%	96%	96%	96%	96.41%		97.34%	
Total time in A&E (95% seen within 4 Hours)	95%	95%	95%	95%	96.05%		95.38%	
Cancers: 2 Week Wait - Breast Symptoms	93%	93%	93%	93%	90.75%		94.77%	
Cancer 2 Week Wait	93%	93%	93%	93%	88.99%		91.70%	
Stroke - 90% of time on a stroke ward	80%	80%	80%	80%	80.6%		70.6%	

* With the introduction of a new IT system, at time of publication of this report, the Stroke data is only until the end of February 2014.

Monitor's Licence Condition – Accident & Emergency Performance (A&E)

As part of Monitor's oversight process, the Compliance regime changed on the 31st March 2013 to the Licensing regime and in April 2013, the Trust had an enforcement notice applied to its licence under section 106 of the Health and Social Care Act 2012 ("the Act") for the development of an action plan with stakeholders on delivery of the A&E target.

The Trust believes it has exercised its duty to deliver sustainable A&E performance. This is demonstrated by the delivery in three consecutive quarters of 2013/14, delivery of year end position and the continued delivery on our own as a Trust excluding any walk in centre activity for the last two consecutive months.

This has been made possible as a result of a year-long transformation programme. Key areas worthy of particular mention include:

- investment into additional nursing workforce and subsequent launch of a new nursing model
- investment into a Certificate of Eligibility for Specialist Registration programme designed to attract middle grade doctors into the Trust, thereby reducing reliance on agency and locums
- a focus on attendance avoidance through ambulatory pathways and alternatives to A&E
- a new streaming model at the front door reducing demand in ambulance arrival area by around 50%
- more senior decision makers working in the ambulance arrival area
- better escalation in MAU for both inflow and outflow
- agreed 15 bed request to bed declared target for MAU
- daily medicine ward and board rounds using SHOP principles to identify who is sick and who is ready for home
- strengthened daily bed management and operational centre monitoring
- greater use of community PULL team and social service daily input to reduce delays to discharge
- CCG winter funded nursing home beds

ADDITIONAL INDICATORS

Prescribed info	Related NHS Outcomes Framework Domain & Who will report on them	Trust Value	National Average	High Value	Low Value
The data made available to the National Health Service Trust or NHS Foundation Trust by the Health & Social Care Information Centre with regard to: (a) the value and banding of the summary hospital-level mortality indicator (SHMI) for the Trust for the reporting period; and	Apr 2012- Mar 2013	Value	1.1027	1.11697	0.6523
		Banding	2	1	3
	Jun 2012 – Jun 2013	Value	1.1102	1.1563	0.6259
		Banding	2	1	3
(b) the percentage of patient deaths with palliative care coded at either diagnosis or specialty level for the Trust for the reporting period.	Apr 2012-Mar 2013	Treatment Rate: 10.4 Diag. Rate: 29.2 Comb. Rate: 29.4	Treatment Rate: 0.09 Diag. Rate: 1.11 Comb. Rate: 1.12	Treatment Rate: 16.9 Diag Rate: 43.9 Comb Rate: 44	Treatment Rate: 0 Diag Rate: 0.1 Comb Rate: 0.1
	Jun 2012 – Jun 2013	Treatment Rate: 10.4 Diag. Rate: 28.9 Comb. Rate: 29.1	Treatment Rate: 1.74 Diag. Rate: 20.1 Comb. Rate: 20.3	Treatment Rate: 17.4 Diag Rate: 44.1 Comb Rate: 44.1	Treatment Rate: 0 Diag Rate: 0 Comb Rate: 0
(i) groin hernia surgery, (the "EQ-5D Index" has been used: this is a combination of five key criteria concerning general health).	Apr 2011-Mar 2012	Health Gain: 0.055; % Improved: 40.2	Health Gain: 0.087; % Improved: 51.0	Health Gain: 0.147; % Improved: 64.3	Health Gain: 0.002; % Improved: 30.0
	Apr 2012 – Mar 2013	Health Gain: 0.076; % Improved: 49.1	Health Gain: 0.085; % Improved: 50.2	Health Gain: 0.157; % Improved: 82.9	Health Gain: 0.015; % Improved: 36.6
(ii) varicose vein surgery, (the "EQ-5D Index" has been used: This is a combination of five key criteria concerning general health).	Apr 2011 – Mar 2012	Health Gain: - ; % Improved: -	Health Gain: 0.095; % Improved: 53.6	Health Gain: 0.167; % Improved: 70.6	Health Gain: 0.049; % Improved: 34.3
	Apr 2012 – Mar 2013	Health Gain: - ; % Improved: -	Health Gain: 0.093; % Improved: 52.7	Health Gain: 0.175; % Improved: 71.1	Health Gain: 0.023; % Improved: 39.5
(iii) hip replacement surgery, (the "EQ-5D	Apr 2011 – Mar 2012	Health Gain: 0.438; %	Health Gain: 0.438; %	Health Gain: 0.543; %	Health Gain: 0.319; %

Index" has been used: this is a combination of five key criteria concerning general health).		Improved: 89.9	Improved: 89.7	Improved: 97.7	Improved: 85.3
	Apr 2012 – Mar 2013	Health Gain: 0.412; % Improved: 86.5	Health Gain: 0.416; % Improved: 87.5	Health Gain: 0.499; % Improved: 96.8	Health Gain: 0.306; % Improved: 76.9
(iv) knee replacement surgery, (the "EQ-5D Index" has been used: this is a combination of five key criteria concerning general health).	Apr 2011 – Mar 2012	Health Gain: 0.320; % Improved: 80.1	Health Gain: 0.302; % Improved: 78.8	Health Gain: 0.385; % Improved: 94.4	Health Gain: 0.181; % Improved: 67.5
	Apr 2012 – Mar 2013	Health Gain: 0.321; % Improved: 80.3	Health Gain: 0.319; % Improved: 80.7	Health Gain: 0.409; % Improved: 90.2	Health Gain: 0.195; % Improved: 69.7
(i) 0-15; and 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.	2010 – 11	7.91	10.15	25.8	0
	2011 – 12	7.27	10.9	16.38	0

Prescribed info	Related NHS Outcomes Framework Domain & Who will report on them	Trust Value	National Average	High Value	Low Value	
(ii) 16 or over; and 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.	2010 – 11	12.91	11.42	22.93	0	
	2011 – 12	11.54	11.45	41.65	0	
The data made available to the National Health Service Trust or NHS Foundation Trust by the Health & Social Care Information Centre with regard to the Trust's responsiveness to the personal needs of its patients during the reporting period.	2011 – 12	70.4	67.4	85	56.5	
	2012 – 13	70.2	68.1	84.4	57.4	
The data made available to the National Health Service Trust or NHS Foundation Trust by the Health & Social Care Information Centre with regard to the percentage of patients who were admitted to hospital and who were risk assessed for venous thromboembolism during the reporting period.	2013/14	Q2 (Jul-Sept)	92.34%	95.69%	100%	81.70%
		Q3	94%	95.89%	100%	76%
The data made available to the National Health Service Trust or NHS Foundation Trust by the Health & Social Care Information Centre with regard to the rate per 100,000 bed days of cases of C.difficile infection reported within the Trust amongst patients aged 2 or over during the reporting period.	Apr 2011 / Mar 12	19.30%	22.20%	58.20%	0%	
	Apr 2012 / Mar 13	21.30%	17.30%	30.80%	0%	
The data made available to the National Health Service Trust or NHS Foundation Trust by the Health & Social Care Information Centre with regard to the number and, where available, rate of patient safety incidents reported within the Trust during the reporting period, and the number and percentage of such patient safety incidents that resulted in severe harm or death.	1/10/11- 31/03/12 - Incidents	6485	4060	6485	859	
	- rate per 100 admissions	9.19	6.69	13.61	1.99	
- severe harm – number	3	24	90	0		
	- percentage	0	0.63	2.5	0	
death - number	2	6	19	0		
	- percentage	0	0.14	0.5	0	
01/10/12-31/03/13 Incidents	5735	4428	7835	1761		
	- rate per 100 admissions	8.12	7.22	12.73	3.04	
- severe harm - number	3	25	101	0		
	- percentage	0.052	0.014	3.35	0	
- death - number	3	9	20	0		
	- percentage	0.052	0.004	0.42	0	
Friends and Family Test - Question Number 12d – Staff - 'If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation'	2012 / 2013	65	63.25	94.19	35.33	
	2013 / 2014	69	64	93.92	39.57	

Friends and Family Test – Patient - covering services for inpatients and patients discharged from Accident and Emergency (types 1 and 2)	Oct. 2013:	By Trust	60	55	93	-11
		By Site	60	55	100	-11
	Nov. 2013:	By Trust	58	56	92	9
		By Site	58	56	100	9

PATIENT REPORTED OUTCOME MEASURES		2011/12			2012/13			Change Year on Year	
		England	Royal Derby	Variance	England	Royal Derby	Variance	England	Royal Derby
Hip Replacement	Modelled Records	35913	384		12789	137			
	EQ-5D % Improved	87.5%	86.5%	-1.0%	87.8%	92.0%	4.2%	0.3%	5.5%
EQ VAS	% Improved	63.7%	59.9%	-3.8%	63.8%	59.7%	-4.1%	0.1%	-0.2%
Oxford Hip	% Improved	95.9%	96.0%	0.1%	95.7%	96.3%	0.6%	-0.2%	0.3%
Knee Replacement		2011/12			2012/13			Change Year on Year	
		England	Royal Derby	Variance	England	Royal Derby	Variance	England	Royal Derby
Knee Replacement	Modelled Records	37757	502		12749	173			
	EQ-5D % Improved	78.8%	80.1%	1.3%	79.4%	80.9%	1.5%	0.6%	0.8%
EQ VAS	% Improved	53.9%	56.0%	2.1%	54.8%	54.5%	-0.3%	0.9%	-1.5%
Oxford Knee	% Improved	92.0%	93.9%	1.9%	92.2%	96.2%	4.0%	0.2%	2.3%

Patient Reported Outcome Measures

The Derby Hospitals NHS Foundation Trust considers that this data is as described for the following reasons:

The EQ-5D Index is a combination of five key criteria concerning general health. The EQ-5D INDEX CHANGE is a calculated average for these five criteria (Mobility, Self-Care, Usual Activities, Pain/Discomfort and Anxiety/Depression)

The EQ VAS is the current state of the patients general health marked on a visual analogue scale 0 - 100. The EQ-VAS INDEX CHANGE is calculated as Q2 result minus Q1 result.

In addition to the EQ indexes, there are additional Hip/Knee Replacement specific questions that were asked of the patients and the score is a calculated average of these 12 questions.

The data has been analysed at consultant level spanning a 2 year period. The results show that apart from a marginal decrease in the EQ-VAS, Royal Derby's Hip and Knee PROMS results have improved year on year. More recently the results have been shared with each of the consultants, and it is anticipated that the results will form part of a discussion for their individual appraisals.

The Derby Hospitals NHS Foundation Trust has taken the following actions to improve this indicator and so the quality of its services, by:

In addition to the PROMS, knee replacement patients are phoned by the physiotherapist 2 days post discharge for support related to mobility and rehabilitation. This may result in a home visit. Patient feedback has resulted in the re-enforcement of prescribing appropriate analgesia.

In addition to the PROMS, hip replacement patients are phoned by the senior sister 4 days post discharge for general support and guidance. The patient feedback has resulted in a review of patient information to include coping strategies for patients, for patients to use due to disturbed sleep patterns, which can impact on their health and wellbeing and mobility post operatively. A pilot is also due to commence by the Physiotherapy team to contact the patient at around 3 weeks from discharge to support an increase in the patients' mobility and rehabilitation.

For both varicose veins and groin hernia, the number of procedures carried out within the Trust is relatively small; however, additional training sessions for staff have been organised in year to support an increase in questionnaire response rates.

Mortality Indicator

The Derby Hospitals NHS Foundation Trust considers that this data is as described for the following reasons:

Derby Hospitals NHS Foundation Trust has a hospice on site and as a consequence has one of the highest rates of palliative care coding in England. In addition, the depth of reporting of co-morbidities by Derby Hospitals NHS Foundation Trust is one of the lowest in the England. These two factors have an impact on the in-hospital mortality rate that forms part of the SHMI calculation.

The Derby Hospitals NHS Foundation Trust in 2013/14 has taken the following actions to improve this score and so the quality of its services, by:

- Scrutiny of issues relating to mortality by the Mortality Review Group
- Review of selected cases which have led to changes in care.

Readmission Rates

The data made available to Derby Hospitals NHS Foundation Trust by the Health and Social Care Information Centre with regard to:

The percentage of patients aged:

- I. 0-14 and
- II. 15 or over, readmitted to hospital within 28 days of being discharged from a hospital that forms part of the Trust during the reporting period.

The Derby Hospitals NHS Foundation Trust considers that this data is as described for the following reasons:

- There has been a slight decrease in the admission rate for both sets of data from 2010/11 to 2011/12
- Derby Hospitals NHS Foundation Trust reports on the 30 day re-admissions according to Payment by Results rules. Overall there is an increase locally however there has been an increased national trend.

For the financial year 2011/12 the Derby Hospitals NHS Foundation Trust's readmission rate was at 5.56%. It then decreased to 5.52% in 2012/13 and increased to 6.11% this year (2013/14)

Derby Hospitals NHS Foundation Trust has taken the following actions to improve this score and so the quality of its services, by:

- Continued to run re-admission group with a focus within medicine, this is currently being reviewed to work with surgery and cancer.
- Developed a dashboard containing current data which is accessible by key managers within the organisation
- Enhanced discharge project has been rolled out within medicine across all wards
- Undertaking re-admission audits for patients who re-attend at the Emergency Department.
- Amber Care Project for End of Life Care
- Work on Frail Elderly Pathway

Patient Experience

The data made available to the Derby Hospitals NHS Foundation Trust by the Health and Social Care Information Centre with regard to the Trust's responsiveness to the personal needs of patients.

The Derby Hospitals NHS Foundation Trust considers that this data is as described for the following reasons:

- The national goal to improve responsiveness to the personal needs of patients is a CQUIN which focuses on 5 specific questions
- Derby Hospitals is in a cluster with 45 other Trusts. To be considered in the upper quartile this should mean the top 11 out of 45. The Derby Hospitals NHS Foundation Trust's score of 70.2 places Derby Hospitals at point 37 which is within the top ten

Derby Hospitals NHS Foundation Trust has taken the following actions to improve this score and so the quality of its services, by:

In 13/14 the Trust began a campaign called "Making Your Moment Matter" based on the Patient Experience Framework set out in 12/13. This framework looked for us to provide "Always Events" and during the course of the project development, and after discussing with patient groups, we decided to brand this project "Making Your Moment Matter". We wanted staff, patients and their families to help us to come up with a set of statements which are right for both our organisation and our patients, thus demonstrating our listening organisation credentials.

The following Top 5 " Moments " have been recorded from this consultation with a response rate topping 74%, giving us some assurance that these moments are the ones we hold most important from our service users and staff members alike:

We will treat you as a person, not just a patient, with dignity and respect at all times.

We will give you the best possible treatment that is available to you.

We will understand your needs by listening, empathising with you, and keeping you informed.

We will make the place you are treated in clean, safe and the environment as caring as possible.

We will give you information in a way that you can understand, to help make decisions about your care.

This project has helped underpin various projects across the Trust dealing with Discharge, Admission, and how we ensure we inform our patients about the effect of a care episode such as surgery.

The following 5 selected question results demonstrate our performance in these areas:

- 1 Involvement in decisions about treatment/care: 7.8 /10 - which is "about the same as other Trusts" as defined on the CQC Website.
- 2 Hospital staff being available to talk about worries/concerns: 6.3 /10 - which is "about the same as other Trusts" as defined on the CQC Website.
- 3 Privacy when discussing condition/treatment: 8.8/10 - which is "about the same as other Trusts" as defined on the CQC Website.
- 4 Being informed about side effects of medication: 5.0/10 - which is "about the same as other Trusts" as defined on the CQC Website.
- 5 Being informed who to contact if worried about condition after leaving hospital: 8.7/10 - which is better than other Trusts" as defined on the CQC Website.

Venous Thromboembolism

The Derby Hospitals NHS Foundation Trust considers that this data is as described for the following reasons:

- This data demonstrates the percentage of all adult inpatients that have had a VTE risk assessment on admission to hospital using the clinical criteria of the national audit tool. This data is submitted monthly to Unify as part of the national CQUIN requirements.

Derby Hospitals NHS Foundation Trust has taken the following actions to improve this score and so the quality of its services, by

- Increasing and sustaining the percentage of recorded risk assessments to 95% in line with National Guidance by:
 - Ensuring doctors carry out the risk assessment prior to prescribing – and reviewing compliance at Business Unit level monthly
 - Working with our electronic prescribing system to force a risk assessment being completed electronically before the prophylaxis is prescribed
 - Reviewing current local policies on prescribing of thromboprophylaxis

Clostridium difficile (C.diff)++

Derby Hospitals Foundation Trust considers that this data is as described for the following reason:

- This data demonstrates the number of patients with a positive test result 72 hours or more after admission.

The target set for 2013/14 was 42 cases. The Trust ended the year with a total of 67 cases, 25 cases over the national trajectory.

The Trust has taken the following actions to improve this score and so the quality of its service by:

- Continuous assessment and review to ensure that all actions to minimise the risk of patients developing the infection have been undertaken.
- Root causes analysis is undertaken for each Trust acquired case of C.diff. The outcomes of these are shared with the clinical teams and action plans put into place.
- The C.diff Review Group reviews all patients with C.diff infection to ensure optimum treatment and supporting care to patients is given. The group also develops and assists with the implementation of the C.diff policy.
- Learning points from the C.diff cases are presented at the Trust Infection Control Committee.

Safety Incidents

The data made available to the Trust by the Health and Social Care Information Centre with regard to –the number, and where available, rate of patient safety incidents reported within the Trust during the reporting period, and the number and percentage of such patient safety incidents that resulted in severe harm or death.

The Derby Hospitals Foundation Trust considers that this data is as described for the following reasons:

- 6 monthly retrospective reports are published by the NHS Commissioning Board and are monitored closely
- The Trust supports an effective safety culture via the increased reporting of incidents
- Increase in incident reporting against the same period last year which reflects the Derby Hospitals NHS Foundation Trust's position of 13th highest incident reporter out of 39 large acute organisations listed by the NHS Commissioning Board.

Derby Hospitals NHS Foundation Trust has taken the following actions to improve this score and so the quality of its services:

- Continue to monitor and review all classification of incidents to ensure correct rating
- Ensure Datix is updated appropriately.

Staff Experience

The Derby Hospitals NHS Foundation Trust considers that this data is as described for the following reasons:

Our Organisational Development approach is to continue to develop our service line management infrastructure, build upon our leadership/team behaviours, and ensure we have in place talent and succession planning processes.

Our aim is to create a positive and supporting culture of continuous learning, where openness and transparency is encouraged to ultimately improve both the experience of patients and staff. We want all staff to feel empowered to put forward ways to deliver better and safer services.

'If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation'

The data made available to DHFT by the Health and Social Care Information Centre with regard to the percentage of staff employed by, or under contact to the Trust during the reporting period who would recommend the Trust as a provider of care to their family or friends.

In 2013 national staff survey there was an improvement in score from 65 to 69 (6% improvement).

Derby Hospitals NHS Foundation Trust is taking the following actions to continue to improve this score and so the quality of its services, by:

- Continuing to build upon our existing engagement structures (eg *face2face*, *surveys*, *team meetings*) exploring ways how we can engage more staff in the improvement of services, patient feedback, learning from complaints and incidents.
- Undertaking quarterly mini impression staff surveys throughout 2014/2015, which will be broken down to business unit level (and department level where response rates are high enough). This will enable a more in depth analysis of staff experience in different areas across the Trust, which in turn will feed action planning for improvement. As well as asking the family and friends questions, we will be asking for feedback on key areas for development eg in the first quarter we are exploring raising concerns.

Friends & Family Test

The Derby Hospitals NHS Foundation Trust considers that this data is as described for the following reasons:

- Monthly submission of data in line with national reporting requirements which are published by NHS England and are monitored closely.
- Over the last year, compared with 12/13, the Trust has seen a steady rise in its Friends and Family test score for inpatient Services.
- The Trust continues to use new and varied ways of getting real time feedback, which will be made easier with the introduction of our Electronic Friends and Family Test.

The Derby Hospitals NHS Foundation Trust has taken the following actions to improve this score and so the quality of its services, by:

- our "Your Views Matter" cards;
- text messaging in ED; and
- via an electronic portal which we rolled out in March 14 - this will allow for an on line portal to be available to all patients, visitors, and carers. This is the sister system to that currently used by our Human Resources Team so that integration between both staff surveys and patient feedback will be able to be carried out.

ASSURANCE OVER MANDATED INDICATORS

MAXIMUM WAITING TIME OF 62 DAYS FROM URGENT GP REFERRAL TO FIRST TREATMENT FOR ALL CANCERS

Indicator requirement as per Monitor Guidance:

Detailed descriptor: PHQ03: Percentage of patients receiving first definitive treatment for cancer within 62 days of an urgent GP referral for suspected cancer.

Date definition: all cancer two month urgent referral to treatment wait.

Denominator: total number of patients receiving first definitive treatment for cancer following an urgent GP (GDP or GMP) referral for suspected cancer within a given period for all cancers (ICD-10 C00 to C97 and D05)

All of the values for the numerator and denominator should be for financial year 2013/14 (from 1st April 2013 to 31 March 2014).

Trust 62d standard compliance for FY 12/13	
Numerator:	977.5
Denominator:	1180
Compliance rate:	82.84%

Trust 62d standard compliance for FY 13/14	
Numerator:	991
Denominator:	1257
Compliance rate:	78.80%

EMERGENCY READMISSIONS WITH 28 DAYS OF DISCHARGE FROM HOSPITAL

Indicator description: Percentage of emergency admissions occurring within 28 days of the last, previous discharge from hospital.

