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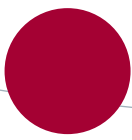
Salford Royal NHS Foundation Trust  
**Annual Report and Accounts**  
**1 April 2017 to 31 March 2018**



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Schedule 7, paragraph 25(4)(a) of the  
National Health Service Act 2006





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# 1

## Performance Report



# Performance report

## Performance Overview

The purpose of this Performance Overview is to provide a brief introduction to Salford Royal NHS Foundation Trust. This includes a glimpse back at our history and an outline of the purpose and activities of the organisation, including a brief description of the business model and organisational structure. In addition, the Chief Executive and Chairman's perspective of performance during the year is provided, including the key issues and risks to the delivery of our principal objectives.

## An introduction to Salford Royal NHS Foundation Trust

Salford Royal NHS Foundation Trust (Salford Royal) is a statutory body, which became a public benefit corporation on 1 August 2006. We are an Outstanding Trust; the first Trust in the North of England to achieve the highest rating given by the Care Quality Commission.

Salford Royal is an integrated provider of hospital, community, social and primary care services, including the University Teaching Trust. Our team of over 7,000 staff provide local services to the City of Salford and specialist services to Greater Manchester and beyond. Through its supply chain partners, Salford Royal provides mental health services to adults and older adults in Salford. We provide over one million hospital and community contacts for patients and service users across:

- Emergency and elective inpatient services
- Day case services
- Outpatient services
- Diagnostic and therapeutic services
- Adult and children's community services
- Adult social care assessment and care planning services
- Mental health inpatient and community services for adults and older Adults

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

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

Adult Social Care services are delivered in partnership with Salford City Council to maintain a diverse and sustainable market of social care providers who meet the needs of Salford citizens. This includes Residential Care, Supported Tenancies and Learning Disability and Home Care services all across Salford.

Salford Royal has a clinical divisional management structure to coordinate and deliver high quality services for specific patient and service user population groups. These include:

- Division of Salford Health and Social Care/ Integrated Care Division
- Division of Surgery and Neurosciences
- Division of Clinical Support Services and Tertiary Medicine

Salford Royal has four core values which are a focus for how our staff and volunteers work with each other and care for patients. These shared values - Patient and Customer Focus, Continuous Improvement, Accountability, and Respect help us to work together to improve the organisation and ourselves.

As part of Salford Royal's vision to provide safe and sustainable local health and care services, Salford Royal committed to developing a healthcare group which would enable the delivery of reliable, high quality care around a large population catchment area. From April 2016, Salford Royal provided leadership and operational support to the Pennine Acute Hospitals NHS Trust (Pennine) following its CQC Inspection in February 2016. This arrangement was formalised under a management agreement in April 2017, and paved the way for the establishment of the Northern Care Alliance NHS Group ('Group' in this context does not mean a 'Group' as defined for accounting purposes; financial statements continue to be prepared for each of the two statutory bodies).

From the 1 April 2017, the Northern Care Alliance NHS Group (NCA) was launched, bringing together over 17,000 staff, 2000 beds and serving a population of over 1 million. Whilst Salford Royal and Pennine remain statutory bodies, the respective Trust Boards delegated the exercise of their functions to a Group Committees in Common (Group CiC), effectively managing both Trusts. Four 'Care Organisations' have been established within the NCA - including Salford, alongside Oldham, Bury & Rochdale and North Manchester each with responsibility for providing high quality and reliable care to the local communities they serve. Each Care Organisation and hospital site has its own Director Leadership Team led by a Chief Officer and consisting of a Medical Director, Director of Nursing, and Finance Director. Together they are accountable to the Group CiC for the day to day running of the hospital services and, as applicable, primary, community, mental health and social care services of the Care Organisation. These new local arrangements place the emphasis for operational management where it matters - in each hospital and locality.





## Salford Royal's Vision and Objectives

# Our Priorities 2017/2018

Saving lives, Improving lives

...by delivering highly reliable care and services, at scale, which are trusted, connected and pioneering.



**Salford Care Organisation**  
Northern Care Alliance NHS Group

### Northern Care Alliance NHS Group

The Northern Care Alliance NHS Group will be one of the largest NHS organisations in the country.

**Together, we will:**

- serve a population of over 1 million people across our local communities
- bring together over 17,000 staff
- manage over 2,000 hospital beds across our hospitals
- manage an operating budget of £1.3 billion.

The Alliance provides the benefits of scale but delivers this locally through multiple sites.

We, together as an Alliance and with our partners, will use this scale to deliver better services and improved outcomes for our patients and other benefits.

### Core Purpose of the Alliance

Our Mission Statement that binds us all together is:

"Saving lives, Improving lives"

We will deliver highly reliable care and services, at scale, which are trusted, connected and pioneering.