Indicator requirement as per Monitor Guidance:

Numerator: The number of finished and unfinished continuous inpatient spells that are emergency admissions within 0-27 days (inclusive) of the last, previous discharge from hospital (see denominator).
Including: those where the patient dies
Excluding: those with a main speciality upon readmission coded under obstetric; and those where the re-admitting spell has a diagnosis of cancer (other than benign or in situ) or chemotherapy for cancer coded anywhere in the spell

Denominator: The number of finished continuous inpatient spells within selected medical and surgical specialities, with a discharge date up to 31 March within the year of analysis. Excluding: day cases, spells with a discharge coded as death, maternity spells (based on speciality, episode type, diagnosis), and those with mention of a diagnosis of cancer or chemotherapy for cancer anywhere in the spell. Patients with mention of a diagnosis of cancer or chemotherapy for cancer anywhere in the 365 days prior to admission are also excluded.

Trust readmission rate for FY 12/13	
Number of admissions:	113391
Number of readmissions:	6187
Readmission rate:	5.46%

Trust readmission rate for FY 13/14	
Number of admissions:	115641
Number of readmissions:	6786
Readmission rate:	5.87%

The 2012/13 data has been restated to ensure it includes patients aged 4 and under within the emergency readmissions figures, this is in compliance with the requirements for this indicator.

EMERGENCY READMISSIONS WITHIN 30 DAYS OF DISCHARGE FROM HOSPITAL

Indicator description: Percentage of emergency admissions occurring within 30 days of the last, previous discharge from hospital.

Indicator requirement as per Monitor Guidance:

Numerator: The number of finished and unfinished continuous inpatient spells that are emergency admissions within 0-29 days (inclusive) of the last, previous discharge from hospital (see denominator).

Including: those where the patient dies

Excluding: those with a main speciality upon readmission coded under obstetric; and those where the re-admitting spell has a diagnosis of cancer (other than benign or in situ) or chemotherapy for cancer coded anywhere in the spell

Denominator: The number of finished continuous inpatient spells within selected medical and surgical specialities, with a discharge date up to 31 March within the year of analysis. Excluding: day cases, spells with a discharge coded as death, maternity spells (based on speciality, episode type, diagnosis), and those with mention of a diagnosis of cancer or chemotherapy for cancer anywhere in the spell. Patients with mention of a diagnosis of cancer or chemotherapy for cancer anywhere in the 365 days prior to admission are also excluded.

Trust readmission rate for FY 12/13	
Number of admissions:	113391
Number of readmissions:	6247
Readmission rate:	5.51%

Trust readmission rate for FY 13/14	
Number of admissions:	115641
Number of readmissions:	6900
Readmission rate:	5.97%

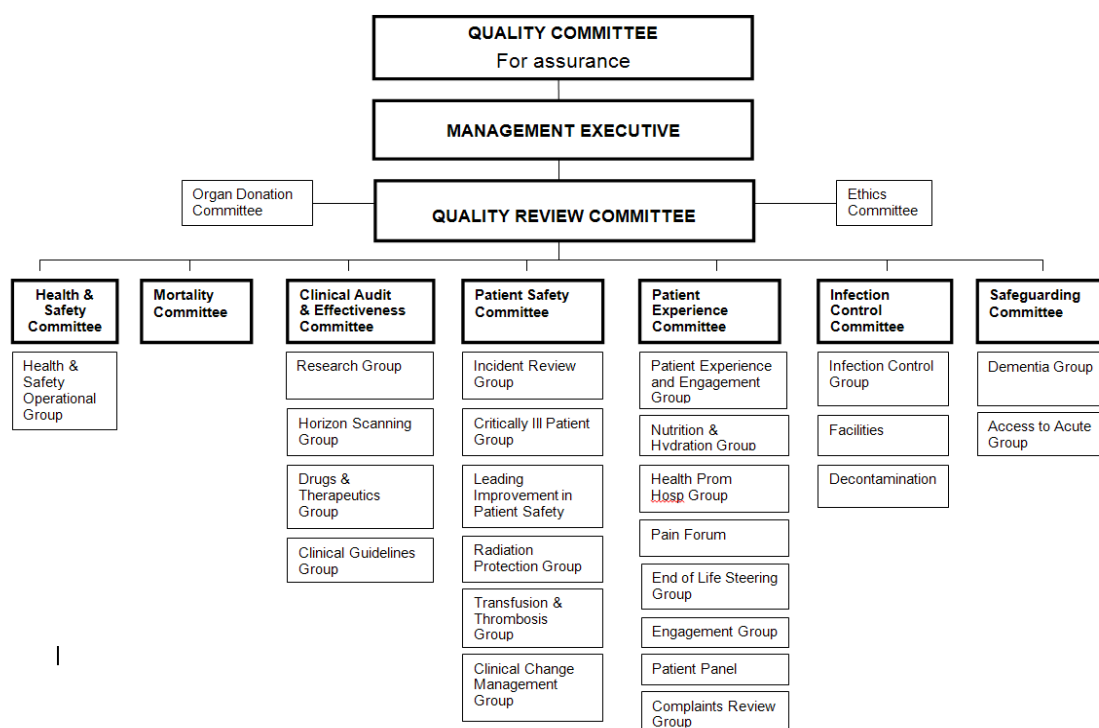
PART 3 QUALITY PERFORMANCE GOVERNANCE ARRANGEMENTS

The Trust has a robust structure of groups and committees (see quality governance structure below) which feed into the Executive Quality Review Committee (QRC), along with quality reports from the Divisions. This allows triangulation of information and an ability to develop recommendations and action for any issues. QRC reports through performance and scrutiny management meetings and also to the sub-Board Quality Committee. This is being further enhanced through our divisional performance management meetings which will include a quality focus on the meeting agenda, a quality dashboard used by Business units, our Management Executive, and Trust Board to actively monitor quality metrics in line with the 5 CQC domains of safe, caring, effective, responsive and well led.

We have on two occasions, carried out the Monitor's Quality Governance Framework Self-Assessment. This intensive self-assessment process, which required detailed and thorough reflection and deliberation, demonstrated that the Trust Board had acquired an increased emphasis on quality governance and has robust mechanisms in place to monitor quality.

Internal and external auditors routinely incorporate quality assurance into their annual audit plans. All internal audit reports are reported to Board committees and to the Board by audit committee minutes. The Trust's annual quality report is audited by PwC.

Quality Governance Structure



3.1. BOARD TO WARD PROGRAMME

The Board to Ward programme was launched in November 2011, since March 2013 42 visits have been undertaken. An Executive and Non-Executive Board Member carry out each visit jointly. The focus of the programme is:

- **Relationship Development** - the visiting team will have the opportunity to meet with staff, patients and carers in the clinical area. Two way communication during these visits means that both teams will be able to share key messages. It is also a time when the care environment can demonstrate areas of good practice.
- **Visible Leadership** - this programme supports the clear message that the delivery of high quality care across the organisation is important to the Trust Board. This is the message that is important internally for patients and staff, and externally for the public and key stakeholder organisations.
- **Supporting the embedding of the Quality Strategy** - the visits provide the forum to ensure that there is a wide understanding of the strategy across the organisation, the Executive/Non-Executive receive an update on the current clinical delivery, and it brings to the life for the team some of the areas that are being demonstrated in the reports at Trust Board Meetings.
- **Seeking further understanding and assurance of Patient Experience** – where appropriate the team explore the experience of the patient through informal discussion

The format of the Board to Ward visit is structured around the 15 Steps Audit Tool. This tool helps the team to gain an understanding of how patients and service users feel about the care provided and what gives them confidence. It helps to identify the key components of high quality care that are important to patients and carers from their first contact with a care setting.

The audit focuses on 4 key areas and includes if the ward /department is:

- Welcoming
- Safe
- Caring and Involves Patients
- Well organized and calm

Themes from the visits include:

- Good team working
- Positive leadership
- Positive feedback from patients/families/Carers
- Staffing Levels
- Discharge Planning

Annex 1:

STATEMENTS FROM CLINICAL COMMISSIONING GROUPS, HEALTHWATCH DERBYSHIRE, IMPROVEMENT AND SCRUTINY COMMITTEES, AND THE TRUST COUNCIL OF GOVERNORS

STATEMENT FROM COUNCIL OF GOVERNORS DERBY HOSPITALS NHS FOUNDATION TRUST

Since last year's report the Core Regulations Working Group has continued to meet on a regular basis. There are 8 governors on the Group and it is a Sub-Committee of the Council of Governors. The Group continue to revise the audit paperwork to gain a deeper insight from staff, particularly on patient experience issues.

During 2013/14, 8 areas have been formally audited including outpatient, wards, diagnostic, therapy and day case units. On each inspection the Matron/Sister and 4 patients are interviewed. In 2013/14 the Group commenced audits on the Trust's Community Services, focusing on the outreach clinics in Derby City.

The Group continues to participate in the National 15 Steps Challenge which looks at quality from a patient's perspective. These audits now take place on wards and outpatient areas where, now partnered with Non-Executive Directors, Governors walk round and take note of their first impressions. The idea is to see the area through the patient's eyes. The observations are around, 'Welcoming, Safety, Caring and Involving and Well Organised and Calm'.

Detailed findings of all the Governors inspections/audits including any concerns/ compliance issues continue to be regularly discussed and submitted to the Assistant Chief Nurse. This person attends our bi monthly meeting to give assurance that any actions required have been addressed and allows for any further discussion required. Verbal feedback is given to the ward/area (person in charge on the day followed by a full written report with actions). Recently the Group have designed a system to ensure any actions that need to be carried out are completed. This triangulation gives the confidence that improvements are being made.

A comprehensive evidence file is kept in the trust membership office together with feedback and the forward programme of inspections. A summary of the minutes of all our meetings go to the full Council of Governors.

Following the inspections completed to date, the working group have been satisfied with the level of compliance against the national core regulations.

Governors sit on various internal and external groups and committees, the majority of which focus on patient experience. Feedback reports from these groups are shared amongst Governors at their bi-monthly workshop meetings. This gives liaison between the groups that look at services provided by the Trust, including the Patient Experience and Environment Group (PEEG) and the Facilities Management team inspection for Patient Led Assessment of the Care Environment (PLACE) on which Governors also participate.

By auditing areas the Governors are able to listen to patients views. Findings are then reported back to the Council of Governors, which gives Governors the confidence to raise any questions or issues with Senior Management and to answer any concerns from members of the public.

The Core Regulations Working Group discussed this report at a wider Governors meeting in April 2014 and this statement was approved to be included in the Quality Account for the Trust 2013/2014.

STATEMENT FROM SOUTHERN DERBYSHIRE CLINICAL COMMISSIONING GROUP

GENERAL COMMENTS

NHS Southern Derbyshire Clinical Commissioning Group (the CCG) is the coordinating commissioner for the NHS contract held with Derby Hospitals NHS Foundation Trust (the Trust). In this role the CCG is responsible for ensuring publication clearance of the Quality Account produced by the Trust for 2013/14.

MEASURING AND IMPROVING PERFORMANCE

The Quality Account has been subject to a detailed review by the CCG, ensuring that data and the information reported in the account is consistent with the data submitted to the CCG. Whilst recognizing there are timing issues with some of the data, the following should be noted:

- The table detailing the delivery of national targets has two inaccuracies
 - The Trust did not meet the national target for Clostridium Difficile Infections
 - The Trust did not meet its standard for Cancer 2 week wait

Both of the above points should therefore be represented appropriately in the RAG (Red, Amber, Green) rating.

COMMENTARY

In general, the Trust has met targets in many areas and has implemented many initiatives to improve the overall quality of care given to patients. The piloting of the Enhanced Discharge Programme has led to a 20% reduction of avoidable re-admissions seen in the patient group identified. This has led to its implementation being rolled out to other departments within the Trust. The Infection Control Accreditation Programme was shortlisted for a national award in 2013 and has raised awareness and standards in many areas. There is an on-going programme of senior management engagement with frontline staff with the Board to Ward Programme and participation in research and development is evident across most areas of the Trust, ensuring staff develop the skills to question, learn and lead in innovation in clinical research.

In relation to patient safety, the CCG continues to receive all serious incident and root cause analysis reports. Improvements have been noted in the timeliness and content of many of these reports, especially regarding pressure ulcers and falls. Ongoing work needs to focus on themes and evidencing improvements in practice as a result of the action plans presented. Looking forward, the CCG will be working with the Trust to examine processes and to work collaboratively on these improvements.

It is recognized that the format and content of the Quality Account is dictated nationally. However the language used is technical and managerial, making it hard to interpret, in places, for those unfamiliar with such terminology. The CCG would welcome attempts in subsequent reports to make its reading more readily accessible to the public. Providing some context as to the size and complexity of the Trust would also be helpful.

The Quality Account details many quality schemes attracting financial incentives. In the main these indicators are mandated either nationally or locally, having been negotiated by the CCG with the Trust. Some examples of good practice where improvements in services were evidenced are:

- Dementia screening on admission
- End of Life Care
- Patient experience via the national Friends and Family Test
- Improving discharge planning

During 2013/14, the CCG undertook a number of Quality Visits to the Trust and it is good to see details of these within the Quality Account. In future reports it may be useful to reflect further on these and

some of the recommendations that came from them, demonstrating a culture of continuous service improvement.

The CCG found these Quality Visits very helpful to better understand the running of services, meet the clinical and managerial staff and also patients who use the service.

Looking forward to 2014/15, the Trust's priorities for improvement have been briefly included and objectives and targets will form part of the accountability and performance framework for each Division within the Trust. However it is felt that further detail could have been expanded upon, to reflect the ambitious and collaborative schemes negotiated between the Trust and the CCG for the future.

Andy Lazell
Chief Operating Officer

Southern Derbyshire Clinical Commissioning Group
May 2014.

Response from the Trust: the data sent to the CCG was an early draft. The latest performance information has now been included and the table detailing the delivery of National targets has been updated and the RAG rating is now accurate.

STATEMENT FROM HEALTHWATCH DERBY

Healthwatch Derby continues its valuable partnership work with the Trust, and has successfully completed a full consultation programme 'Your Royal' with the findings publicised on the 1 May 2014. Our observations, analysis and recommendations for service improvements are all part of the formal report. The Trust has been the single largest source of feedback received in the period 2013-2014 by Healthwatch Derby as illustrated below:

Monitoring Period	Total Feedback	RDH Feedback
2013 Quarter One	Total Feedback received 14	4 Feedback identified RDH as service provider
2013 Quarter Two	Total Feedback received 79	31 Feedback identified RDH as service provider
2013 Quarter Three	Total Feedback received 579	110 Feedback identified RDH as service provider
2013 Quarter Four	Total Feedback received 929	362 Feedback identified RDH as service provider

Healthwatch Derby continues to report on the feedback received directly to the Trust, as well as regularly updating the Southern Derbyshire Clinical Commissioning Group, the Care Quality Commission, the Health & Wellbeing Board, the Overview & Scrutiny Committee, as well as the local authority with regards to its feedback findings.

We have also signed a data sharing protocol with the Trust enabling us to effectively exchange patient feedback, and keep the Trust fully informed of any urgent cases, as well as identified areas of service improvement. Our aim remains to provide an impartial and independent insight into the Trust's many services.

Derby's acute hospital trust provides the majority of healthcare services for the residents of Derby, and it is important that patients have an opportunity to voice their concerns independently, with the assurance that decision makers at the Trust will listen. Healthwatch Derby will continue to amplify and put forward patient voices, and our watchword remains the same – every voice counts.

Samragi Madden
Quality Assurance & Compliance Officer

STATEMENT FROM HEALTHWATCH DERBYSHIRE

Healthwatch Derbyshire came into operation on the 1st April 2013 and was very much in its infancy when asked to submit a response to last year's Quality Account for Derby Hospitals NHS Foundation Trust. However, having now been operating for 12 months as the consumer champion for health and social care services, Healthwatch Derbyshire is now in a much better position to strengthen the collective voice of patients and the public in Derbyshire, and ensure that voice is used to help influence and improve the delivery and design of local services.

Healthwatch Derbyshire is responding to this Quality Account largely in relation to patient experience, as this is where our evidence is based.

In our first year we have developed a strong early relationship with the Trust as a key NHS healthcare provider for Derbyshire. The Trust has been receptive to the public and patient feedback collected by Healthwatch Derbyshire which is sent to the Trust on a regular basis using our information sharing protocols. The Trust shows a willingness to respond, react and learn from the feedback we present on behalf of local people.

Healthwatch Derbyshire is providing, and will continue to provide, a valuable source of independent patient feedback to be used and incorporated by the Trust in appropriate reporting systems. This will complement the measures put in place by the Trust to capture and gauge patient experience. Healthwatch Derbyshire sits on Patient Experience and Engagement Group (PEEG) and through involvement with this group, and the paperwork presented at the meeting, Healthwatch Derbyshire has the opportunity to understand and question developments in terms of patient experience throughout the year.

The 2012/13 Quality Account set out quality improvement priorities, one of which was patient experience.

The 2013/14 Quality Account highlights the extensive range of patient experience feedback available to the Trust, and their current performance in a clear and transparent way. We are also reassured to note the continued focus on complaints handling as this has been a source of concern to several individuals contacting Healthwatch Derbyshire to give their feedback.

The development of our relationship with the Trust over the past year has resulted in a valuable information sharing process that ensures that Healthwatch Derbyshire, and the voices of the local people it champions, have the potential to be at the heart of decisions regarding service delivery and design at the Trust.

We look forward to working with the Trust with this shared objective in mind during 2014/15.

Darren Bailey
CHAIR HEALTHWATCH DERBYSHIRE

STATEMENT FROM DERBYSHIRE COUNTY COUNCIL IMPROVEMENT AND SCRUTINY COMMITTEE

No statement received.

STATEMENT FROM DERBY CITY COUNCIL'S ADULT AND PUBLIC HEALTH OVERVIEW AND SCRUTINY BOARD

The draft 2013/14 Quality Report from Derby Hospitals NHS Foundation Trust was submitted to the meeting of Derby City Council's Adults and Public Health Board on Monday, 28 April 2014 and the contents were noted.

Submitted by Mahroof Hussain, Scrutiny and Civic Services Manager on 1st May 2014.

STATEMENTS FROM HEALTH AND WELLBEING BOARDS

No statement received from the Derbyshire County Board

Statement from Derby City Health and Wellbeing Board

We are pleased to receive the Hospital Trust quality report for 2013/14. Due to the tight timescales this year the Health and Wellbeing Board will not make a formal comment. We welcome the opportunity to be involved in the consultation process for 2014/15 and have discussed with the Trust our plans to include this in our agenda as early as possible in 2015 when our governance arrangements for Public Health will be firmly established

Professor Derek Ward

Director of Public Health on behalf of the Derby City Health and Wellbeing Board

Annex 2:

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 2010 as amended to prepare Quality Accounts for each financial year.

Monitor has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that 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 2013/14;
- 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 2013 to the date of signing this representation
 - papers relating to Quality reported to the Board over the period April 2013 to the date of signing this limited assurance report;
 - feedback from Southern Derbyshire Clinical Commissioning Group dated 07 May 2014;
 - feedback from the Governors dated 25 April 2014;
 - Feedback from Healthwatch Derbyshire dated 30 April 2014;
 - Feedback from Healthwatch Derby dated 12 May 2014;
 - the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 15 May 2014;
 - feedback from Derby City Council's Adult and Public Health Overview and Scrutiny Board dated 28 April 2014;
 - latest national patient survey dated 2013, Quality Health, Derby Hospitals NHS Foundation Trust 2013, National Inpatient Survey Management Report;
 - latest national staff survey dated 2013, Quality Health, Derby Hospitals NHS Foundation Trust 2013 National Staff Survey;
 - Care Quality Commission quality and risk profiles dated 31/03/2013, 31/05/2013, 30/06/2013, and 31/07/2013;
 - Intelligent Monitoring Reports dated 21 October 2013 and 13 March 2014;
 - the head of internal audit's draft interim annual opinion over the Trust's control environment dated 14 April 2014;
 - Care Quality Commission Inspection Report Royal Derby Hospital August 2013;
 - Care Quality Commission Inspection Report Royal Derby Hospital April 2014.
- the quality report presents a balanced picture of the NHS foundation trust's performance over the period covered;
- the performance information reporting in the quality report is reliable and accurate
- there are proper internal controls over the collection and reporting of the measures of performance included in the quality report, and these controls are subject to review to confirm that they are working effectively in practice;
- the data underpinning the measure of performance reported in the quality report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review, and
- the quality report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations) (published at www.monitor.gov.uk/annualreportingmanual) as well as the standards to support data quality for the preparation of the Quality Report (available at www.monitor.gov.uk/annualreportingmanual).

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

By order of the Board
Date 27 May 2014



Chairman

Date 27 May 2014



Chief Executive

ANNEX 3: INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT TO THE COUNCIL OF GOVERNORS OF DERBY HOSPITALS NHS FOUNDATION TRUST ON THE ANNUAL QUALITY REPORT

We have been engaged by the Council of Governors of Derby NHS Foundation Trust to perform an independent assurance engagement in respect of Derby Hospitals NHS Foundation Trust's Quality Report for the year ended 31 March 2014 (the 'Quality Report') and specified performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2014 in the Quality Report that have been subject to limited assurance (the "specified indicators") consist of the following national priority indicators as mandated by Monitor:

<i>Specified Indicators</i>	<i>Specified indicators criteria</i> (exact page number where criteria can be found)
Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers	<p><i>Page number 139</i></p> <ul style="list-style-type: none"> The indicator is expressed as a percentage of patients receiving first definitive treatment for cancer within 62 days of an urgent GP referral for suspected cancer. An urgent GP referral is one which has a two week wait from date that the referral is received to first being seen by a consultant. The indicator only includes GP referrals for suspected cancer (i.e. excludes consultant upgrades and screening referrals and where the priority type of the referral is National Code 3 – Two week wait). The clock start date is defined as the date that the referral is <i>received</i> by the Trust. The clock stop date is the date of first definitive cancer treatment as defined in the NHS Dataset Set Change Notice. In summary, this is the date of the first definitive cancer treatment given to a patient who is receiving care for a cancer condition or it is the date that cancer was discounted when the patient was first seen or it is the date that the patient made the decision to decline all treatment.
The Trusts 2013/14 data for Emergency re-admissions within 28 days of discharge from hospital	<p><i>Page number 139</i></p> <ul style="list-style-type: none"> The indicator is expressed as the percentage of emergency admissions to the Trust occurring within 28 days of the last, previous discharge from hospital. The numerator includes finished and unfinished inpatient spells, including where the patient dies. The numerator excludes patients with a main speciality upon readmission coded under obstetric; and those where the readmitting spell has a diagnosis of cancer (other than benign or in situ) or chemotherapy for cancer coded anywhere in the spell. The denominator includes all finished continuous inpatient spells within selected medical and surgical specialities, with a discharge date up to 31 March. The denominator excludes day cases, spells with a discharge coded as death, maternity spells (based on specialty, episode type, diagnosis), and those with mention of a diagnosis of cancer or chemotherapy for cancer anywhere in the spell. Patients with mention of a diagnosis of cancer or chemotherapy for cancer anywhere in the 365 days prior to admission are excluded from the denominator.

Respective Responsibilities of the Directors and Auditors

The Directors are responsible for the content and the preparation of the Quality Report in accordance with the specified indicators criteria referred to on pages of the Quality Report as listed above (the "Criteria"). The Directors are also responsible for the conformity of their Criteria with the assessment criteria set out in the NHS Foundation Trust Annual Reporting Manual ("FT ARM") and the "*Detailed requirements for quality reports 2013/14*" issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Report does not incorporate the matters required to be reported on as specified in Annex 2 to Chapter 7 of the FT ARM and the "*Detailed requirements for quality reports 2013/14*";
- the Quality Report is not consistent in all material respects with the sources specified below; and
- the specified indicators have not been prepared in all material respects in accordance with the Criteria and the six dimensions of data quality set out in the "*Detailed guidance for external assurance on quality reports 2013/14*".

We read the Quality Report and consider whether it addresses the content requirements of the FT ARM, and consider the implications for our report if we become aware of any material omissions.

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

- Board minutes for the period April 2013 to the date of signing this limited assurance report (the period);
- papers relating to Quality reported to the Board over the period April 2013 to the date of signing this limited assurance report;
- feedback from the Southern Derbyshire Clinical Commissioning Group dated 07/05/2014;
- feedback from Governors dated 25/04/2014;
- feedback from local Healthwatch Derbyshire dated 30/04/2014
- feedback from Healthwatch Derby dated 12/05/2014;
- the Foundation Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 15/04/2014;
- feedback from Derby City Council's Audit and Public Health Overview and Scrutiny Board dated 28/04/2014
- The latest national patient survey dated 2013, Quality Health, Derby Hospitals NHS Foundation Trust, National Inpatient Survey Management Report;
- The latest national staff survey dated 2013, Quality Health, Derby Hospitals NHS Foundation Trust, National Staff Survey;
- Care Quality Commission quality and risk profiles dated 31/03/2013, 31/05/2013, 31/06/2013, and 31/07/2013;
- Intelligent Monitoring Reports dated 21/10/2013 and 13/03/2014;
- the Head of Internal Audit's draft interim annual opinion over the Trust's control environment dated 14/04/2014; and
- Care Quality Commission Inspection Report Royal Derby Hospital August 2013; and
- Care Quality Commission Inspection Report Royal Derby Hospital April 2014.

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 Derby Hospitals NHS Foundation Trust as a body, to assist the Council of Governors in reporting Derby Hospitals NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2014, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone

other than the Council of Governors as a body and Derby Hospitals NHS Foundation Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 '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:

- reviewing the content of the Quality Report against the requirements of the FT ARM and "*Detailed requirements for quality reports 2013/14*";
- reviewing the Quality Report for consistency against the documents specified above;
- obtaining an understanding of the design and operation of the controls in place in relation to the collation and reporting of the specified indicators, including controls over third party information (if applicable) and performing walkthroughs to confirm our understanding;
- based on our understanding, assessing the risks that the performance against the specified indicators may be materially misstated and determining the nature, timing and extent of further procedures;
- making enquiries of relevant management, personnel and, where relevant, third parties;
- considering significant judgements made by the NHS Foundation Trust in preparation of the specified indicators;
- performing limited testing, on a selective basis of evidence supporting the reported performance indicators, and assessing the related disclosures; and
- reading documents.

A limited assurance engagement is less in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

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

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Quality Report in the context of the assessment criteria set out in the FT ARM and the Criteria referred to above.

The nature, form and content required of Quality Reports are determined by Monitor. This may result in the omission of information relevant to other users, for example for the purpose of comparing the results of different NHS Foundation Trusts.

In addition, the scope of our assurance work has not included governance over quality or non-mandated indicators in the Quality Report, which have been determined locally by Derby Hospitals NHS Foundation Trust.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that for the year ended 31 March 2014:

- the Quality Report does not incorporate the matters required to be reported on as specified in Annex 2 to Chapter 7 of the FT ARM and the “*Detailed requirements for quality reports 2013/14*”;
- the Quality Report is not consistent in all material respects with the documents specified above; and
- the specified indicators have not been prepared in all material respects in accordance with the Criteria and the six dimensions of data quality set out in the “*2013/14 Detailed guidance for external assurance on quality reports*”.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants
Donington Court
Pegasus Business Park
Castle Donington
DE74 2UZ

29 May 2014

The maintenance and integrity of the Derby Hospitals NHS Foundation Trust’s website is the responsibility of the directors; the work carried out by the assurance providers does not involve consideration of these matters and, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported performance indicators or criteria since they were initially presented on the website.

ABBREVIATIONS USED:

Abbreviation Used	In Full
AKI	Acute Kidney Injury
ANTT	Aseptic Non Touch Technique
BMI	Body Mass Index
C.diff	Clostridium difficile
CCG	Clinical Commissioning Group
CCOT	Critical Care Outreach Team
CDS	Commissioning Data Set
CLRN	Comprehensive Local Research Network
CQC	Care Quality Commission
CQUIN	Commissioning for Quality and Innovation
CT	Computerised Tomography
CVC	Central Venous Catheter
DNACPR	Do Not Attempt Cardio Pulmonary Resuscitation
E.coli	Escherichia coli
ED	Emergency Department
EMCSN	East Midlands Cardiac and Stroke Network
EWS	Early Warning Score
EPMA	Electronic Prescribing and Medicines Administration
GP	General Practitioner
IBD	Inflammatory Bowel Disease
ICOG	Infection Control Operational Group
ICNARC	Intensive Care National Audit and Research Centre
HRS	Health Research Sectors
HSMR	Hospital Standardised Mortality Rate
HPA	Health Protection Agency
HTA	Health Technology Assessment
KPI	Key Performance Indicator
LCP	Liverpool Care Pathway
LGBT	Lesbian, Gay, Bisexual and Transgender
LIPS	Leading Improvements in Patient Safety
MAU	Medical Admissions Unit
MRC	Medical Research Council
MRSA	Methicillin Resistant Staphylococcus Aureus
MRSAb	Methicillin Resistant Staphylococcus Aureus bacteraemia
MSSA	Methicillin Sensitive Staphylococcus Aureus
NCEPOD	National Confidential Enquiries of Patient Outcomes and Death
NHS	National Health Service
NICE	National Institute for Health and Clinical Excellence
NICU	Neonatal Intensive Care Unit
NIHR	National Institute for Health Research
NMBR	National Mastectomy and Breast Reconstruction
NNAP	National Neonatal Audit Programme
NPSA	National Patient Safety Agency
NRLS	National Reporting and Learning System
PALS	Patient Advice and Liaison Service
PAS	Patient Administration System
PbR	Payment by Results
PDSA	Plan, Do, Study, Act
PEAT	Patient Experience Assessment Team

PLACE	Patient Led Assessment for the Care Environment
PROMS	Patient Reported Outcomes Measures
PUPG	Pressure Ulcer prevention Group
QIPP	Quality, Innovation, Productivity and Prevention
RCA	Root Cause Analysis
RCP	Royal College of Physicians
SBAR	Situation, Background, Assessment , Recommendation
SHMI	Summary Hospital Level Mortality Index
SHOP	See Home Other Planned
SLAM	Service Level Activity Monitoring
SUS	Secondary User Service
VTE	Venous Thrombo Embolus

PART 8 – REMUNERATION REPORT

1.0 Introduction

The Trust has two Committees that deal with remuneration:

- The Nominations and Remuneration Committee

A Board Committee, comprised of all of the Trust's Non-Executive Directors. This Committee's primary responsibilities are to approve the appointment of the Executive Directors to the Trust Board and to review and agree the terms and conditions of those Executive Directors.

- The Appointments and Remuneration Committee

This is a Sub-Committee of the Council of Governors. The purpose of this Committee is to consider the appointment of, and the salaries payable to, the Trust Chair and the Non-Executive Directors of the Trust Board. In addition the Committee is responsible for setting the objectives for the Trust Chairman, taking into consideration the views of the Board, particularly the Chief Executive and the Non-Executives through the Senior Independent Director. It also receives an overview of the process of Non-Executive appraisal by the Chairman

For the purposes of this report, the term "Senior Managers" is defined as being members of the Board of Directors and the Director of Corporate Affairs.

2.0 Trust Board Nominations and Remuneration Committee

During the financial year 2013/14 the Committee met on 6 occasions.

	No. of Meetings 2013/14	No. of Attendances 2013/14
Mr John Rivers (Chair)	6	6
Prof Stephen Bailey	6	5
Mr Chris Hole	6	5
Mr Walter Dodd (until 30 April 2013)	1	1
Mrs Patricia Coleman	6	6
Mr Sandeep Sharma	6	1
Mr John Brebner	6	6
Sir Stephen Moss	6	6

The Committee receives advice from the Director of Workforce Management.

Statement of Policy

Executive Director terms and conditions are decided by the Committee taking account of benchmarking reports on NHS executive salaries and conditions and the financial circumstances relating to the Trust. Performance is assessed against agreed Trust, team and individual objectives.

Methods of Assessment

The method of assessment of Executive Directors performance is by individual appraisal together with a report by the Chief Executive to the Committee.

Remuneration

Remuneration of all Executive Directors has in the past been subject to a combination of issues, not least of all performance of the Trust and the individuals themselves. In 2013/14 Executive Directors received a 1% increase, taking into account context and collective awards for other staff groups

The remuneration arrangements for both Executive and Non-Executive Directors including the Chairman are disclosed in notes 8.4 – 8.7 to the accounts.

3.0 Council of Governors Appointments and Remuneration Committee

During the financial year 2013/14 the Committee met on 5 occasions.

	No. of Meetings 2013/14	No. of Attendances 2013/14
Dr Gerry Van Schalkwyk (Chair up to 30 June 2013)	3	2
Mr Nick Seed – Chair (from 1 July 2013)	5	4
Mr Roland Fitzgerald	5	4
Miss Anne Johnson	5	3
Mr Allan Bate	5	5
Cllr Mark Tittley (from July 2013)	2	2

The Committee receives advice from the Director of Corporate Affairs.

Statement of Policy

Non-Executive Director remuneration levels are approved by the Council of Governors on recommendation of the Committee.

In May 2013, the Council of Governors approved increases to the Chair and Non-Executive Director remuneration and fees for the Chairs of Board Committees. This was on the basis of achieving the 2013 National Median rates (from the Foundation Trust Network's benchmarking reports on NHS Non-Executive remuneration levels) over a four year period (increasing from 1 April for 2013/14, 2014/15, 2015/16 and 2016/17).

It was also agreed that an interim review will be carried out in 2015, which will consider the 2015 median. The Committee will meet towards the end of 2014 to commence the review, with a view to making recommendations to the full Council in early 2015.

Remuneration

The remuneration arrangements for both Executive and Non-Executive Directors including the Chairman are disclosed in notes 8.4 – 8.7 to the accounts.

Methods of Assessment

The Committee sets and reviews the objectives for the Trust Chairman, taking into consideration the views of the Board, particularly the Chief Executive and the Non-Executives through the Senior Independent Director. The Committee also receives an update from the Chairman on Non-Executive Director appraisals. Both issues are then reported to the Council of Governors. The Council of Governors approves the Chairman's annual objectives.

4.0 General

Use of external advisors

The Trust's Remuneration Committees have not used external advisors to provide advice or services on remuneration matters.

Directors Appointments and Contracts

The Executive Director appointments are as follows:

	Post	Date of Appointment	Period of Notice
Mrs Susan James	Chief Executive	4 January 2011	Six Months
Mr Lee Outhwaite	Director of Finance & Performance	18 February 2008	Six Months
Mrs Cathy Winfield	Director of Patient Experience and Chief Nurse	1 November 2012	Six Months
Miss Alison Fowlie*	Medical Director	1 April 2009	Six Months
Dr Nigel Sturrock ***	Medical Director	1 March 2014	Six Months
Mrs Dianne Prescott**	Director of Strategy and Partnership	1 November 1998	Six Months
Mrs Karen Martin	Director of Workforce Management	1 November 2009	Six Months
Ms Helen Scott-South	Chief Operating Officer	1 July 2011	Six Months

* Miss Alison Fowlie was Medical Director to 28 February 2014

** Mrs Dianne Prescott was Director of Strategy and Partnership to 30 September 2013

*** Dr Sturrock appointed Medical Director Designate from 1 January 2014.

All Executive Directors of the Trust Board have permanent contracts of employment, and are not subject to fixed term arrangements, as indicated within the Foundation Trust Code of Governance.

Non-Executive Directors including the Trust Chairman are subject to fixed term appointments. Details are set out in Part 2 in this report.

Pension Arrangements

Details relating to Executive Directors pension rights are set out in notes 8.5 to the accounts. Over recent years there have been significant changes in the main pension tax legislation. A new provision enables NHS employees to choose to draw on their pension benefits and, within a fixed set of rules, continue their employment, albeit having left the scheme. During the year under review, the Remuneration Committee approved such an arrangement for the Chief Executive in line with the guidance under NHS rules.

Reporting high paid off-payroll arrangements

1 For all off-payroll engagements as of 31 March 2014, for more than £220 per day and that last longer than six months.

	Number
Number of existing engagements as of 31 March 2014	1
<i>of which, the number that have existed:</i>	
for less than 1 year at the time of reporting	0
for between 1 and 2 years at the time of reporting	1
for between 2 and 3 years at the time of reporting	0
for between 3 and 4 years at the time of reporting	0
for 4 or more years at the time of reporting	0
The above existing off-payroll engagement has been risk assessed as to whether assurance is required that the individual is paying the right amount of tax and where necessary, that assurance has been received.	

2 For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2013 and 31 March 2014, for more than £220 per day and that last longer than six months.

	Number
Number of new engagements, or those that reached six months in duration between 1 April 2013 and 31 March 2014	0
Number of the above which include contractual clauses giving Derby Hospitals NHS Foundation Trust the right to request assurance in relation to income tax and National Insurance obligations	0
Number for whom assurance has been requested	0
<i>Of which:</i>	
assurance has been received	0
assurance has not been received	0
engagements terminated as a result of assurance not being received.	0

3 For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2013 and 31 March 2014

Number of off-payroll engagements of board members and/or senior officials with significant financial responsibility, during the financial year	0
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility" during the financial year. This figure should include both off-payroll and on-payroll engagements	0



Susan James
Chief Executive

27 May 2014



John Rivers
Chairman

27 May 2014

PART 9 – STATEMENT OF COMPLIANCE WITH THE NHS FOUNDATION TRUST CODE OF GOVERNANCE

The Trust Board of Directors has stated that they support and agree with the principles set out in the updated version of the NHS Foundation Trust Code of Governance, published December 2013.

However, due to the nature of the Code and the arrangements that already apply within the Trust, the Board has identified the following areas which are non-compliant with the Code, or are in the process of being implemented at the time of this report.

Areas of Non-Compliance

Non Executive Directors' Terms of Appointment

The Code of Governance states a Non Executive Director may in exceptional circumstances serve longer than six years (i.e. two three year terms) but they will then be subject to annual re-appointment.

The Council of Governors took the decision to re-appoint Professor Stephen Bailey for a third and final term. Professor Bailey is the nominee of the University of Nottingham, and is Vice Chair of the Trust and Senior Independent Director. The appointment is subject to annual review and up to a maximum of three years.

The Council of Governors also re-appointed Mr Chris Hole for a third and final term.

The decisions, taken in March 2011 and November 2013 respectively were based on the fact that the Trust was facing a challenging future and to lose his experience at that time would be detrimental for the Board and the organisation as a whole.

All other aspects of the Code of Governance are already in place and operating.



Tosca Fairchild
Director of Corporate Affairs

27 May 2014

Part 10 - STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTING OFFICER OF DERBY HOSPITALS NHS FOUNDATION TRUST

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

Under the NHS Act 2006, Monitor has directed Derby Hospitals NHS foundation trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Derby 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 *NHS Foundation Trust Annual Reporting Manual* and in particular to:

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

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

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



Susan James
Chief Executive

27 May 2014

PART 11– ANNUAL GOVERNANCE STATEMENT FOR 2013-14

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 Derby 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 Derby Hospitals NHS Foundation Trust for the year ended 31 March 2014 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The risk management processes are led at Board level by the Trust's Director of Patient Experience and Chief Nurse. In 2013/14, the Trust had a Risk Committee that reports into the Quality Review Committee and, subsequently, to the Board's Quality Committee on all risks.

All staff are required to undertake Risk Management training and, where necessary, appropriate staff are trained in risk assessment and investigation techniques.

This is to ensure a standard approach for the identification, assessment and management of all risks, through a standardisation of tools, processes and reporting. This is through the identification, analysis and control of risks, which are reported and managed through a central database. This is managed and monitored locally within the business units. Extreme risks being escalated through identified committee structures.

Guidance provided to staff relates to what is a hazard, a risk and other contributing factors to what in our work could cause harm to people so that they are able to weigh up whether enough precautions have been taken or should we do more to prevent harm. Staff are required to review risk regularly and inform of any changes and report into the business units and Trust reporting systems to ensure organisational learning and to share good practice.

The risk and control framework

Major high level risks are managed as part of the Board's Assurance Framework. This is reviewed by the Board quarterly. Where necessary, the risks are reviewed and new risks identified and, where appropriate, these are added to the Assurance Framework. At the same time, the extreme risks identified within Divisions are reviewed by the Management Executive and a judgement based on risk rating assessments determine whether a risk should be escalated to the Assurance Framework.

All risks identified on the Assurance Framework have an action plan to reduce the risk ratings and each risk is assigned to a Board Committee for detailed review and monitoring. The Audit Committee reviews the full Assurance Framework to give the board assurance on the process.

The Trust's Risk Policy sets out the structure for dealing with risks which include the duties and responsibilities of key staff within the Divisional Directorates. These are led by Divisional Directors and each Division has a risk register that links into the Board's Assurance Framework. The divisional risk registers are formally reviewed within the Divisions and are subject to a formal approval process prior to being added to the risk register. Overall, the Divisional Directors are responsible to the Board's Chief Operating Officer.

The principal risks faced by the Trust during 2013/14 included:

Principal Risk	How they are managed/ mitigated/ outcomes
Failure to maintain and/or improve the Trust position for Mortality rates compared to National Standards.	<i>The Trust's Quality Governance Structure monitors this indicator and ensures action plans are delivered</i>
Failure to make the necessary improvements particularly with regard to MRSA and CDiff.	<i>The Trust's Quality Governance Structure monitors this indicator and ensures action plans are delivered</i>
Failure to comply with the legislative requirements of CQC Registration.	<i>The Trust's Quality Strategy will have the 5 CQC domains embedded and will be launched Summer 2014</i>
Failure to evidence and deliver safe levels of medical, nursing & midwifery staffing.	<i>This is monitored through Safe Staffing Board</i>
Failure to deliver improvements to our complaints handling processes.	<i>A new complaints procedure launched April 2014</i>
Inability to sustain delivery of key performance targets in urgent care due to the continued rise in unscheduled care demand. Inability to match reduction of capacity with Transformation demand management plans and internal transformation plan/cost efficiencies resulting in compliance/CQC failure, financial penalties in contract and impact on financial viability of the Trust.	<i>Monitored through monthly performance management meetings</i>
Failure to deliver of our transformation plan	<i>Monitored through Transformation Programme Management Board</i>
Failure to develop a sustainable 2014/15 Financial Plan with the CCG	<i>Monitored through the Finance and Investment Committee</i>

No in year risks were identified during the period under review.

a) Clinical Risk

Derby Hospitals NHS Foundation Trust is currently accredited to NHSLA Level 3 standard.

In the case of incident reporting, the Trust benefits from openness in respect of reporting and is the 13th highest incident reporter out of 39 large acute organisations listed by the NHS Commissioning Board.

The Board's Quality Committee is also responsible for considering and monitoring compliance with the Trust's CQC registration.

The Trust is compliant with the registration requirements of the Care Quality Commission. During 2013/14 the Trust received two visits from the Care Quality Commission, as detailed below. The Trust still has not fully met the essential standards for Complaints and Records and is awaiting a further visit from the CQC inspectors to review both of these.

1. Derby Hospitals' periodic review-return visit

The Care Quality Commission visited the Trust on the 15th and 16th of July 2013 in order to check that the Trust had taken action to meet the following essential standards for Complaints and Records identified in a periodic review on the 16th and 17th of October 2012. The visit involved 2 medical and 2 surgical wards. Patients said they were generally satisfied with their care and the service and commented on how well they were treated and looked after.