The Alliance has 5 key roles which are not undertaken at the care organisation level.

- Develops service strategy across the wider population of 1million people
- Agrees new/replacement buildings and equipment
- Agrees annual operational delivery plans with each care organisation
- Develops a standardised operating model on the basis of evidence of best practice
- Organises spread of best care across multiple sites and locations.

#### Our Priorities:

- Pursue quality improvement to assure safe, reliable and compassionate care
- Deliver financial plans to assure sustainability
- Support our staff to deliver high performance and improvement
- Improve care and services through integration and collaboration
- Deliver mandatory standards
- Implement enabling strategies

#### Our services will be:

- Evidence-based** and of the highest quality;
- Highly reliable:** high quality whatever the day of the week or hour of the day;
- At scale:** creating benefits for people through standardisation of best practice
- Trusted:** providing safe, effective and compassionate services;
- Connected:** seamlessly delivering what matters most to people and communities;
- Pioneering:** continuously innovating and improving services.

#### Strategic Aims of the Alliance:

- To develop **world-class accountable care organisations** in each locality
- To adopt **best clinical practice** and standards at scale, leading to consolidation of some elements of surgical services
- To continue the **delivery of high quality specialist services** for Greater Manchester and beyond (e.g. neuro services, trauma centre and stroke services)
- To establish **group-wide shared clinical support services**
- To build **strong partnership arrangements with other providers** to enable reliable, high quality services to be provided, consistent with changes across Greater Manchester

### Salford Care Organisation Priorities

-  Maintain the position as a national leader in quality improvement, achieving a standardised mortality rate in the top 10% of acute trusts
-  Maintain patient and user satisfaction scores in the top 20% in national surveys
-  Improve staff engagement by delivering workforce plans, planning capacity and generating improvement ideas
-  Reconfigure bed capacity, redesign flow and supporting processes including development of the 1st UK control centre
-  Deliver the ICO transformation through a neighbourhood model, reviewing intermediate and rehabilitation care provision and progressing the local care organisation model
-  Deliver the key milestones of strategic programmes including major trauma, Healthier Together and cancer reconfiguration
-  Progress capital plans to support delivery of the strategic programmes
-  Achieve A&E, referral to treatment, diagnostic and cancer access standards
-  Deliver financial plans supported by a quality improvement approach to increase efficiency
-  Progress research and Innovation priorities including delivery of the global digital exemplar programme



**H**  
Salford Royal Hospital

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Chief Executive's Office

Salford Royal NHS Foundation Trust

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## Performance Overview from the Chairman and Chief Executive

This report provides us with an opportunity to highlight some of the main developments to our services and the improvements we have made to care over the past year, whilst also reporting on how we have performed against key national and locally determined clinical standards, waiting times and our key quality improvement priorities. We would also like to use this opportunity to update you on the progress we are making in creating the Northern Care Alliance NHS Group (NCA), through bringing together the services provided by Salford Royal and Pennine.

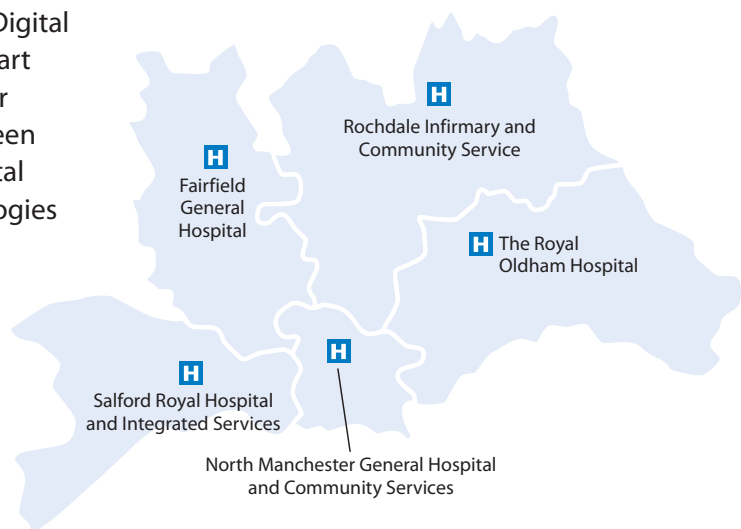
### Benefit of scale, delivered locally

The NCA serves a population of over 1 million people under a new alliance arrangement of hospitals and associated community healthcare services. With an operating budget of £1.3 billion, the NCA provides the benefits of scale but delivers this locally through Care Organisations. The Salford Care Organisation has many nationally and internationally renowned services, including neurological and stroke services, that are pioneering the latest techniques and treatments and providing exceptional outcomes for patients.