Complaints

The Trust had identified that the systems for tracking and recording progress in dealing with a complaint were not effective and did not meet the standard. A detailed review and re-organisation of the Trust complaints policy has been undertaken with key performance indicators monitored directly through Trust Board each month.

The CQC judged that the Trust still did not meet the standard as the complaints procedure was not understood by patients and visitors, and not well publicised. Also not all complaints were being responded to in a timely and appropriate way as the recently approved and updated Trust policy on the management of complaints was not fully embedded within the organisation. This would have a minor impact on services.

A complaints improvements plan focuses on responsiveness and organisational learning is in place and is monitored through the Trust Quality Review Committee

There was evidence that:

- Ward staff were trying to resolve complaints at an early stage through meetings and discussions.
- There was evidence of learning from complaints on 3 out of 4 wards visited by the inspection team

Records

On the previous visit in October 2012 the Trust was found to be not meeting the CQC standard as the nursing care records did not give an accurate reflection of all care and treatment needs for each patient.

The Trust still did not meet the standard on the July 2013 visit as, although generally the patient nursing records had appropriate information about the patient's care and treatment, there were some nursing care records that did not provide an accurate and complete account. The lack of information meant patients were not protected against the risks of unsafe care and treatment. This would have a minor impact on services. The Trust's nursing documentation was reviewed and re-launched in 2013. This is monitored through the monthly ward assurance audits.

There were improvements in recording of information including, food and fluid charts and discharge plans

A Trust-wide audit of the new care plan document was carried out in January 2014. Results showed that there were good to excellent evaluations of care, and further amendments to nursing documents are to be made to minimise replication.

Accordingly, the Trust has enacted plans to address the concerns raised by the CQC and is awaiting a re-inspection to formally confirm our compliance.

2. Ophthalmology Outpatients

There was an unannounced visit to the Ophthalmology Outpatient Department on December 16th and 17th which was initiated from a concern raised anonymously to the Care Quality Commission. The visit focused on Regulation 9 (Care and welfare) reviewing the patient pathway to ensure that patients were receiving the appropriate treatment and follow up.

The Care Quality Commission received additional reports and analysis of patient records and the review was described as broadly positive. They spoke highly of the team as a whole and commented on the positive respect and understanding between all staff. The final judgement from the Care Quality Commission was that we were meeting this standard and that patients generally experienced care, treatment and support that met their needs and protected their rights.

b) Equality and Diversity

Equality Impact Assessments are routinely undertaken in respect of all Trust policies and have also been introduced in respect of discussion papers both to the Trust Board and its committees and Management Executive. In September 2013 the Trust published the 2012/13 Workforce Equality Assurance Report which provides assurance that the Trust complies with the Public Sector Duties of the Equality Act 2010. The Trust continues to champion equality, diversity and inclusion in the recruitment and development of its workforce.

c) Information Governance

Risks relating to information are managed and controlled via the Information Governance Steering Group which is led by the Director of Finance and Performance, the Trust Board lead for information security. The Trust extensively uses the Information Governance Toolkit and has a well-developed improvement plan for this agenda.

Information Governance Incidents classified at an IG SIRI severity level 2, are those that are classed as a personal data breach (as defined in the Data protection Act) or high risk of reputational damage, basically reportable to the Department of Health and the Information Commissioner's Office. These incidents are detailed individually in Table 1 below.

Table 1

SUMMARY OF SERIOUS INCIDENTS REQUIRING INVESTIGATIONS INVOLVING PERSONAL DATA AS REPORTED TO THE INFORMATION COMMISSIONER'S OFFICE IN 2013/14				
Date of incident (month)	Nature of incident	Nature of data involved	Number of people potentially affected	Notification steps
03/05/2013	Loss of paper documents from secured NHS premises	Name, date of birth, diagnosis	18	No patients notified as the documents were found on

				NHS premises by a member of NHS staff

Incidents classified at a severity rating of 1 have been aggregated and reported in the format below. Incidents rated 0 are not included in the Annual Report.

Table 2

SUMMARY OF OTHER PERSONAL DATA RELATED INCIDENTS IN 2013/14		
Category	Nature of incident	Total
I	Loss/theft of inadequately protected electronic equipment, devices or paper documents from secured NHS premises	2
II	Loss/theft of inadequately protected electronic equipment, devices or paper documents from outside secured NHS premises	1
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	0
IV	Unauthorised disclosure	1
V	Other	0

The Trust has seen a decrease in the number of incidents reported during the last 12 months. As demonstrated below the Trust has been issued with audit reports that give significant assurance regarding IG compliance.

During the course of the past twelve months the following examples indicate some of the ways the Trust has managed information risks:

- The Trust has achieved and continues to work towards maintaining a minimum of level 2 compliance with the Information Governance Toolkit, the Trust is audited annually.
- The Trust has an established Information Governance Steering Group that is chaired by the Caldicott Guardian and attended by the SIRO. This ensures a consistent approach to information risk management. This group reports to the IT Steering Group and the Risk Committee.
- Work continues to further embed the role of the Information Asset Owners (IAOs) into the organisation. All business units within the divisions have an IG Lead who is the key contact for all IG issues; they work closely with the IG team to increase awareness and responsibilities.
- Information Governance training is delivered annually. A significant amount of work has been undertaken to raise compliance levels of Information Governance Training, this has risen from 61% (March 2013) to 82% (March 2014).

d) Involvement of stakeholders in risk reporting and management

Public stakeholders are involved in the risk management process through the Trust's Council of Governors which has 18 publicly elected governors who receive reports relating to risk

management issues, including complaints. The Trust also has a Patient Experience and Engagement Group. The Group receives detailed information on complaints, incidents and Patient Advice and Liaison (PALS) issues. Membership of the group includes lay representatives from patient groups, Local Involvement Networks (Healthwatch Derby City and Derbyshire) and Public Governors. This is a way for representatives of the patients and public to be involved in managing the risks and quality issues which impact on patients and the public.

e) Risk Management – the future

Internal Audit were asked by the Board to undertake a review to provide assurance that the Trust has established a robust control framework to support the effective use and operation of the proposed BAF, ensuring that systematic processes are in place to certify that the Board is aware of potential strategic risks.

The report was published in January 2013 summarising the findings of the review. Internal Audit concluded that there is evidence that the profile of risk management within the Trust is the subject of increasing focus of the Board. The Board remains keen to ensure that processes are in place to ensure that the right risks are being managed at Board level. The strategic planning developments for 13/14 considered how strategic intentions are delivered and monitored through the operations of the Trust. This demonstrates that the Trust is considering how risk and performance management are key components of delivering agreed strategic objectives.

In terms of assessment against examples of good practice, the Trust's position is as follows:

i) Explicit Quality Strategy

In September 2011 the Trust Board approved its 3 year Quality Strategy. The Strategy details how the Trust aims to continuously improve the quality of care it provides to patients, staff and key stakeholders.

The Strategy provides a working plan for the Trust to ensure it maintains a focus on its key objectives. It sets out what needs to be done and how our progress will be measured. The Quality Strategy is currently being reviewed and will be re-launched later in 2014, mapping out the Trust's key aims to further improve quality and safety over the next 5 years.

The Strategy is based on the key principles of patient safety, clinical effectiveness and patient experience and is linked to the Trust's overall PRIDE objectives.

ii) Visible Leadership

- Board to ward sessions have been introduced and continue to operate.
- The Trust's Quality Committee is the Board Sub-Committee that oversees Quality, Safety and Effectiveness. It is chaired by a Non-Executive Director (NED) and its membership includes 2 further NEDs, 5 Executive Directors and the Director of Corporate Affairs.
- The Board receives a Quality Report at each meeting with supportive narrative in relation to: Quality Strategy, Mortality, Ward Assurance, Patient Experience, Acuity and Serious Incidents (SIs)
- In addition, the Quality Governance Structure enables escalation of issues through the committee structure to the Board
- The Board has regular time-outs to appraise themselves on more detail of certain issues including the Trust Quality Governance and Reporting Structure. 4 Executives and 1 Non-Executive attended the Leading Improvements in Patient Safety Workshop (LIPs)

- The development of the Quality Strategy has led to the development of Quality KPIs being monitored at Board level. This monitoring takes the form of assessing progress against a planned trajectory of improvement, and sharing organisational learning when the trajectory is off plan
- Reports on organisational learning results from other Trusts are presented to the Board for example, Mid-Staffordshire
- There is executive commitment and leadership for quality initiatives such as LIPs and High Impact Actions.

iii) Transformational Risks

- Risks relating to transformation initiatives are reviewed by the Trust's Management Executive in relation to their impact on quality at each step and, subsequently, change in outcomes.
- All transformation initiatives include input from staff within the related services to ensure best care best value principles are applied.
- Data from a number of sources is used to inform reviews of quality impact including audit, complaints, acuity and activity.
- A Quality Impact Assessment has been developed and implemented which strengthens the systems already in place.

iv) Incident Reporting

- The Whistleblowing policy is in place and included in staff induction and the incident reporting procedures are well established.
- External assurances are provided by a programme of work undertaken by Internal Audit and through the review of actions arising from all Trust external reviews.
- Intelligence is taken via a number of sources and reviewed within the Trust's Governance Structure including, Quality Strategy KPIs, Ward Assurance, Dr Foster Analysis, Trigger Tool Audit, Performance and Scrutiny at Directorate level, Incident Trend Analysis, Complaints Trend Analysis, Risk Register, Board Assurance Framework and Data Warehouse. The intelligence is validated through the Trust's Quality Governance structure and Management Executives.

v) Staff and public engagement

- Staff are engaged at all levels with quality initiatives with defined targets and regular reviews of progress. The ward assurance tool has encouraged staff empowerment to deliver their own improvements
- Internal communications regularly feature quality issues in Synapse, Signpost and Celebrating Success
- In terms of Performance Management a number of mechanisms exist to highlight issues. These include Clinical Dashboards, Consultant Health Checks, Ward Assurance, and Divisional Performance and Scrutiny

- Information is made available through Public Board meetings, the Quality Accounts, the Annual Report and Review.
- Active involvement with stakeholders are undertaken through a number of forums including – Quality Assurance Group with commissioning CCG, Contracts Management Board, Development of multi-agency care pathways, for example Frail and Elderly, Active Trust Membership, Engagement with Nursing in Residential Homes, Engagement with Healthwatch and other local user groups.

vi) Other Risks

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

The Foundation Trust has undertaken assessments and a Carbon Reduction Delivery Plan is in place in accordance with emergency preparedness and civil contingency requirements, as based on The UK Climate Impacts Program 2009 weather projects, and the Sustainable Development Strategy for the Health and Care System 2014 – 2020 to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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.

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

The Trust operates a highly developed internal control environment, including a stringent form of monitoring in terms of budgetary control and expenditure. This control environment has been tested throughout 2013/14 by the reports to the Trust Board and the Trust Board sub-committees describing the operational and the financial position of the Trust. This has included its progress in achieving the financial targets, forecasts and transformation and cost improvement programmes that are required of the organisation.

The role of the Trust Board, Finance and Investment Committee, internal audit and any other review of assurance are listed in the review of effectiveness section below.

During the previous financial year 2012/13, Monitor's Compliance Board Committee found the Trust in significant breach of two terms of its Authorisation, namely:

- a. Condition 2: the general duty to exercise functions effectively, efficiently and economically, and
- b. Condition 5: its governance duty.

As a result Monitor required the Trust to commission external assurance with regard to agreed milestones to ensure that:

- a. the Trust's plans for recovery to a Financial Risk Rating of 3 were robust and sustainable;
- b. robust cash forecasting, reporting and management were in place; and
- c. the Trust's strengthened financial governance arrangements were effective and appropriate.

As a result, the Trust was required to meet with Monitor regularly and continued to do so through 2013/14 to ensure Monitor has received appropriate assurance that the milestones were achieved and sustainable.

An action plan was agreed with Monitor. All aspects of this action plan have now been delivered to Monitor's satisfaction.

As part of the Monitor oversight process, the Compliance regime changed on the 31st March 2013 to the Licensing regime and in April 2013, the Trust had two additional enforcement notices applied to its licence under section 106 of the Health and Social Care Act 2012("the Act"), namely;

- The development of an action plan with stakeholders on delivery of the A&E target.
- A financial plan for 2013/14 which delivered an underlying break-even position

Despite the efforts of the Trust and the fact that the health community has met the A&E target for the last three quarters of 2013/14 and had produced a plan which delivered an underlying breakeven position, due to the impact of excessive growth in Non-Elective activity during the year, which fundamentally undermined the financial position of the Trust, Monitor issued a further enforcement notice under Section 111 of the Act, in October 2013.

The Additional Licence Condition applied was:

"Additional Licence Condition 1 – Additional Governance Requirements:

1. The Licensee must ensure that it has in place sufficient Board, management and clinical leadership capacity and capability, as well as appropriate governance systems and processes, to ensure that it is able to:

- a) achieve sustainable improvements in its A&E performance through the urgent implementation of the A&E action plan (and any other actions as may be necessary and appropriate) such that the A&E target will be met for three successive quarters and then maintained thereafter;*
- b) develop and deliver a clear and viable plan to address the Licensee's financial challenges such that the Licensee is returned, at a minimum, to a recurrent underlying breakeven position; and*
- c) evidence that the Licensee is operationally fit for purpose such that it is able to successfully address the breadth of healthcare target failures evidenced in Q4 2012/13 and Q1 2013/14 and so enable all healthcare targets to be met on a sustainable basis in the future.*

2. The Licensee must ensure that its Council of Governors is supported such that it is able to operate effectively.

3. The issues identified in paragraph 1 above are the governance and operational issues that have caused or contributed to, or are causing or contributing to, or will cause or contribute to, the breaches, or the risk of a breach, of the conditions of the Licensee's licence.

4. For the purposes of paragraph 1, an issue is addressed effectively only if it is addressed within a reasonable timescale, including any applicable timescale proposed in an independent assessment of the Licensee's governance arrangements or reasonably specified by Monitor."

One of the aspects of this condition was to have external verification of the reforecast produced by the Trust for 2013/14 as well as a competency review of the Finance Function. This work was undertaken by PricewaterhouseCoopers and an independent report submitted to Monitor, which

had no particular area of concern about the quality of the forecast submitted and was positive about the abilities and performance of the Trust Finance function.

The Trust originally planned for an operating surplus of £3.8m in 2013/14.

Unfortunately, a dramatic rise in the level of Non-Elective and Emergency activity was experienced by the Trust during 2013/14. Growth in these types of activity over the level planned for, in addition to an increase in the acuity of these patients, accompanied with the lower level of tariff paid on this activity over and above the 2008/09 activity levels, when combined with disrupted planned Elective activity, has caused much poorer financial performance than that which was planned. As a result of all these factors the Trust had to resubmit a forecast financial plan to Monitor at the mid-point in the year reflecting a revised deficit outcome for the year. Despite continued high levels of Non Elective activity continuing throughout the year the Trust has managed to achieve a result within the reforecasted level of deficit in 2013/14 of £8.8m, without any further deterioration in its financial performance.

Annual Quality Report

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

The Trust follows and complies with the national guidance for the preparation of the Quality Report, as determined by the Department of Health and Monitor. Operational responsibility for the development of the quality account and report lies with the Director of Patient Experience and Medical Director. The information and data contained in the Quality Report was assured through the committees of the quality governance structure.

The quality account and report is subject to audit by the Trust external auditors. This includes data testing on specific indicators as well as an audit of the content of the report itself – in line with the requirements of Monitor's Annual Reporting Manual

Future priorities are determined by our stakeholder groups who suggest new priorities for the coming year. The list is presented to the Executive directors who ratify the final list of priorities for the coming year.

The Quality Report for 2013/14 is included at Part 7 of the Annual Report. There is a statement of Directors' Responsibilities in respect of the Quality Report and this has been signed to confirm that the Quality Report represents a balanced view and that there are controls in place to ensure the accuracy of the data.

Those issues identified within the Quality Report have been the subject of consideration and scrutiny through the Trust's committee structure up to and including the Trust Board to ensure that it provides a balanced view of the organisation's progress during the year. The scrutiny process includes the Trust members and governors, commissioners, HealthWatch and the relevant overview and scrutiny committees who are all invited to provide comments on the report. These commentaries are included in the final document. Further detail on the data quality processes are outlined in the Quality Report.

Monitor's Quality Governance Framework

Quality Governance is the combination of structures and processes at and below Board level to lead on trust-wide quality performance including:

- ensuring required standards are achieved
- investigating and taking action on sub-standard performance
- planning and driving continuous improvement
- identifying, sharing and ensuring delivery of best-practice
- identifying and managing risks to quality of care

A review of the Quality Committee structure during 2010 introduced an executive lead group in the form of a Quality Review Committee, which provides assurance to the Board's Quality Committee on issues relating to quality. This has continued to operate during 2012/13.

In October 2011 the Board's Quality Committee received and acknowledged a report setting out the results of a self-assessment questionnaire covering the Trust's position in relation to Monitor's Quality Governance Framework.

Review of effectiveness

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

The Trust Board seeks assurance from the Internal Audit Service by way of reports that are published in response to investigations initiated following the agreement of an annual audit plan. These reports provide specific levels of assurance and include suggested actions to improve compliance where this is considered necessary.

We have received the Head of Internal Audit Opinion which provides a Significant Assurance in respect of the Trust's internal controls. The Trust operates within its Constitution and has Standing Orders and Standing Financial Instructions along with a Scheme of Delegation, all of which are approved by the Board. Any deviation from Standing Orders requires approval by the Director of Finance and Information, and is reported to the Trust's Audit Committee.

In addition, all Board Committees have approved Terms of Reference with reporting arrangements.

Apart from the Audit Committee, the other Sub-Committees include, Quality Committee, Finance and Investment Committee and Charitable Funds Committee, details of which are set out in Part 3 of this Annual Report.

The Audit Committee provides the Trust Board with a means of independent and objective review of internal control.

- a. financial systems;

- b. the financial information used by the Trust;
- c. controls assurance systems;
- d. risk management systems;
- e. compliance with law, guidance and codes of conduct.

The Committee reviews the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives.

During 2013/14 39 national clinical audits and 2 national confidential enquiries covered relevant health services that Derby Hospitals NHS Foundation Trust provides.

We participated in 77% of national clinical audits and 100% of national confidential enquiries of the national clinical audits and national confidential enquiries which we were eligible to participate in. The Quality Report for 2013/14 contains more detailed information with regards outcomes from clinical audits and key actions being taken forward.

Conclusion

Other than the issues noted above in relation to the Monitor licence, there are no significant internal control issues which have been identified.



Susan James
Chief Executive

27 May 2014

PART 12 FOREWORD TO THE ACCOUNTS

These accounts for the year ended 31 March 2014 have been prepared by the Derby Hospitals NHS Foundation Trust (the Trust) in accordance with paragraphs 24 and 25 of Schedule 7 of the National Health Services Act 2006 in the form which the Independent Regulator of NHS Foundation Trusts (Monitor) has, with the approval of the Treasury, directed. They are now also the consolidated accounts incorporating Derby Hospitals Charity (no. 1061812) (The Group), which is a new development for the financial year 2013/14.

Despite the fact that accounts of the Trust and the Charity are now prepared on a consolidated basis it is worth noting that the Trust's financial position and the Charity's financial position are regulated and governed quite separately. The charitable aims of the Derby Hospital Charity remains "to contribute to care above and beyond that which the NHS can deliver" and decisions on the use of charitable funds are made on this separate basis.

Due to the consolidation, where relevant the accounts are presented with both "Trust" columns which refers to Derby Hospitals NHS Foundation Trust only and "Group" columns which refers to the consolidated accounts of Derby Hospitals NHS Foundation Trust and its linked Charity, Derby Hospitals Charity

The Trust

A summary of the financial results for the year ended 31 March 2014 is as follows:

	£'000
Income	469,045
Deficit for the year (before impairment)	8,846
Deficit for the year (after impairment)	15,780

The Trust's deficit for the year of £8.8m (before impairment) compares to the planned surplus of £3.8m.

There has been a review of the valuation of the asset value of the LRCH site as at 31 March 2014 which has resulted in an impairment of the carrying value of the asset of £8.9m. This has resulted in a charge to the SOCI of £6.9m.

The Trust is therefore £12.6m away from the planned position, and has delivered a Risk Assessment Framework (RAF) Risk Rating of 1 for the year against a planned level of 2. This is the highest risk rating (scale 1 to 4) under the revised Monitor risk score regime. A significant causal factor of the deficit is as a result of the additional level of non-elective activity experienced by the Trust. This was higher than that planned. This activity is reimbursed under national policy at 30% of costs. The Trust is working with the CCG's to identify measures which will reduce the level of non-elective demand on the acute sector.

The Trust managed to save £20.5m from its Transformation Programme.

During the year to 31 March 2014, the Trust generated income of £428.2m from the provision of healthcare, principally to the people of Southern Derbyshire. Of that total £426.3m was generated from NHS Healthcare and £1.9m from non-NHS healthcare (Private Patients and Overseas Patients).

The National Health Services Act 2012 removed the requirement that the proportion of Private Patient Income to the total patient income of an NHS Foundation Trust should not exceed its proportion whilst the body was an NHS Trust in 2002/03 or the base year, named the Private Patient Cap. For noting, however, the income generated from Private Patients was £1.9m which represented 0.45% of the total patient related income and was within the Private Patient Cap for the Trust of 1.32%.

In addition to healthcare income, the Trust generated other operating income of £40.8m, excluding charitable income. The majority of this income related to the money the Trust receives for delivering education and training of healthcare staff.

At the 1st April 2013, the Trust had a cash balance of £15.9m but the operating deficit in the year resulted in a closing cash balance at the 31st March 2014, of £4.8m.