As the NCA, we are building on the digital innovation which began at Salford, with NHS England supporting Salford Care Organisation through funding and international partnership opportunities to become one of the Global Digital Exemplar sites over the next two years. As part of the benefits of creating the NCA, the other Care Organisations within the group have been selected as 'Fast Followers' to accelerate digital maturity by sharing software and methodologies and by standardising clinical processes.

Over the past year, Salford Royal successfully transitioned to a "joint" research office with Pennine, resulting in significantly quicker study set-up times, more high quality research being undertaken and substantially more patients participating in research studies than in any other previous year.

The NCA is also implementing a number of Greater Manchester service changes. This includes developments in major trauma and high acuity surgery at Salford Royal, for patients with life-threatening conditions who require specialist surgical treatment. The NCA has received confirmation of £48m for a new clinical building to support these developments.



## Saving Lives, Improving Lives

Our Mission Statement that binds us all together is:

**Saving lives,  
Improving lives**

We continue to develop our approach to quality improvement across the NCA, building on our success over the last ten years at Salford. Since 2008, we at Salford Royal have had in place a Quality Improvement Strategy which aims to make us the safest organisation in the NHS.

The current version of this strategy, which covers the period 2015-18, and the learning from Salford Royal is now being rolled out and implemented across our four Care Organisations. Group-wide improvement initiatives seeking to reduce pressure ulcers, falls and infection rates are currently underway, and virtually all wards and units across our hospitals have been testing changes to end 'PJ Paralysis' by ensuring that we get patients up, dressed and out of bed at the earliest appropriate opportunity.

You can read more about the Care Organisation-specific improvement work in the Quality Report.

## Demand & Operational Pressures

Over the last year, we, like the rest of the NHS, have experienced severe pressure and demand on our services. Patient attendances to our Emergency Departments (particularly frail elderly and those with high acute medical conditions), hospital occupancy rates, and delays in ambulance handovers have all been higher than previous years. In our community services, more patients are being supported at home and we continue to work with our partners to make transfers to care homes and other care settings as rapid as possible.

Amidst continuing challenges, we come across many wonderful examples of compassionate and personal care from our staff day in day out, and never more so than in the response witnessed to the horrific terror attack that Manchester suffered in May 2017.

As NHS staff we plan extensively for major incidents such as this. However, no planning could have prepared those involved for the type and severity of the incident. That being said, it was evident that our plans, and our involvement as part of Greater Manchester's response alongside other emergency services, went very well.

In total, across Salford Royal and our other services within the NCA, we treated some 45 patients, many of whom were in a critical condition. We met with a number of teams and individuals and heard first hand of how well staff responded to victims and their families being brought to our hospitals at Salford, Oldham, North Manchester and Fairfield.

We would like to take the opportunity again to thank our staff who responded so professionally to that incident and to offer our thoughts to family and friends of the 22 people who sadly lost their lives.

This year's seasonal flu and winter period and the extra demand this placed on our services was also significant. However, despite this increased demand, we are proud to have met all of the key cancer access standards and the 18 week Referral to Treatment (RTT) waiting time for patients requiring elective (planned) surgery.

Infection control and prevention remains a key priority for our staff here at Salford. We are encouraged that we reported no hospital acquired MRSA bacteremia cases during the year at Salford, and the number of Clostridium Difficile cases was below our trajectory, although one is one too many as we continue our improvement work to achieve no cases.

Maintaining high standards of care, patient safety, cleanliness and management on our wards and services is something we are proud of here at Salford. The aim is for all wards and community services to achieve what we call SCAPE (safe, clean and personal every time) status. SCAPE goes beyond nursing care; services must demonstrate multi-disciplinary working on improvement and safety. Over the last year, the Group Committees in Common has approved SCAPE status to an additional 8 wards and community teams, with over 20 wards or services maintaining SCAPE status.

The views of our patients, service users and staff are very important to us. We continually engage and receive feedback through a number of methods, including surveys and patient and staff stories, all of which provide us with vital information and views on how we can improve further. In 2017/18, 95% of patients across Salford Royal rated their care as excellent or very good.

The Board Assurance Framework (BAF) is a tool for the Care Organisation and Group CiC to assure itself (gain confidence, based on evidence) about successful delivery of principal objectives.

The risks identified in the BAF are based on a collective assessment by the Directors of the environment in which the organisation operates. It is also informed by high-scoring risks, identified locally through the day-to-day operation of Salford Royal which may impact on the achievement of principal objectives.