The Group

The figures adjusted for the consolidation of the Derby Hospitals charity are as follows:

	£'000
Income	470,552
Deficit for the year(before impairment)	8,246
Deficit for the year (after impairment)	15,180

The closing cash balance of the Group at the 31st March 2014 was £5.5m

Overall Financial Prognosis

Projecting forward to 2014/15 and beyond, the landscape looks even more challenging; particularly due to the need to try and accommodate the ongoing impact of the Marginal Rate Emergency Tariff and reductions in non-recurrent funding from commissioners; which were the material factors that caused the worsening financial performance in 2013/14 and the further planned worsening of financial performance in 2014/15, respectively. These two particular factors, when coupled with the need for the whole of the public sector to deliver increased efficiency; will, as ever, result in the need to assess and implement changes in the way health services are delivered.

Increasingly, we will need to work exceptionally closely with the Derby City Council and Derbyshire County Council to ensure that health and social care provision is as integrated and efficient as can be. Again, we will work closely with primary care to try and ensure they are keeping within the Commissioners affordable funding envelope. This Trust continues to demonstrate its ability to deliver good services despite the exceptionally challenging financial environment.

The Trust will continue to address these challenges but as a consequence will require external funding support to ensure the levels of its services are maintained, in 2014/15. At the time of writing this foreword the Trust is still awaiting formal confirmation of this additional funding support, and is working intensively with Monitor to ensure that this funding is forthcoming from the Department of Health. Despite the absence of this formal confirmation, the Board of Directors have discussed the appropriateness of the preparation of these accounts on a "going concern" basis; and having reviewed the Financial Reporting Manual, and having discussed the available evidence; we can confirm that the Board of Directors are content for the accounts to be prepared on this "going concern" basis.



Susan James
Chief Executive
27 May 2014

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PART 13 - INDEPENDENT AUDITORS' REPORT TO THE COUNCIL OF GOVERNORS OF DERBY HOSPITALS NHS FOUNDATION TRUST

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view, of the state of the Group's and of the parent NHS Foundation Trust's affairs as at 31 March 2014 and of the Group's income and expenditure and Group's and parent NHS Foundation Trust's cash flows for the year then; and
- have been prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2013/14.

This opinion is to be read in the context of what we say in the remainder of this report.

Emphasis of Matter – Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in the Annual Governance Statement and Note 2.5 of the financial statements concerning the material uncertainty as to the continuation of the entity in its present form and the financial risks facing the Trust in the foreseeable future. The matters described in the Annual Governance Statement and Note 2.5 of the financial statements indicate the existence of a material uncertainty which may cast significant doubt about the Trust's ability to continue as a going concern.

The financial statements do not include the adjustments that would result if the Trust was unable to continue as a going concern.

What we have audited

The Group financial statements and parent NHS Foundation Trust financial statements (the "financial statements"), which are prepared by Derby Hospitals NHS Foundation Trust, comprise:

- the Group and parent NHS Foundation Trust Statement of Financial Position as at 31 March 2014;
- the Group Statement of Comprehensive Income for the year 2013/14;
- the Group and parent NHS Foundation Trust Statement of Cash Flows for the year 2013/14;
- the Group and parent NHS Foundation Trust Statement of Changes in Taxpayers' Equity for the year 2013/14;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in their preparation is the NHS Foundation Trust Annual Reporting Manual 2013/14 issued by the

Independent Regulator of NHS Foundation Trusts ("Monitor").

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's and the parent NHS Foundation Trust's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

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

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

In our opinion:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2013/14.

Other matters on which we are required to report by exception

The Audit Code for NHS Foundation Trusts requires us to report where we have not been able to satisfy ourselves that Derby Hospitals NHS Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We draw your attention to the Trust's Annual Governance Statement. From 1 April 2013 the Trust has given enforcement undertakings to Monitor in respect of its Provider Licence with additional license conditions imposed from October 2013. Monitor has concluded that the Trust failed to establish and effectively implement systems and/or processes to ensure compliance with the Licensee's duty to operate effectively, economically and efficiently.

As a result of Monitor's investigations and findings, in our opinion Derby Hospitals NHS Foundation Trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and our certificate in this report is qualified in this regard. We have nothing to report in respect of the following matters where the Audit Code for NHS Foundation Trusts requires us to report to you if:

- in our opinion the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2013/14 or is misleading or inconsistent with information of which we are aware from our audit. We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or whether risks are satisfactorily addressed by internal controls; or
- we have qualified, on any aspect, our opinion on the Quality Report.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 161 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view in accordance with the NHS Foundation Trust Annual Reporting Manual 2013/14. Our responsibility is to audit and express an opinion on the financial statements in accordance with the National Health Service Act 2006, the Audit Code for NHS Foundation Trusts issued by Monitor and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Qualified Certificate

Monitor has concluded that Derby Hospitals NHS Foundation Trust failed to comply with the duty to operate effectively, economically and efficiently and the contravention and failures were significant. We have therefore concluded that, in our opinion, the Trust did not have in place adequate arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2014.

We certify that we have completed the audit of the financial statements in accordance with the requirements of Chapter 5 of Part 2 to the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor.



Richard Bacon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

29 May 2014
Cornwall Court, Cornwall Street, Birmingham B3 2DT

- (a) The maintenance and integrity of the Derby Hospitals NHS Foundation Trust website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2014

	Note	Group		Trust	
		31 March 2014 £'000	31 March 2013 £'000	31 March 2014 £'000	31 March 2013 £'000
Income from activities	4	428,227	411,151	428,227	411,151
Other operating income	5	42,325	44,029	40,818	43,495
Operating expenses	6	(471,509)	(440,839)	(470,152)	(439,608)
Operating Surplus / (Deficit)		(958)	14,341	(1,107)	15,038
FINANCE COSTS					
Finance income	15	404	609	96	298
Finance cost – financial liabilities	16	(14,540)	(14,894)	(14,540)	(14,894)
Finance cost – unwinding of discount on provisions	32	(69)	(79)	(69)	(79)
PDC Dividends payable		(160)	(178)	(160)	(178)
Net Finance Costs		(14,365)	(14,542)	(14,673)	(14,853)
Share of Profit/(Loss) of associates/joint ventures accounted for using the equity method	22	-	-	-	-
Corporation tax	17	-	-	-	-
Surplus/(Deficit) from continuing operations		(15,322)	(201)	(15,780)	185
Surplus/(deficit) of discontinued operations and the gain/(loss) on disposal of discontinued operations	18	-	-	-	-
Movement in fair value of investment property and other investments		142	651		
Retained surplus / (deficit) for the year		(15,180)	450	(15,780)	185
Other Comprehensive Income (not to be reclassified to I&E)					
Revaluation gains/(losses) and impairment losses on property, plant and equipment		7,118	2,872	7,118	2,872
Other reserve movements		-	(263)	-	(263)
Other recognised gains and losses		99	-	99	-
Fair value gains/(losses) on available for sale financial assets		-	-	-	-
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE FOR THE PERIOD		(7,964)	3,059	(8,564)	2,794
Prior period adjustments		-	-	-	-
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE FOR THE YEAR		(7,964)	3,059	(8,564)	2,794

The notes on pages 188 - 243 form part of these accounts.
All revenue and expenditure is derived from continuing operations.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

	Note	31st March 2014 £'000	Group 31st March 2013 £'000	1st April 2012 £'000	31st March 2014 £'000	Trust 31st March 2013 £'000	1st April 2012 £'000
Non-current assets							
Intangible assets	19	1,877	944	885	1,877	944	885
Property, plant and equipment	20	349,096	353,196	354,187	349,096	353,196	354,187
Investment property	21	-	-	-	-	-	-
Investments in associates and joint ventures	22	-	0	15	-	-	15
Other Investments	36	6,988	6,845	5,495	-	-	-
Trade and other receivables	25	4,151	3,616	2,730	4,326	3,616	2,730
Other financial assets	26	-	-	-	-	-	-
Tax receivable	25	-	-	-	-	-	-
Other assets	27	-	-	-	-	-	-
Total non-current assets		362,112	364,601	363,312	355,299	357,756	357,817
Current assets							
Inventories	24	4,718	5,127	4,341	4,718	5,127	4,341
Trade and other receivables	25	20,551	14,112	14,480	20,483	14,154	14,547
Other financial assets	26	12	192	888	-	-	-
VAT receivable	25	1,585	1,341	1,569	1,585	1,341	1,569
Other current assets	27	9	35	77	9	35	77
Cash and cash equivalents	35	5,532	15,980	12,110	4,784	15,944	11,672
Non-current assets and assets in disposal groups classed as held for sale	28	-	-	-	-	-	-
Total current assets		32,406	36,787	33,465	31,578	36,601	32,206

Current liabilities

Trade and other payables	29	(39,025)	(34,919)	(26,827)	(38,997)	(34,901)	(26,822)
Borrowings	30	(7,781)	(7,707)	(7,415)	(7,781)	(7,707)	(7,415)
Other financial liabilities	31	-	-	-	-	-	-
Provisions	32	(380)	(1,282)	(1,270)	(380)	(1,282)	(1,270)
Tax Payable	29	(5,793)	(5,797)	(5,540)	(5,793)	(5,797)	(5,540)
Other liabilities	33	(4,193)	(1,564)	(2,337)	(4,193)	(1,564)	(2,337)
Total current liabilities		(57,172)	(51,269)	(43,389)	(57,144)	(51,251)	(43,384)

Net current assets/(liabilities)		(24,767)	(14,482)	(9,924)	(25,567)	(14,650)	(11,178)
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Total assets less current liabilities		337,346	350,119	353,388	329,733	343,106	346,639
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Non-current liabilities

Trade and other payables	29	-	-	-	-	-	-
Borrowings	30	(305,238)	(313,020)	(320,727)	(305,238)	(313,020)	(320,727)
Other financial liabilities	31	-	-	-	-	-	-
Provisions	32	(3,186)	(2,958)	(2,567)	(3,186)	(2,958)	(2,567)
Tax payable	29	-	-	-	-	-	-
Other liabilities	33	-	-	-	-	-	-
Total non-current liabilities		(308,424)	(315,978)	(323,294)	(308,424)	(315,978)	(323,294)

Total assets employed		28,921	34,141	30,094	21,309	27,128	23,345
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Financed by taxpayers' equity

Public dividend capital		142,532	139,787	138,798	142,532	139,787	138,798
Revaluation reserve	34	22,888	13,145	10,372	22,888	13,145	10,372
Donated asset reserve		-	-	-	-	-	-
Charitable fund reserves		7,613	7,013	6,749	-	-	-
Income and expenditure reserve		(144,111)	(125,804)	(125,825)	(144,111)	(125,804)	(125,825)
Total taxpayers' equity		28,921	34,141	30,094	21,309	27,128	23,345

All notes to these accounts are presented as Group figures unless presented with separate Group and Trust column headings.

The accounts on pages 179-243 were approved by the Audit Committee on behalf of the Board of Directors on 22 May 2014 and signed on its behalf by the Chief Executive.

A handwritten signature in cursive script that reads "Susan James".

Susan James

Chief Executive

27 May 2014

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

Group	Total	Public Dividend Capital	Revaluation Reserve	Charitable Fund Reserve	Income and Expenditure Reserve
	£'000	£'000	£'000	£'000	£'000
Taxpayer's equity at 1 April 2013	34,141	139,787	13,145	7,013	(125,804)
Changes in taxpayers' equity in 2013/14					
As Restated	34,141	139,787	13,145	7,013	(125,804)
Surplus/(deficit)	(15,180)	-	-	600	(15,780)
Revaluations property plant and equipment	7,118	-	7,118	-	-
Transfers to the income and expenditure account in respect of assets disposed of	-	-	-	-	-
New Public Dividend Capital received	2,745	2,745	-	-	-
Other reserve movements*	99	-	2,625	-	(2,527)
Taxpayers' equity on 31 March 2014	28,921	142,532	22,888	7,613	(144,111)

Group	Total	Public Dividend Capital	Revaluation Reserve	Charitable Fund Reserve	Income and Expenditure Reserve
	£'000	£'000	£'000	£'000	£'000
Taxpayer's equity at 1 April 2012	23,345	138,798	10,372		(125,825)
Changes in taxpayers' equity in 2012/13					
Prior Year Adjustment	6,749	-	-	6,749	-
As Restated	30,094	138,798	10,372	6,749	(125,825)
Surplus/(deficit)	449	-	-	957	(508)
Revaluations property plant and equipment	2,872	-	2,872	-	-
Transfers to the income and expenditure account in respect of assets disposed of	0	-	(99)	-	99
New Public Dividend Capital received	989	989	-	-	-
Other reserve movements	(263)	-	-	-	(263)
Other reserve movements - charitable funds consolidation	0	-	-	(693)	693
Taxpayers' equity on 31 March 2013	34,141	139,787	13,145	7,013	(125,804)

Trust	Total	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve
	£'000	£'000	£'000	£'000
Taxpayer's equity at 1 April 2013	27,128	139,787	13,145	(125,804)
Changes in taxpayers' equity in 2013/14				
As Restated	27,128	139,787	13,145	(125,804)
Surplus/(deficit)	(15,780)	-	-	(15,780)
Revaluations property plant and equipment	7,118	-	7,118	-
Transfers to the income and expenditure account in respect of assets disposed of	0	-	-	-
New Public Dividend Capital received	2,745	2,745	-	-
Other reserve movements*	99	-	2,625	(2,527)
Taxpayers' equity on 31 March 2014	21,309	142,532	22,888	(144,111)

Trust	Total	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve
	£'000	£'000	£'000	£'000
Taxpayer's equity at 1 April 2012	23,345	138,798	10,372	(125,825)
Changes in taxpayers' equity in 2012/13				
As Restated	23,345	138,798	10,372	(125,825)
Surplus/ (deficit)	185	-	-	185
Revaluations property plant and equipment	2,872	-	2,872	-
Transfers to the income and expenditure account in respect of assets disposed of	-	-	(99)	99
New Public Dividend Capital received	989	989	-	-
Other reserve movements	(263)	-	-	(263)
Taxpayers' equity on 31 March 2013	27,128	139,787	13,145	(125,804)

* The other reserve movements mainly relates to a transfer between the revaluation reserve and Income and expenditure reserve in respect of an exercise to cleanse the revaluation reserve of historic disposed assets. The movement also relates to PCT assets transferred as of the 1st April 2013 and accounted for under modified absorption accounting as per the Foundation Trust Annual Reporting Manual 13/14.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2014

	Note	Group		Trust	
		31-Mar-14 £'000	31-Mar-13 £'000	31-Mar-14 £'000	31-Mar-13 £'000
Cash flows from operating activities					
Operating surplus/(deficit) from continuing operations		(957)	14,341	(1,108)	15,038
Non-cash income and expenditure					
Depreciation and amortisation		10,468	10,343	10,468	10,343
Reversal of Impairments		-	-	-	-
Interest accrued and not paid		21	24	21	24
Impairments		6,934	-	6,934	-
Non-cash donations credited to income		(1,104)	(2,089)		
(Increase)/decrease in trade and other receivables		(7,111)	(224)	(7,176)	(224)
(Increase)/decrease in other assets		-	-	-	-
(Increase)/decrease in inventories		409	(786)	409	(786)
Increase/(decrease) in trade and other payables		3,597	8,336	3,597	8,336
Increase/(decrease) in other liabilities		2,629	(773)	2,629	(773)
Increase/(decrease) in provisions		(743)	403	(743)	403
Tax (paid)/received		-	-	-	-
Other movements in operational cash flows		318	1,772	(975)	(302)
Net cash generated from/(used in) operations		14,461	31,347	14,056	32,059
Cash flows from investing activities					
Interest received	15	98	300	96	298
Investment income received		306	309	-	-
Purchase of intangible assets		(1,206)	(331)	(1,206)	(331)
Sale of intangible assets		-	1	-	1
Purchase of property, plant and equipment		(4,453)	(6,441)	(4,453)	(6,441)
Sales of property, plant and equipment		287	29	287	29
Net cash generated from/(used in) investing activities		(4,968)	(6,133)	(5,276)	(6,444)
Cash flows from financing activities					
Public dividend capital received		2,745	989	2,745	989
Loans repaid		(1,590)	(1,590)	(1,590)	(1,590)
Capital element of Private Finance Initiative obligations		(6,117)	(5,825)	(6,117)	(5,825)
Interest paid		(365)	(445)	(365)	(445)
Interest element of Private Finance Initiative obligations	16	(14,196)	(14,473)	(14,196)	(14,473)
Other financing activities		-	-	-	-
PDC dividend paid /received		(418)	-	(418)	-
Net cash generated from/(used in) financing activities		(19,941)	(21,344)	(19,941)	(21,344)
Increase/(decrease) in cash and cash equivalents		(10,448)	3,870	(11,160)	4,272
Cash and cash equivalents at 1 April		15,980	12,110	15,944	11,672
Cash and cash equivalents at 31 March		5,532	15,980	4,784	15,944

NOTES TO THE ACCOUNTS

1. Accounting Policies and Other Information

Monitor has directed that the accounts of NHS foundation trusts shall meet the accounting requirements of the NHS Foundation Trust Annual Reporting Manual which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2013/14 NHS Foundation Trust Annual Reporting Manual issued by Monitor.

The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

These accounts have been prepared using the Going Concern convention.

These accounts have been prepared using the historical cost convention modified by the revaluation of property plant and equipment.

The accounting policies have been applied consistently except for when a new accounting standard has been adopted

1.1 Consolidation

1.1.1 Joint Ventures

Joint ventures are separate entities over which the Trust has joint control with one or more other parties.

The meaning of control is the power to exercise control or a dominant influence so as to gain economic or other benefits.

Joint ventures are accounted for by consolidating the Trust's share of the transactions, assets, liabilities, equity and reserves of the entity. The results to date of the existing joint ventures are not sufficiently material to warrant consolidation.

Joint ventures which are classified as held for sale are measured at the lower of their carrying amount and 'fair value less costs to sell'.

1.1.2 Joint Operations

Joint operations are activities which are carried on with one or more other parties but which are not performed through a separate entity.

The Trust includes within its accounts its share of the activities, assets and liabilities.

1.1.3 Charitable Funds

The Derby Hospitals NHS Foundation Trust is the Corporate Trustee of The Derby Hospitals Charitable Trust. Prior to financial year 2013/14 the results of The Derby Hospitals Charitable Trust were not consolidated into these accounts. Until March 31st 2013 NHS Charitable funds had a dispensation from HM Treasury from consolidating. Following Treasury's agreement to apply IAS 27 to NHS Charities from 1st April 2013, the Trust has established that as the Trust is the Corporate Trustee of Derby Hospitals Charitable Trust, it effectively has the power to exercise control so as to obtain economic benefits. The Charity is therefore treated as a group entity and consolidated.

As this is a change in accounting policy, the prior year has been restated. The consolidation is for reporting purposes only and does not affect the Charity's legal and regulatory independence and day to day operations.

During consolidation the Charity accounts which have been produced under the charities SORP are aligned to ensure compliance with IFRS and intra group transactions are eliminated.

1.2 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable.

The main source of income for the Group is contracts with commissioners in respect of healthcare services.

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

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

1.3 Expenditure on Employee Benefits

1.3.1 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 accounts to the extent that employees are permitted to carry forward leave into the following period.

1.3.2 Pension costs – NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the Trust commits itself to the retirement, regardless of the method of payment.

1.4 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services.

Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

As an NHS foundation trust, the Trust has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

1.5 Property, Plant and Equipment

1.5.1 Recognition

Property, Plant and Equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- it is expected to be used for more than one financial year; and
- the cost of the item can be measured reliably.

Individual assets with an original cost of £3,000 or more or assets purchased at the same time for the same scheme with an individual cost of £250, which total £3,000 or more are capitalised and depreciated over their useful economic lives.

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

1.5.2 Measurement

1.5.2.1 Valuation

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

All assets are measured subsequently at fair value using the following methodology:

- Land – professional valuation
- Buildings and dwellings – professional valuation every 5 years and an annual assessment against relevant indices to ensure the valuation remains materially accurate, assets in use on a depreciated replacement cost, modern equivalent asset basis, assets not in use on an alternate use market value basis.
- Equipment – application of indices on an annual basis

1.5.2.2 Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is added to the asset's carrying value. Where subsequent expenditure is simply restoring the asset to the specification assumed by its economic useful life then the expenditure is charged to operating expenses.

1.5.2.3 Depreciation

Items of Property, Plant and Equipment are depreciated over their remaining useful economic lives on a straight line basis in a manner consistent with the consumption of economic or service delivery benefits.

Freehold land is considered to have an infinite life and is not depreciated.

Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification.

Assets in the course of construction are not depreciated until the asset is brought into use.

1.5.2.4 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'.

1.5.2.5 Impairments

In accordance with the NHS Foundation Trust Annual Reporting Manual, impairments that are due to a loss of economic benefits or service potential in the asset are charged to operating expenses. A compensating transfer is made from the Revaluation Reserve to the Income and Expenditure Reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the Revaluation Reserve attributable to that asset before the impairment.

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

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

1.5.2.6 De-recognition

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

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

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged 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.

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

1.5.2.7 Donated assets

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

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

1.5.2.8 Private Finance Initiative (PFI) Transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the Trust.

The underlying assets are recognised as Property, Plant and Equipment at their fair value. An equivalent financial liability is recognised in accordance with IAS 17.

The annual contract payments are apportioned between the repayment of the liability, a finance cost, contributions to lifecycle replacement 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. The contribution to lifecycle is treated as a prepayment, amounts being released as equipment is replaced during the contract period.

1.6 Intangible assets

1.6.1 Recognition

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

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

1.6.2 Measurement

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

Subsequently intangible assets are measured at fair value. Revaluation gains and losses and impairments are treated in the same manner as for Property, Plant and Equipment.

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

1.6.3 Amortisation

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

1.7 Government Grants

Government grants are grants from Government bodies other than income from primary care trusts or NHS trusts for the provision of services.

Government grants are taken to the Statement of Comprehensive Income when all the conditions attached to the grant are met.

1.8 Inventories

Inventories are valued at the lower of cost and net realisable value on a first in first out basis.

1.9 Financial assets and financial liabilities

1.9.1 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.

Financial assets relating to Derby Hospitals charity are investments treated as financial assets at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in calculating the Group's surplus or deficit for the year. The net gain or loss incorporates any interest earned on the financial asset. Fair value is determined by the market value of the shares at the balance sheet date.

1.9.2 De-recognition

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

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

1.9.3 Classification and Measurement

Financial liabilities are classified as 'Fair Value through Income and Expenditure' or as 'Other Financial liabilities'.

Financial assets and financial liabilities at 'Fair Value through Income and Expenditure' are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term.

1.9.4 Loans and Receivables

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

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

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method.

The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period to the net carrying amount of the financial asset.

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

1.9.5 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 Statement of Financial Position date, which are classified as long-term liabilities.

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

1.9.6 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 income and expenditure' are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

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

1.10 Leases

1.10.1 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 and Equipment and a corresponding liability is recorded.

The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires.

The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to finance costs in the Statement of Comprehensive Income.

1.10.2 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.

1.10.3 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.

1.10.4 As Lessor

Revenue earned from renting out the asset is accordingly recognised as lease rental receivable income in the statement of comprehensive income.

1.11 Provisions

The Group provides for legal or constructive obligations that are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rate of 2.2% in real terms, except for early retirement provisions which uses the HM Treasury's pension discount rate of 2.8%, and injury benefit provisions which uses the HM Treasury's pension discount rate of 2.9% in real terms.

1.11.1 Clinical Negligence Costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS foundation trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS foundation trust.

The premium and the excess on cases are accounted for as advised by the NHSLA.

The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is disclosed at note 32, but it is not recognised in the Trust's accounts.

1.11.2 Non-clinical Risk Pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme.

Both are risk pooling schemes under which the Trust pays an annual contribution to the NHS Litigation Authority and in return receives assistance with the costs of claims arising.

The annual membership contributions and any 'excesses' payable in respect of particular claims are charged to operating expenses when the liability arises.

1.12 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 43 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 43, 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.

1.13 Public Dividend Capital

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

A charge, reflecting the cost of capital utilised by the NHS Foundation Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets (ii) net cash balances held with the Government Banking Service (GBS), excluding any cash balances held in GBS accounts that relate to a short term working capital facility.

The dividend calculation is based on the unaudited accounts.

1.14 Value Added Tax

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 non current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.15 Foreign Exchange

The functional and presentational currencies of the Group are sterling.

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

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

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

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

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

1.16 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 HM Treasury's Financial Reporting Manual.

1.17 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 and details recorded in the Losses and Special Payments Register. They exclude any provisions for future losses.

1.18 Transfers of functions to / from other NHS bodies / local government bodies

For functions that have been transferred to the Trust from another NHS / local government body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain / loss corresponding to the net assets/ liabilities transferred is recognised within income / expenses, but not within operating activities. For 1 April 2013 transfers from PCTs/SHAs The net gain/loss corresponding to the net assets liabilities transferred is recognised within the income and expenditure reserve.

For property plant and equipment assets and intangible assets, the Cost and Accumulated Depreciation / Amortisation balances from the transferring entity's accounts are preserved on recognition in the Trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the Trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

For functions that the Trust has transferred to another NHS / local government body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss / gain corresponding to the net assets/ liabilities transferred is recognised within expenses / income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve. Adjustments to align the acquired function to the foundation Trust's accounting policies are applied after initial recognition and are adjusted directly in taxpayers' equity.

2. Critical Accounting Estimates and Judgements

In preparing financial statements, management is required to make estimates and assumptions that affect the amounts of assets, liabilities, revenue and expenses reported in the accounts.

Actual amounts and results could differ from those estimates.

The following are considered to be the key accounting judgements and estimates made.

2.1 Royal Derby Hospital PFI Accounting Treatment

The Royal Derby Hospital was built and financed through a PFI contract. The contract requires the PFI operator to provide a wide range of facilities management services until the contract end in 2043. Part of the unitary payment for the PFI scheme is uplifted on an annual basis by the Retail Price Index (RPI), with the remainder uplifted by a fixed 2.5%.

NHS guidance on accounting for PFI schemes mandates a method of calculating the element of the unitary payment which should be categorised as the minimum lease payment. The NHS guidance is not mandatory for NHS foundation trusts, but represents the industry approach, and Derby Hospitals NHS foundation trust has chosen to follow the guidance. This method requires that:

- Payments for services are separately identified to payments for assets; and
- Payments for assets are measured according to International Accounting Standard 17.

This means that the unitary charge needs to be allocated between payments for assets and services according to their fair values, which are usually estimated based on the operator financial model's nominal values for each item. Since IAS 17 is applied to measuring the asset and liability, the minimum lease rentals need to be determined, with any remaining rental element being expensed as incurred as contingent rental.

Judgement or uncertainty

The Trust has accounted for the fixed increase of 2.5% as operating expenditure on the basis that management are confident that the application of the inflator is only applicable to revenue elements of the unitary charge (payments for services). Management have based this view on the discussions at the time with the funders which were incorporated in the original business case;

In section 8.4.3 (The Fixed Inflator) of the Business Case the following statement appears:

“The Trust has agreed to provide a fixed inflator on a proportion of the revenues to manage the lenders downside exposure to inflation. This has been undertaken previously on an exceptional basis. This removes the requirement for RPI swaps and has been demonstrated to be the most deliverable form of RPI protection in the current market “

this is confirmed by the actual charges received to date, since the inception of the project in 2003.

Management are of the view that the inflator is not related to the capital and interest (payments for assets) elements of the PFI scheme. This inflator was payable to the funder as a protection against the impact of RPI risk on future variable service expenditure over the 40 years of the contract not against the fixed interest and capital repayments related to the hospital. The Trust benefited from this arrangement as it obviated the need for the funder to enter into future RPI hedging arrangements thereby reducing the overall cost of the PFI contract.

Effect of the judgement

If the fixed inflator was applied to the capital and interest elements of the scheme (the finance lease), this would have the impact of:

- an increase in the scheme's implicit interest rate;
- an increase in the level of interest payable;
- a reduction in the level of debt repayable in the early years of the contract, but an increase in the later years;
- an improvement in the Trust's earnings before interest, depreciation, tax and amortisation; and
- a decrease in the Trust's net surplus/increase in the Trust's net deficit

Further information on the cost of the PFI scheme is provided in note 39.

2.2 Depreciation of Royal Derby Hospital

Depreciation of the Royal Derby Hospital is calculated based on the difference between its current value and the residual value on a straight line basis.

The residual value is the estimated value of the hospital at the end of the Private Finance Initiative contract in September 2043. The Trust commissioned an Independent RICS qualified valuer to estimate the value at 31st March 2012. This is a complex process and is based on his judgment concerning expected inflation of capital costs, expected rates of physical and functional obsolescence and external factors such as population growth.

The judgments of individual valuers may vary, which could change the estimated residual value and therefore the depreciation charge.

2.3 Pensions

Costs relating to pensions are provided by NHS Pensions. Full details are included in the Accounting Policies note to these accounts.

2.4 Provisions

- Employer and Public Liability Claims

The provision has been calculated based upon information received from the NHS Litigation Authority (NHSLA) which handles claims on behalf of the Trust. The calculation is based upon the amount of the claim received plus any expected legal costs. This is adjusted to reflect the NHSLA view of the likelihood of the claim succeeding.

- Permanent Injury Benefits and Early Retirements due to Ill Health

The provision has been calculated based upon information received from NHS Pensions. The calculation is calculated based upon future payments for each recipient based upon their life expectancy, calculated using life tables provided by the Government Actuaries Department (GAD), discounted at a rate of 1.85% to reflect the timing of future payments.

2.5 Basis of Accounting – Going Concern

International Accounting Standard 1 requires the management to undertake an assessment of the NHS Foundation's Trusts ability to continue as a going concern.

Assessment of the Trusts position under the Financial Reporting Guidelines (FRoM), issued for the Interpretation of paragraphs 25 to 46 of IAS 1, for the public sector context has been undertaken.

In particular, paragraph's 25 and 26 of this guidance which refer to the assessment of the Going Concern basis.

It is the Trusts view under this guidance that these accounts can be prepared on a going concern basis.

In addition to their own internal review of the situation and all the pertinent factors which need to be considered, the Directors have sought independent legal advice on the information available to them, to ensure that their conclusions on this issue seem reasonable based on the available evidence.

The current economic environment for all NHS and NHS Foundation Trusts is challenging with on-going internal efficiency gains necessary due to annual tariff (price) reductions; cost pressures in respect of national pay structures; non-pay and drug cost inflation; as well as nationally set contract penalties for contract performance deviations, combined with commissioner (CCG) expectations to reduce activity through ensuring care can be better provided within the community, i.e. managed outside the Hospital.

The Trust will continue to address these challenges but as a consequence will require external funding support to ensure the levels of its services are maintained, in 2014/15.

The Trust has prepared its financial plans and cash flow forecasts on the assumption that adequate funding will be received through the Department of Health / Monitor (public dividend capital (PDC)/transition funding). As at May 2014 the Trust is forecasting a deficit for 2014/15 of £20.2 million. This will continue to be monitored by the Trust and updated accordingly. The Board of Directors are confident that receipt of external funding will be sufficient to cover the planned deficit for 2014/15.

The Trust is still awaiting formal confirmation of the additional funding support, and is working intensively with Monitor to ensure that this funding is forthcoming from the Department of Health.

These funds are expected to be sufficient to prevent the Trust from failing to meet its obligations as they fall due and to continue until adequate plans are in place to achieve financial sustainability for the Trust.

Despite the absence of this formal confirmation, the Board of Directors have discussed the appropriateness of the preparation of these accounts on a "going concern" basis; and having reviewed the Financial Reporting Manual, and having discussed the available evidence; the Board of Directors are content for the accounts to be prepared on a "going concern" basis.

The Trust is also aware that, despite the fact no formal approvals have been given for PDC funding, other organisations in similar or potentially worse financial circumstances have already been in receipt of this funding in 2014/15.

The Trust is also currently working on a downside plan of effective measures to ensure its financial stability in the extremely unlikely event that this funding is not received.

3. Segmental Analysis

2013/14	Medicine	Surgery	Clinical Support Services & Cancer	Corporate & Central	Trust Total	Inter company transactions	Charitable funds	Group Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Activity Income	155,083	151,679	51,802	46,755	405,319			405,319
Expenditure								
Pay	112,633	81,090	65,713	36,047	295,483	-	-	295,483
Non Pay	19,129	24,774	17,094	64,820	125,817	-	-	125,818
Charitable funds expenditure	-	-	-	-	-	(225)	1,583	1,358
Miscellaneous Income	(4,747)	(2,534)	(6,530)	(49,961)	(63,772)	225	(2,183)	(65,730)
Internal Recharges	8,014	10,062	(18,076)		-	-	-	-
PFI Costs	-	-	-	31,433	31,433	-	-	31,433
Total expenditure	135,029	113,392	58,201	82,339	388,961	-	(600)	388,361
Financing Costs and Depreciation	-	-	-	25,204	25,204	-	-	25,126
(Surplus)/Deficit for the year before impairment	(20,054)	(38,287)	6,399	60,788	8,846	-	(600)	8,246
Impairment of LRCH land	-	-	-	6,934	6,934	-	-	6,934
(Surplus)/Deficit for the year after impairment	(20,054)	(38,287)	6,399	67,722	15,780	-	(600)	15,180

2012/13	Medicine	Surgery	Clinical Support Services & Cancer	Corporate & Central	Trust Total	Intercompany transactions	Charitable funds	Group Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Activity Income	154,569	148,198	48,603	45,299	396,669			396,669
Expenditure								
Pay	107,930	77,642	62,400	31,006	278,978	-	-	278,978
Non Pay	17,626	23,599	15,693	63,237	120,155	-	-	120,155
Charitable funds expenditure	-	-	-	-	-	(693)	1,924	1,231
Miscellaneous Income	(4,729)	(3,227)	(6,371)	(41,598)	(55,925)	693	(2,189)	(57,421)
Internal Recharges	5,104	12,302	(17,406)	-	-	-	-	-
PFI Costs	-	-	-	30,006	30,006	-	-	30,006
Total expenditure	125,931	110,316	54,316	82,651	373,214	-	(265)	372,949
Financing Costs and Depreciation	-	-	-	23,270	23,270	-	-	23,270
(Surplus)/Deficit for the year	(28,638)	(37,882)	5,713	60,622	(185)	-	(265)	(450)

The Trust operates solely in the UK

Patients who do not live in the UK are treated via reciprocal arrangements or are required to pay for their own treatment. £16,000 (2012/13: £137,000) came from overseas patients without reciprocal arrangements.

The Trust's activity is organised into three clinical divisions, each of which provide healthcare services and one corporate segment.

These segments are run on a day to day basis by separate divisional management teams. The clinical Divisions are Medicine, Surgery and Clinical Support Services & Cancer.

Income for the clinical divisions is received via contracts with the CCG's and NHS England. The contracts follow the requirements of the Department of Health's Payment by Results and services are paid for on the basis of a national tariff for each treatment. The number of treatments is agreed with our main commissioning PCTs.

The Chief Operating Decision Maker (CODM) of the Trust is the Trust Board. It has been determined that this is the CODM as, under our Scheme of Delegation, the Board is required to approve the budget and all major operational decisions.

4. Income from Activities

4.1 Income from Activities by Activity

	31 March 2014 £'000	31 March 2013 £'000
Elective income	88,393	91,924
Non Elective income	101,312	107,702
Outpatient income	70,606	59,322
Other types of activity income	152,550	137,053
A & E income	13,441	13,212
Private patient and overseas visitor income	1,925	1,938
	428,227	411,151
Other types of activity income includes the following:		
Non tariff elements of block contracts	109,657	107,778

Of the total income from activities, £423.3m (12/13 £407.7m) is commissioner requested services and £4.9m (2012/13 £3.5m) is non-commissioner requested services. Commissioner Requested income is defined as NHS clinical income from CCG's, NHS England and other NHS organisations

4.2 Private Patient Income

	31 March 2014 £'000	31 March 2013 £'000
Private Patient Income	1,925	1,938
Total patient related income	428,227	411,151
Proportion (as a percentage)	0.45%	0.47%

As of 1 October 2012 the statutory limitation on private patient income was repealed by the Health and Social Care Act 2012.

4.3 Income from Activities by Source

	31 March 2014 £'000	31 March 2013 £'000
NHS Foundation Trusts	7,044	2,992
NHS Trusts	4,038	3,769
NHS England & CCG's	407,647	-
Strategic Health Authorities	-	555
Primary Care Trusts	-	399,318
Local Authorities	2,457	234
Health Education England	3,467	-
Department of Health	515	791
NHS Other	40	-
Non NHS : Private Patients	1,325	1,801
Non NHS: Overseas Patients	16	137
NHS Injury Scheme	1,678	1,554
	428,227	411,151

Claims Recovery Unit income is included at 84.2% to reflect the expected rates of collection.

5. Other Operating Income

	Group		Trust	
	31-Mar-14 £'000	31-Mar-13 £'000	31-Mar-14 £'000	31-Mar-13 £'000
Research and Development	1,608	1,150	1,608	1,150
Education and Training	26,434	28,610	26,434	28,610
Charitable and other contributions to expenditure	1,072	2,571	1,297	2,037
Reversal of Impairment	-	-	-	-
Profit on disposal of non current assets	50	15	50	15
Other income	13,161	11,683	11,429	11,683
Trust total	42,325	44,029	40,818	43,495

Other income includes the following elements:

	31-Mar-14	31-Mar-13
	£'000	£'000
Car Parking Income	3499	3411
Staff accommodation rentals	72	90
Pharmaceutical sales	89	97
Crèche services	57	146
Property Rentals	521	533
Catering	89	85
Coroner Fees	299	289
Driving Assessments	233	222
Course Fees	782	761
Occupational Health Services	118	168
Other	5,669	5881

6. Operating Expenses

	Group		Trust	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
	£'000	£'000	£'000	£'000
Operating expenses comprise:				
Services from NHS Foundation Trusts	40	58	40	58
Services from NHS Trusts	669	1,516	669	1,516
Services from other NHS bodies	105	890	105	890
Purchase of healthcare from non NHS bodies	17	489	17	489
Executive directors' costs	1,400	1,123	1,400	1,123
Non Executive directors' costs	117	112	117	112
Staff costs	293,862	278,045	293,862	278,045
Drug costs	43,064	37,424	43,064	37,424
Supplies and services – clinical	40,069	36,128	40,069	36,128
Supplies and services – general	35,226	33,481	35,226	33,481
Establishment	3,852	3,500	3,852	3,500
Transport	1,502	760	1,502	760
Premises	18,642	18,379	18,642	18,379
Bad debts	0	436	0	436
Depreciation on property, plant and equipment	10,156	10,072	10,156	10,072
Amortisation on intangible assets	312	271	312	271
Impairments of property, plant and equipment	0	-	0	-
Audit fees: audit services – statutory audit	75	90	75	90
Clinical negligence	6,970	7,561	6,970	7,561
Loss on disposal of land and buildings	124	204	124	204
Legal fees	112	306	112	306
Consultancy costs	783	1,041	783	1,041
Training, courses and conferences	2,389	2,369	2,389	2,369

Patient travel	257	224	257	224
Redundancy	104	(302)	104	(302)
Compensation pension costs	70	69	70	69
Hospitality	1	3	1	3
Other services	898	782	898	782
Losses, ex gratia and special payments	262	414	262	414
Impairment	6,934	-	6934	-
Other	2,139	4,163	2,139	4,163
Charitable funds cost of generating funds	1,358	1,231	-	-
Trust Total	471,509	440,839	470,151	439,608

7. Operating Leases

The Trust has entered into a number of leases in respect of:

- Property
- Vehicles
- Medical Equipment

All of which fall within the definition of operating leases under IAS 17.

7.1	As Lessee	31 March 2014 £'000	31 March 2013 £'000
Operating expenses include:			
	Minimum lease payments	1,102	992
	Less : sublease payments received	(63)	(63)
		1,039	929
		31 March 2014 £'000	31 March 2013 £'000
Future minimum lease payments due:			
	- not later than 1 year	385	361
	- later than one year and not later than five years	611	572
	- later than five years	186	269
	Total	1,182	1,202
	Total of future minimum sublease lease payments to be received at 31 March 2014	619	682

7.2 As Lessor

The Trust leases the ground floor premises of Block B of the London Road Community Hospital. The lease period is from January 2006 to January 2041.

	31 March 2014 £'000	31 March 2013 £'000
Operating income includes:		
Minimum lease rental income	573	573
	<u>573</u>	<u>573</u>
	31 March 2014 £000	31 March 2013 £000
Future minimum lease rental income due:		
- not later than 1 year	573	573
- later than one year and not later than five years	2,292	2,292
- later than five years	13,036	13,609
Total	<u>15,901</u>	<u>16,474</u>

8. Staff Costs and Numbers

8.1 Staff Costs

	31 March 2014			31 March 2013
	Total £000	Permanently Employed £000	Others £000	Total £000
Wages and salaries	237,144	237,144	-	226,891
Social security costs	17,389	17,389	-	16,590
Employers contributions to NHS				
Pensions	29,413	29,413	-	27,174
Other pension cost	94	94	-	86
Agency/contract staff	11,396	-	11,396	8194
	<u>295,436</u>	<u>284,040</u>	<u>11,396</u>	<u>278,935</u>

Reconciliation to Operating Costs Note 6

	31 March 2014 £'000	31 March 2013 £'000
Executive Directors	1400	1,131
Non Executive Directors	117	112
Staff Costs	293,862	278,037
Redundancy	104	(302)
Compensation pension	70	69
Total per note 6	<u>295,553</u>	<u>279,047</u>
Non executive directors not shown in staff note 8.1	(117)	(112)

Staff costs disclosed in note 8.1**295,436****278,935**

8.2 Average Monthly Number of Persons Employed

		31-Mar-14		31-Mar-13
	Total	Permanently Employed	Others	Total
	Number	Number	Number	Number
Medical and dental	782	782	-	730
Ambulance staff	-	-	-	-
Administration and estates	1,205	1,205	-	1,155
Healthcare assistants and other support staff	1,013	1,013	-	993
Nursing, midwifery and health visiting staff	2,186	2,186	-	2,152
Nursing, midwifery and health visiting learners	5	5	-	4
Scientific, therapeutic and technical staff	1,274	1,274	-	1,221
Bank and agency staff	335	-	335	237
Other	188	188	-	184
	6,988	6,653	335	6,676

8.3 Exit Packages

Actual Payments Made

Exit Package cost band (including any special payment element)	Number of Compulsory Redundancies	Cost of Compulsory Redundancies £'000	Number of other departures agreed	Cost of other departures agreed £'000	Total number of exit packages by cost band	Total cost of exit packages in each cost band £'000	Number of departures included where special payments have been made	Special cost element of departures £'000	31 March 2013 Total number of exit packages by cost band	31 March 2013 Total cost of exit packages in each cost band £'000
Less than £10,000	3	20	9	30	12	50	-	-	23	92
£10,001 to £25,000	3	54	3	39	6	93	-	-	14	209
£25,001 to £50,000	1	30	1	40	2	70	-	-	2	62
£50,001 to £100,000	-	-	-	-	-	-	-	-	-	-
£100,001 to £150,000	-	-	1	121	1	121	-	-	2	287
Total	7	104	14	230	21	334	-	-	41	650

Exit packages: other (non-compulsory) departure payments - 2013/14

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

Exit payments following Employment Tribunals or court orders

Non-contractual payments requiring HMT approval*

Total

of which:

non-contractual payments made to individuals where the payment value was more than 12 months' of their annual salary

	Payments agreed No.	Total value of agreements £000
Voluntary redundancies including early retirement contractual costs	-	-
Mutually agreed resignations (MARS) contractual costs	10	227
Early retirements in the efficiency of the service contractual costs	-	-
Contractual payments in lieu of notice	3	1
Exit payments following Employment Tribunals or court orders	1	2
Non-contractual payments requiring HMT approval*	-	-
Total	14	230