The key risks to which Salford Royal was exposed in 2017/18 reflected largely those faced in 2016/17 and were in relation to the following areas:

- Planned income levels and the effectiveness of financial control system
- Delivery of the cost improvement programme;
- Compliance with access standards
- Provision of vascular and non-vascular radiology services
- Cellular pathology UKAS and JAG accreditation;
- Development of neuro-rehabilitation pathways
- Impact of trauma admissions on theatre capacity and supporting paediatric emergencies and trauma
- Clinical staffing establishments
- Compliance with capped agency rates
- Capital solutions for major strategic programmes
- Estate strategy for future service developments and sufficient operational estates capacity
- Development of an Integrated Care Organisation IM&T strategy
- Access to transformation funding

The BAF was maintained by the Group CiC and Salford Royal Care Organisation leaders throughout 2017/18, enabling the identification, analysis and management of risk to the delivery of principal objectives in-year. Controls and assurances were assessed and action plans were developed and implemented appropriately. This has provided clear sight of significant risks and ensured action was prioritised appropriately.

## Going Concern Assessment

Salford Royal NHS Foundation Trust has prepared its 2017/18 Annual Accounts on a going concern basis. After making enquiries, the Directors have a reasonable expectation that Salford Royal has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

This Annual Report provides a fair review of the business of Salford Royal, including a balanced and comprehensive analysis of strategic developments and operational and financial performance during 2017/18.

On behalf of the Group Committees in Common, we want to thank all staff, in each of our Care Organisations, for their continued contribution to our mission of 'Saving lives, Improving lives'.



Sir David Dalton  
*Chief Executive*

*Date: 25 May 2018*



James J Potter  
*Chairman*

*Date: 25 May 2018*

## Performance analysis

To ensure the Northern Care Alliance NHS Group (NCA) delivers its mission to “Save Lives, Improve Lives by delivering highly reliable services at scale, which are trusted, connected and pioneering” and fulfils its statutory duties, the Group CiC identified principal priorities and objectives for the year for Salford Royal, with high level Key Performance Indicators (KPIs) to provide assurance that national, regional and local performance standards are being attained and strategic and transformation programmes are being delivered and coordinated at all levels.

These principal priorities, objectives and associated KPIs are consolidated within the annual operational plans of the NCA and each of its Care Organisations. These plans are rigorously monitored via the assurance framework to ensure delivery. Risks associated with the delivery of the principal priorities and objectives are reflected within the Board Assurance Framework, which maps the foremost sources of assurance, controls and actions that give confidence to Group CiC about the achievement of principal priorities and objectives through the active management of risk.

An integrated reporting approach is used by the Group CiC to ensure that the impact on all areas of the NCA and its Care Organisations is understood, including patient, clinical, staffing, financial and regulatory perspectives.

A ‘High Level Performance Dashboard’ of the most important metrics and risks, including historical trend analysis and external benchmarks where available, is reviewed on a monthly basis by the Group CiC.

The dashboard is supported by a suite of granular reports and assurance flows, including the Chief Executive’s Report, Better Care at Lower Cost Programme, Finance and Activity, and Strategic Programmes.

A quarterly Quality Improvement Dashboard and six-monthly Learning from Deaths and Learning from Experience Report (including incident management, complaints and patient and service user experience) are also reviewed.

The performance of Care Organisations is reviewed through the Group Single Oversight Framework, identifying where Care Organisations will benefit from improvement support and intervention across five areas including:

- Quality of care
- Finance and use of resources
- Operational performance
- Strategic change
- Leadership and improvement capability (well-led)

The Group Single Oversight Framework again utilises an integrated reporting approach, including the High Level Performance Dashboard, Care Organisation Board Assurance Framework and Statement of Assurance, Annual Plan Review, Well Led Review and CQC Improvement Plans. Each Care Organisation has its own robust governance and assurance framework, ensuring effective oversight from Board to Ward, reflecting the aforementioned five themes, and allowing focus in all areas of the Care Organisation.

This section of the Performance Report provides a detailed analysis of Salford Royal’s performance in relation to each strategic priority and objective, conveying achievements, challenges and any actions taken to address these.

## Delivery of the 2017/18 Annual Plan

### THEME 1

**Pursuing Quality Improvement to become the safest, highest quality health and care service**

#### Key Priorities and Objectives

- 1** Maintain the position as a national leader in quality improvement, achieving a standardised mortality rate in the top 10% of acute trusts
- 2** Embed shared learning through patient safety collaboratives as part of Quality Improvement Strategy, including the 'End PJ Paralysis' Project
- 3** Maintain patient and service user satisfaction scores in the top 20% in national surveys

- 1** Maintain the position as a national leader in quality improvement, achieving a standardised mortality rate in the top 10% of acute trusts
- 2** Embed shared learning through patient safety collaboratives as part of Quality Improvement Strategy, including the 'End PJ Paralysis' Project

In 2017/18 Salford Royal continued to relentlessly pursue its Quality Improvement Strategy and aim to be the safest organisation in the NHS. Key achievements against our aims during 2017/18 were as follows:

- Hospital Standardised Mortality Ratio (HSMR) remained in the top 10% of the NHS and was statistically better than expected; 80.5. (November 16 - October 17 most recent data available)

- Summary Hospital Level Mortality Indicator (SHMI) was in the top 10% of the NHS and statistically better than expected; 91.8 (July 2016 - June 2017 most recent data available)
- 97.58% of patients received harm free care as measured by the safety thermometer, acute and community combined (December 2016 - December 2017) and 100% of wards were engaged in our End PJ paralysis initiative

During 2017/18, the Group CiC continued to receive assurances relating to the management of all serious untoward incidents, including Never Events, ensuring incidents were detected, analysed, learnt from and acted upon to improve the care of patients and the safety of all.