-

-

8.4 Salary and Pension Entitlements of Directors and Senior Managers

Name	Title	Salary		Mutually agreed resignation		Pension related benefits		Other remuneration including taxable benefits/performance related pay bonuses		Total	
		(Bands of £5,000) 31-Mar-14 £'000	(Bands of £5,000) 31-Mar-13 £'000	(Bands of £5,000) 31-Mar-14 £'000	(Bands of £5,000) 31-Mar-13 £'000	(Bands of £2,500) 31-Mar-14 £'000	(Bands of £2,500) 31-Mar-13 £'000	(Bands of £5,000) 31-Mar-14 £'000	(Bands of £5,000) 31-Mar-13 £'000	(Bands of £5,000) 31-Mar-14 £'000	(Bands of £5,000) 31-Mar-13 £'000
Susan James											
Retired 30.03.2014											
Re-employed 01.04.2014	Chief Executive	190-195	175-180	-	-	152.5-155	12.5-15	-	-	345-350	190-195
See pension note below											
Lee Outhwaite	Director of Finance and Information	135-140	130-135	-	-	62.5-65	17.5-20	-	-	195-200	150-155
Brigid Stacey	Director of Patient Experience/Chief Nurse	-	70-75	-	-	-	15-17.5	-	-	-	85-90
Left 31.10.2012											
Alison Fowlie	Medical Director	155-160	115-120	-	-	-	-	-	-	155-160	115-120
Retired 28.02.2014											
Karen Martin	Director of Workforce Management	130-135	125-130	-	-	22.5-25	2.5-5	-	-	155-160	130-135
Dianne Prescott	Director of Strategy and Partnerships	60-65	115-120	120-125*	-	2.5-5	0-2.5	-	-	180-185	120-125
Left 30.09.2013											
Helen Scott-South	Chief Operating Officer	120-125	115-120	-	-	-	-	-	-	125-130	115-120

Cathy Winfield Started 01.11.2012	Director of Patient Experience/Chief Nurse	115-120	35-40	-	-	240-242.5	-	-	-	360-365	35-40
Nigel Sturrock Started 01.01.2014	Medical Director	35-40	-	-	-	47.5-50	-	-	-	85-90	-
				-	-		-	-	-		
John Rivers	Chair	35-40	35-40	-	-	-	-	-	-	35-40	35-40
William Tucker Resigned 31.05.2012	Non Executive Director	-	0-5	-	-	-	-	-	-	-	0-5
Stephen Bailey	Non Executive Director	10-15	10-15	-	-	-	-	-	-	10-15	10-15
Christopher Hole	Non Executive Director	10-15	10-15	-	-	-	-	-	-	10-15	10-15
Walter Dodd Left 30.04.2014	Non Executive Director	0-5	10-15	-	-	-	-	-	-	0-5	10-15
Patricia Coleman	Non Executive Director	10-15	10-15	-	-	-	-	-	-	10-15	10-15
Sandeep Sharma	Non Executive Director	10-15	10-15	-	-	-	-	-	-	10-15	10-15
John Brebner	Non Executive Director	10-15	10-15	-	-	-	-	-	-	10-15	10-15
Stephen Moss Appointed 01.02.13	Non Executive Director	10-15	0-5	-	-	-	-	-	-	10-15	0-5

* In accordance with the terms of our agreed Mutually Agreed Resignation Scheme, the payment made to D Prescott was calculated, as half of one month's pay for every complete year of continuous NHS employment up to a maximum of 24 months.

** We were not able to calculate pension related benefits for all Directors/senior managers as per the FT ARM guidance. Either previous or current year figures were not available due to the Director/Senior Manager either joining or leaving the Trust in year.

8.5 Salary and Pension Entitlements of Senior Employees

		Real increase in pension at age 60	Lump sum at age 60 related to real increase in pension	Total accrued pension at age 60 at March 2014	Lump sum at age 60 related to accrued pension at March 2014	Cash equivalent transfer value	Cash equivalent transfer value	Real increase in cash equivalent transfer value	Employers contribution to stakeholder pension
						Mar-14	Mar-13		
		Bands of £2,500		Bands of £5,000					
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Lee Outhwaite	Director of Finance and Information	2.5-5	7.5-10	35-40	105-110	510	447	53	0
Cathy Winfield	Director of Patient Experience/Chief Nurse	10-12.5	30-32.5	35-40	105-110	518	348	162	0
Karen Martin	Director of Workforce Management	0-2.5	2.5-5	50-55	155-160	953	889	45	0
Dianne Prescott	Director of Strategy and Partnerships	0-2.5	0-2.5	50-55	160-165	1,079	1,024	16	0
Nigel Sturrock	Medical Director	0-2.5	0-2.5	40-45	130-135	790	714	15	0
									0

All information concerning pensions has been provided by The NHS Pension Scheme.

Alison Fowlie was in receipt of NHS Pension during 2013/14 and 2012/13.

Helen Scott-South is not a member of the NHS Pension Scheme. The Trust made contributions of £16,800 to an individual pension plan in 2013/14 (£16,800 for 2012/13).

Susan James retired on 30th March 2014 and was in receipt on NHS pension as at the 31st March 2014, she was subsequently re-employed by the Trust on the 1st April 2014.

Amounts shown in the Employers contribution to stakeholder pension column relate to the Trust's contribution to non NHS pension schemes.

8.6 Directors Remuneration and Other Benefits

	31-Mar-14	31-Mar-13
	£'000	£'000
Directors remuneration	1,160	911
Employer contributions to pension schemes in respect of directors	120	110

There were no advances or credits granted by the Trust, or any subsidiary of the Trust, for any directors of the Trust.

There were no guarantees entered into on behalf of the directors of the Trust, by the Trust or any subsidiary of the Trust.

The total number of directors to whom benefits are accruing under other defined benefit pension schemes is nil (2012/13: nil).

Directors Expenses

The tables below represent the amounts paid to directors who have claimed expenses in relation to mileage, reimbursements for travel expenses and subsistence.

Directors Expenses	Total 2013/14	Total 2012/13
	£	£
Susan James	2,396.59	3,444.41
Lee Outhwaite	1,230.57	795.00
Helen Scott-South	121.40	158.20
Brigid Stacey	0.00	457.02
Alison Fowlie	241.94	314.20
Karen Martin	663.83	386.24
Cathy Winfield	0.00	0.00
Dianne Prescott	0.00	0.00
	4,654.33	5,555.07

Non Executive Directors	Total 2013/14	Total 2012/13
	£	£
John Rivers	2,576.39	3,072.19
William Tucker	0.00	0.00
Stephen Bailey	0.00	0.00
John Brebner	192.00	180.00
Chris Hole	781.75	275.14
Patricia Coleman	2,100.91	1,632.85
Sandeep Sharma	0.00	225.24
Sir Stephen Moss	628.58	0.00
Walter Dodd	74.20	127.20
	6,353.83	5,512.62

8.7 Median Remuneration

The median salary of the Trust was £24,799. The mid point range for highest paid Senior Manager was £192,500 which is 7.76 times the median salary.

The median salary has been established by taking the full time equivalent salary all employed in post on 31 March 2014 together with the full time equivalent salary of all bank and agency staff who worked for the Trust on 31st March 2014.

9. Employee Benefits

There were no employee benefits provided by the Trust during the years ended 31 March 2014 and 2013, other than NHS pension scheme payments. The value of pension scheme payments paid in financial year 2013-14 is disclosed in note 8.1.

10. Pension Costs

10.1 NHS Pension costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM (The financial reporting manual) requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2014, is based on valuation data as 31 March 2013, updated to 31 March 2014 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates.

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

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

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

c) Scheme provisions

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

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

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as “pension commutation”.

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) has been used and replaced the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year’s pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

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

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

10.2 NEST Pension cost

As of 1st April 2013 it became a statutory requirement for all eligible staff to be automatically enrolled into a workplace pension scheme. All Trust staff who are eligible, are enrolled into the NHS Pension scheme. Where employees are not eligible to join the NHS pension scheme they are enrolled into the NEST pension scheme as an alternative. The employee has an option to opt-out after they have been auto enrolled, this opt out lasts for three years at which point the Trust will be required to re-enrol the employee on the three-yearly re-enrolment date. The Trust is required to make an employer’s contribution of 1% of the employees qualifying salary to the NEST pension scheme, for the year 2013/14 the Trust has contributed a total of £6,763.

11. Retirements due to ill-health

During 2013/14 there were 15 (2012/13: 9) retirements due to ill health agreed at an additional cost of £855,522 (2012/13: £623,518).

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

12. Auditor's Remuneration

12.1 Audit Fees

	31 March 2014	31 March 2013
	£'000	£'000
Operating expenses include:		
Audit fees – statutory audit 2013-14 ..Trust (excl VAT)	63	90
Audit fees – statutory audit 2013-14 Charitable funds (excl VAT)	4	4

The statutory audit fee for the Trust 2013/14 was £60,576 the remaining balance relates to audit fees incurred in relation to the 2012/13 audit

12.2 Auditor's other remuneration

The Trust has also paid fees to the total of £152,379 (excl VAT) relating to non-audit assurance work required by Monitor during financial year 2013/14

12.3 Auditor's Liability

The Trust approved the principal terms of engagement with its auditor PricewaterhouseCoopers LLP, covering the period of their engagement as auditor. The terms include a limitation on their liability to pay damages for losses arising as a direct result of breach of contract or negligence, of £1m. (2012/13 £1m).

13. Better Payment Practice Code

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

	31 March 2014		31 March 2013	
	Number	£'000	Number	£'000
Total invoices paid in the year	93,152	239,374	90,526	197,135
Total invoices paid within target	23,325	113,997	32,577	120,185
Percentage of invoices paid within target	25%	48%	36%	61%

14. The Late Payment of Commercial Debts (Interest) Act 1998

	31 March 2014 £'000	31 March 2013 £'000
Amounts included within interest payable arising from claims made under this legislation	-	-
Compensation paid to cover debt recovery costs under this legislation	-	-

15. Finance Income

	Group		Trust	
	31 March 2014 £'000	31 March 2013 £'000	31 March 2014 £'000	31 March 2013 £'000
Bank interest received	98	300	96	298
Other investment dividends	306	309	-	-
Total	404	609	96	298

16. Finance Costs

	31 March 2014 £'000	31 March 2013 £'000
Interest on loans from the Foundation Trust Financing Facility	344	421
PFI Contracts	14,196	14,473
Total	14,540	14,894

17. Corporation Tax

The Trust has no trading activities which are currently subject to Corporation Tax.

18. Discontinued Operations

The Trust has no discontinued operations during the year

19. Intangible Assets

19.1 Intangible Assets 2013/14

	Computer Software (purchased)	Assets Under Construction	Total
	£'000	£'000	£'000
Cost or valuation at 1 April 2013	1,914	220	2,134
Impairments charged to revaluation reserve	-	-	-
Reclassifications	57	(13)	44
Disposals		(5)	(5)
Additions – purchased	779	427	1,206
Gross cost at 31 March 2014	2,750	629	3,379
Accumulated amortisation at 1 April 2013	1,190	-	1,190
Disposals	-	-	0
Provided during the year	312	-	312
Amortisation at 31 March 2014	1,502	-	1,502
Net book value at 1 April 2013			
Purchased	724	15	739
Donated	-	-	-
Government Granted	-	205	205
Total	724	220	944
Net book value at 31 March 2014			
Purchased	948	629	1,577
Donated	19	-	19
Government Granted	281	-	281
Total	1,248	629	1,877

Amortisation of intangible assets is included within operating expenses in the SOCI.

19.2 Intangible Assets 2012/13

	Computer Software (purchased)	Assets Under Construction	Total
	£'000	£'000	£'000
Cost or valuation at 1 April 2012	1,789	15	1,804
Impairments charged to revaluation reserve	-	-	-
Reclassifications	9	(9)	-
Disposals	-	(1)	(1)
Additions – purchased	116	215	331
Gross cost at 31 March 2013	1,914	220	2,134
Accumulated amortisation at 1 April 2012	919	-	919
Disposals	-	-	-
Provided during the year	271	-	271
Amortisation at 31 March 2013	1,190	-	1,190
Net book value at 1 April 2012			
Purchased	870	15	885
Donated	-	-	-
Government Granted	-	-	-
Total	870	15	885
Net book value at 31 March 2013			
Purchased	724	15	739
Donated	-	-	0
Government Granted		205	205
Total	724	220	944

19.3 Intangible Assets Acquired By Government Grant

	£'000
Initial fair value	Nil
Carrying amount at 1 April 2013	Nil
Carrying amount at 31 March 2014	18

Computer software is amortised on a straight line basis based on a useful life of 5 years.

20. Property, Plant and Equipment

20.1 Property, Plant and Equipment 2013/14

	Land	Buildings, excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and Machinery	Transport Equipment	Information Technology	Furniture & Fittings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation at 1 April 2013	27,152	302,146	600	3,990	63,375	220	11,615	3,468	412,566
Prior year adjustments	-	-	-	-	-	-	-	-	-
Additions purchased	-	1,115	-	2,307	957	-	773	74	5,226
Additions donated	-	77	-	140	783	-	28	18	1,046
Impairments	(8,886)	-	-	-	-	-	-	-	(8,886)
Reclassifications	-	7	-	(781)	723	-	3	4	(44)
Revaluation surpluses	-	9,721	-	-	(1,227)	3	-	35	8,532
Disposals	-	140	-	(162)	(1,434)	(81)	-	(1)	(1,538)
Cost or valuation at 31 March 2014	18,266	313,206	600	5,494	63,177	142	12,419	3,598	416,902
Accumulated depreciation at 1 April 2013	-	5,204	186	-	42,019	204	10,193	1,564	59,370
Prior year adjustments	-	-	-	-	-	-	-	-	-
Provided during the year	-	3,095	24	-	6,115	4	571	347	10,156
Impairments recognised in operating expenses	-	-	-	-	-	-	-	-	-
Revaluation surpluses	-	210	-	-	(767)	3	-	16	(538)
Disposals	-	140	-	-	(1,249)	(72)	-	(1)	(1,182)
Accumulated depreciation at 31 March 2014	-	8,649	210	-	46,118	139	10,764	1,926	67,806

Net book value at 1 April 2013

Owned	27,152	24,060	414	3,929	15,925	11	1,422	1,890	74,803
Finance lease	-	272,249	-	-	-	-	-	-	272,249
Donated	-	633	-	61	5,431	5	-	14	6,144
Total	27,152	296,942	414	3,990	21,356	16	1,422	1,904	353,196

**Net book value at 31 March
2014**

Owned	18,266	24,362	390	5,341	12,418	3	1,655	1,643	64,078
Finance lease	-	279,526	-	-	-	-	-	-	279,526
Donated	-	669	-	153	4,641	-	-	29	5,492
Total	18,266	304,557	390	5,494	17,059	3	1,655	1,672	349,096

20.2 Property, Plant and Equipment 2012/13

	Land	Buildings, excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and Machinery	Transport Equipment	Information Technology	Furniture & Fittings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation at 1 April 2012	27,148	297,780	600	5,723	55,879	210	11,700	3,312	402,352
Prior year adjustments	-	-	-	-	-	-	-	-	-
Additions purchased	4	862	-	1,632	1,461	-	424	18	4,401
Additions donated	-	189	-	57	1,794	-	-	-	2,040
Impairments	-	-	-	-	-	-	-	-	-
Reclassifications	-	3,315	-	(3,400)	80	-	5	-	-
Revaluation surpluses	-	-	-	-	6,874	10	-	167	7,051
Disposals	-	-	-	(22)	(2,713)	-	(514)	(29)	(3,278)
Cost or valuation at 31 March 2013	27,152	302,146	600	3,990	63,375	220	11,615	3,468	412,566
Accumulated depreciation at 1 April 2012	0	2,308	163	-	34,275	180	10,050	1,189	48,165
Provided during the year	-	2,896	23	-	6,135	16	658	344	10,072
Prior year adjustments	-	-	-	-	-	-	-	-	-
Impairments recognised in operating expenses	-	-	-	-	-	-	-	-	-
Revaluation surpluses	-	-	-	-	4,111	8	-	60	4,179
Disposals	-	-	-	-	(2,502)	-	(515)	(29)	(3,046)
Accumulated depreciation at 31 March 2013	0	5,204	186	-	42,019	204	10,193	1,564	59,370

Net book value at 1 April 2012

Owned	27,148	20,402	437	5,702	17,280	30	1,650	2,106	74,755
Finance lease	-	274,655	-	-	-	-	-	-	274,655
Donated	-	415	-	21	4,324	-	-	17	4,777
Total	27,148	295,472	437	5,723	21,604	30	1,650	2,123	354,187

Net book value at 31 March 2013

Owned	27,152	24,060	414	3,929	15,925	11	1,422	1,890	74,803
Finance lease	-	272,249	-	-	-	-	-	-	272,249
Donated	-	633	-	61	5,431	5	-	14	6,144
Total	27,152	296,942	414	3,990	21,356	16	1,422	1,904	353,196

20.4 Economic Life of Property, Plant and Equipment

Category	Minimum Life Years	Maximum Life Years
Buildings excluding dwellings	1	88
Dwellings	5	57
Plant and machinery	1	15
Transport equipment	5	10
Information Technology	1	10
Furniture and fittings	1	25

20.5 Non Property Valuations

The fair value of non-property assets is determined by annually applying the class appropriate index from published Health Service Cost Indices tables. The asset classes covered by this method are Plant and Machinery, Transport Equipment, and Furniture and Fittings.

20.6 Property Valuations

The Royal Derby Hospital was revalued in the year ended 31 March 2012 on a modern equivalent asset, alternative site basis. For 2013/14 IPD UK Annual Healthcare property (secondary healthcare) indices have been applied resulting in an upwards revaluation of £9.2m

The London Road Community Hospital was revalued in the year ended 31 March 2011. The part of the site to be retained is valued on a modern equivalent asset, no alternative site basis. The part of the site which will be surplus is valued at open market value. For 2013/14 IPD UK Annual Healthcare property (secondary healthcare) indices have been applied resulting in an upwards revaluation of £0.5m.

21. Investment Property

The Trust did not hold any investment properties at 31 March 2014 or 31 March 2013.

22. Jointly Controlled Operations

22.1 The Trust has entered into the following joint arrangements:

Name	Trust Ownership
iQudos Limited	25%
First Diabetes Limited	50%
Inter Care Health Limited	50%

The Trust shareholding in each of these entities is based on a nominal value (£1 or less) per share. This nominal value is an immaterial amount and therefore there are no investment assets shown as being held on the balance sheet.

The results to date are not material. Consequently no consolidation of results has been carried out for 2013/14

23. Impairments

Impairments in the year arose from:

	Intangible Assets		Property, Plant and Equipment	
	31 March 2014 £'000	31 March 2013 £'000	31 March 2014 £'000	31 March 2013 £'000
Changes in market price	-	-	8,886	-
Total	<u>-</u>	<u>-</u>	<u>8,886</u>	<u>-</u>

During 2013/14 the disused land at LRCH has been impaired based on the value we may reasonably expect to attain if sold on the open market. The total value of the impairment is £8.9m . £6.9m has been recognised as an impairment loss in operating expenses within the SOCI . £2m has been recognised in the Revaluation Reserve as an impairment loss on revalued assets in other comprehensive income.

24. Inventories

24.1 Inventories

	31 March 2014 £'000	31 March 2013 £'000
Materials	4,718	5,127
Work in progress	-	-
Finished goods	-	-
Inventories carried at fair value less costs to sell	-	-
Total	<u>4,718</u>	<u>5,127</u>

24.2 Inventories Recognised in Expenses

	31 March 2014 £'000	31 March 2013 £'000
Inventories recognised in expenses	53,969	54,469
Write-down of inventories recognised as an expense	107	187
Reversal of any write down of inventories resulting in a reduction of recognised expenses	-	-
Total	<u>54,076</u>	<u>54,656</u>

25. Trade and Other Receivables

25.1 Trade and Other Receivables

	31 March 2014 £'000	31 March 2013 £'000
Non-current (falling due after more than one year)		
NHS receivables	-	-
Other receivables with related parties	-	-
Provision for the impairment of receivables	-	-
Prepayments – Lifecycle replacements	4,151	3,616
Accrued income	-	-
Tax receivable	-	-
Finance lease receivables	-	-
PDC receivable	-	-
Other receivables	-	-
Total	4,151	3,616
Current (falling due within one year)		
NHS receivables	12,185	9,251
Other receivables with related parties	625	371
Provision for the impairment of receivables	(750)	(975)
Prepayments	2,577	1,579
Accrued income	3,798	1,522
Tax receivable	1,585	1,341
Finance lease receivables	-	-
PDC receivable	80	-
Other receivables	1,927	2,293
NHS Charitable funds	109	107
Total	22,136	15,488

NHS receivables include £nil prepaid pension contributions at 31 March 2014 and 2013.

The majority of trade is with CCG's and NHS England, as commissioners for NHS patient care services. As CCG's and NHS England are funded by government to buy NHS patient care services, no credit scoring of them is considered necessary. All other receivables which are neither past due or unimpaired are considered by the Trust to be collectible. Other receivables with related parties includes a loan to a joint venture.

25.2 Provision for Impairment of Receivables

	31 March 2014 £'000	31 March 2013 £'000
Balance at 1 April	975	539
Increase in provision	571	436
Amounts utilised	(123)	-
Unused amounts reversed	(673)	-
Balance as at 31 March	750	975

Impairment of receivables results from an assessment of the likelihood of payment being received from overdue trade receivables and outstanding loans with related parties

25.3 Ageing of Impaired Receivables

	31 March 2014 £'000	31 March 2013 £'000
Up to three months	502	667
In three to six months	-	3
Over six months	248	305
Total	750	975

25.4 Ageing of Non-Impaired Receivables

	31 March 2014 £'000	31 March 2013 £'000
Up to three months	8,485	5,734
In three to six months	405	44
Over six months	696	610
Total	9,586	6,388

26. Other Financial Assets

There were £12,000 of other financial assets held by Derby Hospitals Charity in a common deposit fund at 31 March 2014 (31 March 2013: £nil).