Our projects to reduce harm and mortality, improve patient experience, and make the care that we give to our patients reliable and grounded in the foundations of evidence based care, are more fully detailed in the Quality Report.

- 3** Maintain patient and service user satisfaction scores in the top 20% in national surveys

Salford Royal is a listening and learning organisation. To ensure we focus on 'what matters most' to our service users, a variety of methods are employed to continually monitor the service user experience, obtain feedback and ensure this feedback is acted upon. These methods include local and national surveys, patient stories, engagement events and focus groups, internal assessment processes, and quality improvement projects.

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## What does feedback tell us about patient & service experience?

The National Inpatient Survey is conducted every year. The Picker Institute conducts the survey on behalf of a number of Trusts (81 in total for 2017), and the results allow us to identify where we are performing better or worse than the average, enabling us to identify where we can improve.

For 2017, compared to the average scores of the 81 Trusts, Salford Royal scored;

- Significantly better on 8 questions
- Significantly worse on 2 questions
- Overall 87% of respondents rated their care as 7+ out of 10 and 83% reported being treated with dignity and respect

Later on in the year, Salford Royal will receive further information about how the above results compare with all Trusts from across the country. This information will enable us to further identify where we are performing well and where we can improve.

We also collect data locally through service based surveys. Questions are based on the national survey, therefore enabling us to continually monitor our performance. In 2017/18:

- 95% of all patients/service users rated their care as very good or excellent

## Nursing Assessment and Accreditation System

Salford Royal's Nursing Assessment and Accreditation System (NAAS) is used to monitor nursing care in both acute and community settings. The system involves the whole team, not just nurses, and requires the ward or service to demonstrate consistently high quality care and achieve a set of patient focused competencies in order to achieve SCAPE (Safe, Clean and Personal Every Time) Status. It highlights best practice, which is shared throughout the whole organisation, and identifies areas for improvement.

By March 2018, 36 out of 44 acute areas had achieved SCAPE status, demonstrating excellent leadership and high quality care.

2016/17 saw the roll out of the Community Assessment and Accreditation System (CAAS), and at the end of 2017/18 six community services had achieved SCAPE status.

## Listening and acting on patients & service users' feedback

The Patient, Family and Carer Experience (PFCE) collaborative is one of the key drivers to deliver improvements across the Trust. Teams participate in learning sessions to discuss feedback and share best practice.

This work is also supported by areas demonstrating they actively listen to feedback from users by producing evidence of the changes made through the 'You said... We Did' displays.

From this feedback areas then develop 'tests of change'. This is where they introduce a new process or system to test out if this improves feedback.

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For example:

You Said	We did
<b>Renal</b> The choice of food for dialysis patients is limited and not for our diet	Developed a range of snacks/sandwiches with Dietitians which are renal specific
<b>Dermatology</b> Blood Room - There is no order for queueing which can cause stress amongst patients and staff	After a test of change, the Blood Room purchased a ticket machine which resulted in orderly call for bloods
<b>Outpatients</b> Patients said they were confused where to put their clinical forms	Introduced blue fronts to the holders so patients know where to place forms
<b>Pendleton Suite</b> Feedback said that environment felt cramped with no daily access to therapy	Revamped lounge and dining areas to encourage patients to sit at the dining table for meals. Daily activities introduced.
<b>Adult Community</b> Housebound patients said they would like a better idea of when they would be visited	A member of staff now phones the patient with an estimated time of arrival
<b>Children's Services</b> Parents feedback highlighted that many were unhappy with the environment when their new-borns were having their hearing test	A baby's crib was purchased for the test which has resulted in a calmer baby and happier parents.

### Concerns, Complaints and Compliments

The Patient Responsiveness Team at Salford Royal and Pennine came together under one management structure during 2017/18, with a single commitment to support patients, relatives and carers in resolving their concerns.

Our service is visible, accessible and impartial, with every issue taken seriously and our aim is to provide honest and open responses in an easily understandable format with any terminology fully explained.

The formation of the NCA Patient Responsiveness Team is enabling views to be captured across a huge cross section of the population served and this rich seam of patient feedback can be used directly to improve the services we provide.