27. Other Current Assets

	31 March 2014 £'000	31 March 2013 £'000
EU Emissions Trading Scheme Allowances	9	35
Total	9	35

28. Non-Current Assets Held For Sale and Assets in Disposal Groups

During the years ended 31 March 2014 and 2013, the Trust did not have any non-current assets held for sale or any assets in disposal groups.

29. Trade and Other Payables

	31 March 2014 £'000	31 March 2013 £'000
Non-current (falling due after more than one year)		
NHS payables	-	-
Receipts in advance	-	-
Amounts due to related parties	-	-
Trade payables - capital	-	-
Trade payables - other	-	-
Taxes payable	-	-
Accruals	-	-
PDC payable	-	-
Amounts reclassified to liabilities held in disposal groups in year	-	-
Other payables	-	-
Total	-	-
Current (falling due within one year)		
NHS payables	3,181	2,950
Receipts in advance	599	594
Amounts due to related parties	190	76
Trade payables - capital	1,521	1,038
Trade payables - other	17,049	13,041
Taxes payable	5,793	5,797
Accruals	10,478	11,502
PDC payable	-	178
Amounts reclassified to liabilities held in disposal groups in year	-	-
Other payables	6,007	5,540
Total	44,818	40,716

Other payables include £4,044,628 outstanding pensions contributions at 31 March 2014 (31 March 2013: £3,574,348). The Trust Policy relating to the payment of creditors is to pay all creditors in line with agreed terms.

30. Borrowings

	31 March 2014 £'000	31 March 2013 £'000
Non-current (falling due after more than one year)		
Bank overdrafts	-	-
Drawdown in committed facility	-	-
Loans from Foundation Trust Financing Facility	4,770	6,360
Other loans	-	-
Obligations under finance leases	-	-
Obligations under Private Finance Initiative contracts	300,468	306,660
Total	305,238	313,020

Current (falling due within one year)

Bank overdrafts	-	-
Drawdown in committed facility	-	-
Loans from Foundation Trust Financing Facility	1,590	1,590
Other loans	-	-
Obligations under finance leases	-	-
Obligations under Private Finance Initiative contracts	6,191	6,117
Total	7,781	7,707

The loan from the NHS Foundation Trust Financing Facility is repayable by equal half yearly instalments over 10 years commencing 2008/09. Interest is payable at six-monthly intervals at a fixed rate of 4.85%.

31. Other Financial Liabilities

There were no other financial liabilities at 31 March 2014 (31 March 2013: £nil).

32. Provisions

	31 March 2014 £'000	31 March 2013 £'000
Non-current		
Pensions relating to former directors	-	-
Pensions relating to other staff	762	749
Other	2,424	2,209
Total	3,186	2,958
Current		
Pensions relating to former directors	-	-
Pensions relating to other staff	70	69
Exit Costs	-	-
Agenda for Change	-	-
Other	310	1,213
Total	380	1,282

	Total	Pensions – former directors	Pensions – other staff	Other legal claims	Redundancy	Other
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2013	4,240	-	818	-	-	3,422
Arising during the year	256	-	41	-	-	215
Utilised during the year	(1,161)	-	(70)	-	-	(1,091)
Reversed unused	(4)	-	-	-	-	(4)

Change in discount rate	166	-	26	-	-	140
Unwinding of discount	69	-	17	-	-	52
At 31 March 2014	3,566	-	832	-	-	2,734

Expected timing of cash flows:

Within one year	380	-	70	-	-	310
Between one and five years	798	-	268	-	-	530
After five years	2,388	-	494	-	-	1,894
Total	3,566	-	832	-	-	2,734

£62,479,000 is included in the provisions of the NHS Litigation Authority at 31 March 2014 in respect of clinical negligence liabilities of the Trust (31 March 2013: £53,293,000). The Trust pays an annual contribution to the NHSLA, which in turn, settles all the clinical negligence claims of the Trust.

The Other Provisions relate to:

- Liability for claims made by employees and members of the public which are subject to cover by the Trust's Public and Employer's Liability insurance. The Trust is required pay an excess on all claims settled,
- The Trust is required to reimburse the NHS Pension Scheme for the amounts paid to ex employees who retired under the Injury Benefits scheme prior to 2004. The Trust makes provision for the expected cost of the commitment based on the life expectancy of each individual.

33. Other Liabilities

	31 March 2014 £'000	31 March 2013 £'000
Current (due within one year)		
Deferred income	4,193	1,564
Deferred PFI credits	-	-
Deferred government grant	-	-
Net pension scheme liability	-	-
Total	4,193	1,564

34. Revaluation Reserve

	Total Revaluation Reserve £'000	Revaluation Reserve – Intangibles £'000	Revaluation Reserve – Property, Plant and Equipment £'000
Revaluation reserve at 1 April 2013	13,145	-	13,145
Revaluation gains/(losses) and impairment losses on property, plant and equipment	7,118	-	7,118
Transfers to the income and expenditure account in respect of assets disposed of	(111)	-	(111)
Other reserve movements	2,736	-	2,736
Revaluation reserve at 31 March 2014	22,888	-	22,888
Revaluation reserve at 1 April 2012	10,372	-	10,372
Revaluation gains/(losses) and impairment losses on property, plant and equipment	2,872	-	2,872
Transfers to the income and expenditure account in respect of assets disposed of	(99)	-	(99)
Other reserve movements	-	-	-
Revaluation reserve at 31 March 2013	13,145	-	13,145

35. Cash and Cash Equivalents

	Group		Trust	
	31-Mar-14 £'000	31-Mar-13 £'000	31-Mar-14 £'000	31-Mar-13 £'000
Balance at 1 April	15,980	12,110	15,944	11,672
Net change in year	(10,448)	3,870	(11,160)	4,272
Balance at 31 March	5,532	15,980	4,784	15,944
Made up of :				
Cash with Government Banking Service	4,569	15,714	4,535	15,714
Cash at commercial banks and in hand	963	266	249	230
Other current investments		-		-
Cash and cash equivalents as in Statement of Financial Position	5,532	15,980	4,784	15,944
Bank overdraft		-		-
Cash and cash equivalents as in Statement of Cash Flows	5,532	15,980	4,784	15,944

36. Other investments

	Group		Trust	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
	£'000	£'000	£'000	£'000
Investments in a common deposit fund	12	192	-	-
Investments in a common investment fund	6,988	6,845	-	-
	7,000	7,037	-	-

37. Finance Leases

37.1 Finance Lease Obligations

During the years ended 31 March 2014 and 2013 the Trust was not a party to any finance lease agreements as lessee, which were not Private Finance Initiative arrangements. These are detailed at note 38.

37.2 Finance Lease Receivables

During the years ended 31 March 2014 and 2013 the Trust was not a party to any finance lease agreements as lessor.

38. Pooled Budgets

The Trust has not had any pooled budgets arrangements in place during the years ended 31 March 2014 and 2013.

39. Private Finance Initiative Contracts

39.1 Off Statement of Financial Position PFI Contracts

The Trust does not have any PFI contracts deemed to be off SOFP.

39.2 On Statement of Financial Position PFI Contracts

	31-Mar-14	31-Mar-13
	£'000	£'000
Gross PFI Liabilities	555,346	575,659
Of which liabilities are due:		
Not later than one year	20,111	20,313
Later than one year and not later than five years	77,855	78,690
Later than five years	457,380	476,656
Finance charges allocated to future periods	(248,687)	(262,882)
Net PFI liabilities	306,659	312,777
Not later than one year	6,191	6,116
Later than one year and not later than five years	24,976	24,690
Later than five years	275,492	281,971

Commitments in Respect of the Service Elements of the PFI

Within one Year	35,160
2 nd to 5 th years (inclusive)	140,639
Later than five years	861,416
Total	<u>1,037,215</u>

The contract includes uplift based upon the rate of inflation. The scheme represents the design, build, operation and financing of the Royal Derby Hospital.

	£'000
Original Estimated capital value of the PFI scheme	334,000
Contract Start date:	Sept 2003
Contract end date:	Sept 2043

The valuation of the hospital at 31 March 2014 is £279,526,463 utilising the depreciated replacement cost, modern equivalent asset, alternative site method.

40. Financial Instruments

40.1 Financial Assets By Category

Group

Assets As Per Statement of Financial Position	Total	Loans and Receivables	Assets at Fair Value Through Income and Expenditure	Held To Maturity	Available For Sale
	£'000	£'000	£'000	£'000	£'000
Trade and other receivables	14,224	14,224	-	-	-
Cash and cash equivalents	5,532	5,532	-	-	-
Other Investments	6,988	-	6,987	-	-
Total at 31 March 2014	26,743	19,756	6,987	-	-
Trade and other receivables	11,706	11,706	-	-	-
Cash and cash equivalents	15,980	15,980	-	-	-
Other Investments	6,845	-	6,845	-	-
Total at 31 March 2013	34,531	27,686	6,845	-	-

Trust

Assets As Per Statement of Financial Position	Total	Loans and Receivables	Assets at Fair Value Through Income and Expenditure	Held To Maturity	Available For Sale
	£'000	£'000	£'000	£'000	£'000
Trade and other receivables	14,330	14,330	-	-	-
Cash and cash equivalents	4,784	4,784	-	-	-
Other Investments	-	-	-	-	-
Total at 31 March 2014	19,114	19,114	-	-	-
Trade and other receivables	11,748	11,748	-	-	-
Cash and cash equivalents	15,944	15,944	-	-	-
Other financial assets	-	-	-	-	-
Other Investments	-	-	-	-	-
Total at 31 March 2013	27,692	27,692	-	-	-

40.2 Financial Liabilities By Category

Group

Liabilities As Per Statement of Financial Position	Total	Other Financial Liabilities	Liabilities at Fair Value Through Income and Expenditure
	£'000	£'000	£'000
Borrowings excluding finance lease and PFI liabilities	6,360	6,360	-
Obligations under Private Finance Initiative contracts	306,659	306,659	-
Trade and other payables excluding non financial assets	36,730	36,730	-
Provisions under contract	3,566	3,566	-
Total at 31 March 2014	353,315	353,315	-
Borrowings excluding finance lease and PFI liabilities	7,950	7,950	-
Obligations under Private Finance Initiative contracts	312,777	312,777	-
Trade and other payables excluding non financial assets	32,346	32,346	-
Provisions under contract	4,240	4,240	-
Total at 31 March 2013	357,313	357,313	-

Trust

	Total	Other Financial Liabilities	Liabilities at Fair Value Through Income and Expenditure
	£'000	£'000	£'000
Liabilities As Per Statement of Financial Position			
Borrowings excluding finance lease and PFI liabilities	6,360	6,360	-
Obligations under Private Finance Initiative contracts	306,659	306,659	-
Trade and other payables excluding non financial assets	36,699	36,699	-
Provisions under contract	3,566	3,566	-
Total at 31 March 2014	353,284	353,284	-
Borrowings excluding finance lease and PFI liabilities	7,950	7,950	-
Obligations under Private Finance Initiative contracts	312,777	312,777	-
Trade and other payables excluding non financial assets	32,327	32,327	-
Provisions under contract	4,240	4,240	-
Total at 31 March 2013	357,294	357,294	-

40.3 Analysis of Risk

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with Primary Care Trusts and the way those Primary Care Trusts are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which these standards mainly apply. The Trust has limited powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the NHS Trust in undertaking its activities.

The Trust's treasury management operations are carried out in the finance department, within parameters defined formally in the Trust's Standing Financial Instructions and policies as agreed by the Board of Directors. Trust treasury activity is subject to review by the Trust's internal auditors.

40.3.1 Currency risk

The Trust is principally a domestic organisation with the majority of transactions, assets and liabilities being in the UK and Sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

40.3.2 Interest rate risk

The majority of the Trust's financial assets and 100% of its financial liabilities carry nil or fixed rates of interest; bank deposits are exposed to variable rates of interest. Therefore Derby Hospitals NHS Foundation Trust is not exposed to significant interest rate risk.

Charitable fund investments are subject to market investment rate fluctuations in line with the investment portfolio determined by the trustees. Current liabilities of the Charity are covered by identified cash resources and are therefore not subject to interest rate risk.

40.3.3 Credit risk

Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2014 are in receivables from customers, as disclosed in Note 25 - Trade and Other Receivables.

The Trust treasury management policy restricts the investment of surplus funds to a defined list of low risk financial institutions. The credit risk of each institution is reviewed on a regular basis and action taken accordingly.

40.3.4 Liquidity risk

The Trust's net operating costs are incurred under annual service contracts with local Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Trust also finances some of its capital expenditure from funds made available from Government at an agreed amount. Derby Hospitals NHS Foundation Trust has submitted an annual plan to its regulator Monitor for 2014-15 which plans for a £20.2m deficit, the Trust expects to receive PDC support from the Department of Health during the year in order for it to be able to meet its cash commitments.

40.4 Maturity of financial liabilities

	31-Mar 2014 £'000	31-Mar 2013 £'000
In one year or less	45,127	41,039
In more than one year but not more than five years	30,544	31,810
In more than five years	277,880	284,445
Total	353,551	357,294

41. Capital Commitments

Commitments under capital expenditure contracts as at the Statement of Financial Position date were £821,000 (2012/13: £891,000)

	31 March 2014 £'000	31 March 2013 £'000
Property, plant and equipment	259	834
Intangible assets	562	57
Total	821	891

42. Events After the Statement of Financial Position Date

There have been no events after the Statement of Financial Position date, which require disclosure in these financial statements.

43. Contingent Assets and Liabilities

43.1 Contingent Liabilities

	31 March 2014 £'000	31 March 2013 £'000
Public and Employer's Liability and Insurance claims:		
Gross value	82	121
Amounts recoverable	-	-
Net contingent liability	82	121

Outflows relating to contingent liabilities are uncertain in nature.

43.2 Contingent Assets

There are no contingent assets.

44. Related party transactions

Derby Hospitals NHS Foundation Trust is a body corporate established by order of the National Health Services Act 2006.

During the year to 31 March 2014 none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Derby Hospitals NHS Foundation Trust.

During the year the Trust entered into the following transactions with Joint Venture companies where Directors of the Trust sit as Directors on Boards of the Joint Venture companies

	Expenditure £'000	Income £'000
iQudos Limited	31	-
First Diabetes Limited	-	107
InterCare Health Limited	-	371

The Department of Health is regarded as a related party. During the year to 31 March 2014 Derby Hospitals NHS Foundation Trust has had a significant number of material transactions with the Department and with other entities for which the Department is regarded as the parent entity. These entities are listed below:

- NHS Southern Derbyshire CCG
- NHS England
- Health Education England

- Other CCG's

In addition, the Trust has entered into transactions with other Government Departments and other Central and Local Government Bodies. The table below details the top 10 entities by income from activities between the Trust and these bodies, relating to the provision of healthcare, educational and training services both to and by the Trust, and the amounts outstanding between the parties at year end.

Value of transactions with:	Income £'000	Expenditure £'000	Receivables £'000	Payables £'000
NHS Southern Derbyshire CCG	281,317	97	1,991	-
NHS England - Core	57,648	-	90	-
Health Education England	29,873	2	143	-
NHS Erewash CCG	24,526	-	877	-
NHS East Staffordshire CCG	11,293	-	95	-
NHS West Leicestershire CCG	8,196	-	216	-
NHS Hardwick CCG	3,321	-	153	-
NHS North Derbyshire CCG	2,612	-	-	54
NHS South East Staffs And Seisdon Peninsular CCG	2,257	-	38	-
NHS Nottingham West CCG	1,457	-	-	38

Contracts for the provision of services in 2014/15 for the principal Commissioners have been agreed.

The Trust is Corporate Trustee of The Derby Hospitals Charitable Fund. Full audited accounts are prepared for the charity and the charity accounts (unaudited) have been consolidated into these accounts for financial year ending 2013/14

45. Third party assets

The Trust held nil cash at bank and in hand at 31 March 2014, (31 March 2013: £68), which relates to monies held by the Trust on behalf of patients. This amount is included in the cash at bank and in hand figure reported in the accounts.

46. Losses and Special Payments

There were 191 cases of losses and special payments (2013: 220 cases) totalling £262,000 (2013: £414,000) paid during the year to 31 March 2014.

		Number	£000
Losses	Cash losses	15	9
	Fruitless payments & constructive loss	-	-
	Bad debts and claims abandoned	60	105
	Stores losses and damage to buildings & properties	33	107
		<hr/>	<hr/>
		108	221
Special Payments	Extra contractual payments	-	-
	Extra statutory and extra regulatory payments	-	-
	Compensation payments	-	-
	Special severance payments	-	-
	Ex gratia payments	83	41
	<hr/>	<hr/>	
		83	41
	Total losses and special payments	191	262

Losses and special payments are disclosed on an accruals basis but exclude any provisions for future losses.

47. Prudential Borrowing Limit

The prudential borrowing code requirements in section 41 of the NHS Act 2006 have been repealed with effect from 1 April 2013 by the Health and Social Care Act 2012. The financial statements disclosures that were provided previously are no longer required.

48. Charitable Fund Reserve

Funds of the charity	£000
Unrestricted funds	7,199
Restricted funds	142
Endowment funds	282

49.Future Changes in Accounting Standards

At the time of authorisation of these financial statements, the following standards had been changed but the changes have not yet taken effect:

Change published	Published by IASB	Financial year for which the change first applies
IFRS 9 Financial Instruments	Oct-10	Uncertain. Not likely to be adopted by the EU until the IASB has finished the rest of its financial instruments project.
IFRS 10 Consolidated Financial Statements	May-11	Effective from 2014/15*.
IFRS 11 Joint Arrangements	May-11	Effective from 2014/15*.
IFRS 12 Disclosure of Interests in Other Entities	May-11	Effective from 2014/15*.
IFRS 13 Fair Value Measurement	May-11	Effective date of 2013/14 but not yet adopted by HM Treasury.
IAS 27 Separate Financial Statements	May-11	Effective from 2014/15*.
IAS 28 Associates and joint ventures.	May-11	Effective from 2014/15*.
IAS 32 Financial Instruments: Presentation – amendment, Offsetting financial assets and liabilities	Dec-11	Effective from 2014/15.

Due to the uncertainty with regards to when and to what extent the above standards may be adopted the future impact cannot be reasonably estimated at this time.

GLOSSARY OF TERMS

UK GAAP	Generally Accepted Accounting Principles adopted within the UK. The financial reporting rules used when preparing public sector accounts, up to and including 2008/09.
FRS	Financial Reporting Standard One of the documents which make up UK GAAP
FReM	Treasury Financial Reporting Manual
IFRS	International Financial Reporting Standards The financial reporting rules used when preparing public sector accounts for year end 2009/10 onwards
IAS	International Accounting Standard
IFRIC	International Financial Reporting Interpretation Committee The documents which make up IFRS
Monitor	The Independent Regulator of NHS Foundation Trusts
PBR	Payment by results The way in which hospitals are paid for the patients they treat
PDC	Public Dividend Capital The Government investment in an NHS Body, the equivalent of share capital
PFI	Private Finance Initiative The Government scheme under which the private sector provides new buildings and infrastructure for the public sector
RICS	Royal Institute of Chartered Surveyors
SOCI	Statement of Comprehensive Income (Formerly the Income and Expenditure Account)
SOFP	Statement of Financial Position (Formerly the Balance Sheet)

Trust Board Members



John Rivers CBE
Chairman



Sue James
Chief Executive

Non-Executive Directors



Professor Stephen Bailey
Vice-Chair and Senior Independent Director



Patricia Coleman OBE
Non-Executive Director



Sir Stephen Moss
Non-Executive Director



Chris Hole
Non-Executive Director



Sandeep Sharma
Non-Executive Director



John Brebner
Non-Executive Director

Executive Directors



Lee Outhwaite
Director of Finance & Performance
Financial Planning
Contracting
Performance Monitoring
Monitor Compliance
Information Management / Technology
Health Records
EPR & PACs
Estates & Capital Investment
Supplies and Procurement
Charitable Funds



Helen Scott-South
Chief Operating Officer
Operational Performance of Trust
Service Transformation
Urgent Care Pathways
Planned Care Pathways
Clinical & Service Commissioning and CIG Relationships
Forward Planning
Cancer Centre
Emergency Planning Business Continuity, MAJAX
Private Patients
Space Utilisation
Clinical Procurement



Karen Martin
Director of Workforce Management
Organisation Development
Marketing and External Communications
Workforce Management
- Operations
- Resources
- Information & Planning
Education, Training and Development
Flexible Staffing Services
Health and Safety
Equality and Diversity
- Employment
Internal Communications
Employee Services
- Occupational Health
- Staff Benefits
- Payroll



Cathy Winfield
Chief Nurse and Director of Patient Experience
Patient Experience
Quality (*shared*)
Infection Control (*shared*)
Complaints
Professional Nurse and Midwifery Leadership
AHP/HCS Leadership
Risk Management / CQC / NHSLA
Safeguarding
Learning Disabilities
Facilities Management
Equality & Diversity
- Access
Faith Services / Chaplaincy
Security Management
Volunteers



Nigel Sturrock
Medical Director
Patient Safety
Quality (*shared*)
Clinical Audit and Effectiveness
Infection Control (*shared*)
Professional Medical Leadership
Medical Workforce
Medical Education
Revalidation
Clinical Knowledge Management
Medical Devices
Patient Consent
NICE Guidance Compliance
Research and Innovation
Legal Services
Clinical Coding
Organ Donation Lead / Human Tissue Authority

If you would like any part of this document translated into your own language, or require a version in large print, please contact us on:

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If you would like further information about the Trust, the services we provide, or anything you have read within this report, please contact:

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