### How we learn from complaints and concerns

All feedback is welcome, as this is an opportunity to review the current care and treatment we provide to our service users. All complaints and concerns are investigated, learning identified and any necessary changes to practice made. We develop action plans to capture any corrective action required, which the Divisions regularly review and monitor.

### Performance during 2017/18

<b>346</b>	Total number of complaints received during the year
<b>2810</b>	Total number of PALS cases received during the year
<b>268</b>	Total number of compliments received
<b>98%</b>	% of complaints acknowledged against the 3 working day target
<b>72%</b>	% of complaints responded to within the agreed deadline

## THEME 2

## Deliver Mandatory Standards

## Key Priorities and Objectives

- 1 **Improve A&E 4 hour access performance in line with urgent care improvements plan, ensuring no patients have to wait over 12 hours and at least 90% are seen within 4 hours**
- 2 **Improve responsiveness of cancer treatment for patients, ensuring that 85% of patients receive first treatment in 62 days**

In September 2017, the Secretary of State and Chief Executive Officers of NHS England and NHS Improvement (NHSI) affirmed that there would be three core priorities for the NHS:

- **Emergency Department 4 Hour Standard:**  
To achieve either an increase on last year's performance or 90% whichever is the greater, with the ambition to progressively improve to 95%;
- **62 Day Cancer Standard:**  
85% of patients to receive first treatment in 62 days;
- **Financial Control Total:**  
To achieve agreed total. Further information regarding this priority can be found in section 'Theme 5 Deliver Financial Plan to Assure Sustainability'

**A&E 4 Hour Standard**

Like the rest of the country, Greater Manchester continued to experience a significant increase in demand for A&E services during 2017/18. Salford Royal's A&E was no different, with significant pressure placed on the department by high levels of attendance throughout the year.

In this challenging time, our primary focus has been to maintain high standards of quality and safety in line with the high expectations we have set ourselves, whilst working hard to reduce delays in discharge, and working with our partners to ensure all patients and service users are being cared for at the right time and in the right place.

Improvement trajectories were set by the Greater Manchester Health and Social Care Partnership and have been monitored throughout the year. A&E performance at the end of March fell short of the 95% national standard at 82% (against a Greater Manchester target of 90%), with a cumulative performance of 85.74%.

**62 Day Cancer Standard**

There has been significant focus and success in delivering the 62 day cancer standard. Salford Royal's performance for 2017/18 was 89.9% (85% standard).

Salford Royal continued to perform positively against many other patient safety and experience indicators during 2017/18. Further information can be found in the Quality Report on page 35.

**THEME 3****Support staff to deliver high performance and improvement****Key Priorities and Objectives**

- 1 Improve engagement scores; delivering workforce plans and generating improvement ideas from staff**

Once again Salford Royal maintained a good overall engagement score in the Staff Survey 2017, showing that staff feel motivated in their roles and are able to contribute to improvements.

The percentage of staff who would recommend their organisation to friends and family as a place to work increased marginally, from 59% in 2016 to 60% in 2017.

Disappointingly we saw a slight decrease in staff recommending Salford Royal as a place both to work and be treated from 78% in 2016 to 76% in 2017.

We recognise that 2017 was an exceptionally difficult year, with enormous pressure on services, significant recruitment challenges across the whole of the NHS and some major events, which undeniably affected our workforce.

During 2018/19 we have plans in place to ensure that we are engaging with staff using a variety of methods to collate and encourage feedback. One of the methods we will roll out is the Go Engage model and Pioneers Programme. This will be rolled out during summer 2018.

Further information is included in the Staff Report on page 151.

**THEME 4****Improve care and service through integration and collaboration****Key Priorities and Objectives**

- 1 Deliver the Integrated Care Organisation transformation through neighbourhood model, reviewing intermediate and rehabilitation care provision**
- 2 Deliver the key milestones of the strategic programmes including Major Trauma, Healthier Together and cancer reconfiguration**
- 3 Improving services through standardisation at scale in association with Pennine**

Salford Royal works closely with a number of partners to improve quality and health outcomes for the people of Salford and beyond.

Working together with Salford City Council, Salford Clinical Commissioning Group (CCG), our other public sector partners and Voluntary, Community and Social Enterprise (VCSE) colleagues, we are part of Salford's Health and Wellbeing Board. The Health and Wellbeing Board has developed, and oversees implementation of - Salford's Locality Plan, setting out challenging plans to enable citizens to Start Well, Live Well and Age Well.

As part of the North West sector of Greater Manchester, with Bolton and Wigan colleagues, Salford Royal is working to improve the quality and outcomes of services in the Healthier Together programme and in a range of other services.

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This is complemented by the Greater Manchester Health and Social Care Partnership's Transformation Plan, working across five themes, to which Salford Royal fully contributes; in particular the approach to developing Local Care Organisations and driving improved outcomes through the reduction in variation across a programme of secondary care services, such as neuro-rehabilitation, urology and orthopaedics.

### **1 Deliver the Integrated Care Organisation transformation through neighbourhood model, reviewing intermediate and rehabilitation care provision**

The Salford Integrated Care Organisation (ICO) continues to drive forward transformation with our partners. At the beginning of 2017/18, the ICO co-located with Salford Primary Care Together, and we have developed a memorandum of understanding with the voluntary sector to further our progress as an integrated care system. Together we are developing new models for the delivery of person centered care, closer to home. Engagement with the Salford population and our own workforce has informed our approach, leading to the launch of 'My Salford Pledge', where local citizens and leaders have pledged to improve outcomes together.

The ICO is making good progress:

- **Extended Care:** Following detailed reviews of intermediate and rehabilitation services, we have developed a streamlined 'step up - step down' model of care. This includes Salford Urgent Care Team, who, working with the ambulance service, will support people to remain safely at home, avoiding the need for unnecessary hospital admission before transferring care to rehabilitation teams.
- **Pathways of Care:** We have introduced integrated pathways for falls and musculoskeletal back pain.
- **Primary Care:** We continue to support our primary care colleagues as they commence a number of transformation initiatives, including GP streaming in A&E, care navigation and e-consultations.

To support the deployment of care models that respond to local needs, but benefit from standardisation, we are building an evidence based 'blueprint' that describes how integrated care organisations can work together to improve local population health.

### **2 Deliver the key milestones of the strategic programmes, including Major Trauma, Healthier Together and cancer reconfiguration**

#### **Major Trauma**

In April 2015 Salford Royal was designated as the principal receiving site for major trauma in Greater Manchester. Over 1000 seriously injured patients each year are cared for at Salford Royal. During 2017/18 we continued to develop our major trauma services in collaboration with Manchester NHS Foundation Trust (MFT) and continued to perform in the top quartile for major trauma, measured on survival rates and based on national performance.

The Greater Manchester Major Trauma Services (GMMTS) were severely tested in May 2017 following the devastating terrorist attack in Manchester. Alongside other emergency services, GMMTS successfully implemented its response plan to such an incident, caring for a significant number of severely injured patients.

In the summer of 2017 Salford Royal was allocated approximately £48m by the Department of Health and Social Care to build a state of the art 'Acute Receiving Centre' to provide care for patients suffering major trauma or requiring high risk surgery.

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The Acute Receiving Centre will provide additional receiving areas for critical patients, diagnostics, theatres, beds and a helipad. The business case to complete the final steps for the release of the funds will be finalised during 2018/19.

The 'Safe Drive Stay Alive' initiative, now in its 4th year, delivered a further 21 hard hitting sessions to over 9000 young adults in Greater Manchester about the dangers of driving. The initiative, involving staff from Salford Royal in conjunction with the other emergency services in Greater Manchester, scooped the top prize in the NHS Collaboration Award at the Health Business Awards in December 2017.

### Healthier Together

The Healthier Together programme aims to address variation in care and outcomes, and lack of compliance with national standards for General Surgery and Emergency and Acute Medicine. Salford Royal has been working closely with its partners in the North West sector of Greater Manchester to develop proposals for implementation of the Healthier Together programme.

Working in a single governance structure with Bolton, Salford and Wigan CCGs, together with Bolton NHS Foundation Trust and Wrightington, Wigan and Leigh NHS Foundation Trust, a North West Sector Business Case has been approved by all partners.

The business case sets out pathways for patients requiring support at each of the local service sites (Bolton, Salford and Wigan) and, the hub site for high acuity patients (Salford), as part of a Single Service for General Surgery and the associated Urgent Emergency Acute Medicine and Radiology services.

In addition, the North West Sector partners are working together to identify opportunities to work more closely in a range of other services, including Breast Services, Dermatology, Orthopaedics, Paediatrics and Urology Services. Work in these areas continues, linked to work being led by the Greater Manchester Health and Social Care Partnership (GMH&SCP) to identify improved ways of working across the whole of Greater Manchester.

Following the commissioning decision to establish a single Greater Manchester Surgical Centre for Oesophago-Gastric surgery, in order to deliver IOG compliance, Salford Royal has worked closely with the GM H&SCP to develop an implementation for the establishment of the new service, which is scheduled to go operational in early 2018/19. The new service will improve outcomes for patients across Greater Manchester.

### 3 Improving services through standardisation at scale in association with Pennine

Huge progress has been made in working towards our ambition of implementing an alliance during 2017/18, with Salford Royal being selected by NHSI as the preferred acquirer of Pennine's Oldham, Rochdale and Bury hospitals, and a formalised Management Agreement in place from 1 April 2017.

Working with Pennine since April 2016, Salford Royal has delivered a transformation which has seen the organisation transition from a CQC rating of "Inadequate" to "Requires Improvement". This is a tremendous achievement and the CQC Inspection Report shows that 70% of rateable services at Pennine are now "Good" or "Outstanding".

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Services which were the most fragile have shown the most significant improvements, including maternity services at both North Manchester and Oldham, which are now rated as "Good". Children's services, which were "Inadequate", are now rated as "Requires Improvement" at both North Manchester and Oldham.

The results achieved at Pennine evidences Salford Royal's successful and replicable approach to care improvement across localities. This has been underpinned by our "Standard Operating Model", which provides a blueprint for delivery using Salford Royal's locally developed assets, including: standardised governance and decision making frameworks, nursing and clinical care standards; our QI approach, and our leading approach to digital transformation.

In addition to dramatic changes in reliability of care, we have also seen significant financial savings, including a £10m reduction in the cost of NCA corporate services.

## THEME 5

### Deliver financial plan to assure sustainability

#### Key Priorities and Objectives

- 1 **Deliver financial plans, supported by a systematic quality improvement approach, to increase efficiency and productivity**
- 2 **Reduce workforce vacancies and staff turnover by effective recruitment and retention programmes**
- 3 **Reduce reliance on agency and temporary staff by recruiting medical and nursing posts**

### 1 Deliver financial plans, supported by a systematic quality improvement approach, to increase efficiency and productivity

The main headlines of financial performance for the Foundation Trust in 2017/18:

- The operating surplus (after adjusting for impairment charges and non-operating transactions) is a surplus of £18.0 million, which is £19.4 million better than planned.
- The overall income and expenditure position shows a surplus of £4.0 million, but this is after accounting for a number of non-operational items and the financial performance of the charity into Salford Royal surplus. These are set out below.
- The financial risk rating (Use of Resources Rating - UoR), using NHS Improvement's methodology to assess the level of financial risk based on the position as at the end of March 2018, is a 1. Details of the UoR performance are given below.

### Statement of Comprehensive Income Position

This statement within the Annual Accounts shows the total value of Income and Expenditure for the year ended 31 March 2018. The following table summarises the actual income and expenditure performance as at the 31 March 2018.

	Actual results £000's
Income	729,332
Expenditure	(694,481)
<b>EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation)</b>	<b>34,851</b>
Exceptional Income / costs and impairments	(18,700)
Depreciation and amortisation	(11,131)
Total interest receivable / (payable)	(7,595)
PDC dividends	(248)
<b>Net deficit (per annual accounts)</b>	<b>(2,824)</b>
Normalising Adjustments:	
Net impairments and accelerated depreciation of non-current assets	20,410
Hosted services outturn	413
<b>Operating surplus</b>	<b>17,999</b>

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At the beginning of 2017/ 18 the Trust had a planned deficit of £1.4m; however, performance during the year, including additional £13.5m Sustainability and Transformation Funding from NHS Improvement, improved performance to give a £18.0m surplus.

### Normalising Adjustments

Salford Royal's net deficit includes non-operating income and expenditure items which need to be removed from the financial results ("normalised") when assessing the Foundation Trust's performance against the NHS Improvement financial regime in order to identify the operating surplus achieved by Salford Royal from operating activities (i.e. the provision of healthcare). The most significant adjustments are as follows:

- Owing to indications that market conditions have changed since the end of last financial year, the Valuation Office was commissioned to undertake a revaluation of the Salford Royal land and building assets. The outcome of the valuation was an overall decrease of £8.9 million in the value of our asset base, of which £18.7 million was recorded in the Statement of Comprehensive Income as expenditure. There was also an associated £9.8 million net increase in the balances recorded in the revaluation reserve.
- The Foundation Trust is an admitted member of the Greater Manchester Pension Fund (GMPF). Accounting standards require that the Foundation Trust accounts for associated pension liabilities as they are accrued by employee members of GMPF. Included within these costs is £2.4 million of non-cash pension costs. These are removed as part of the normalising adjustments.

### Capital Expenditure Investments

Salford Royal has continued to invest in its estate and equipment assets in 2017/18.

Capital expenditure totalled £13.7 million in 2017/18, and the table below summarises the main themes of capital expenditure across Salford Royal during the year.

Heading	Investment £ million	Description
Improving clinical and non-clinical environment	1.8	Including expansion in the number of beds and decanting services from our Clinical Sciences Buildings to more suitable accommodation.
Medical and IM&T Equipment	0.9	Including replacing essential diagnostic and imaging equipment.
Improving Operating Theatres	1.8	To refurbish theatres including replacing all end-of-life plant.
Backlog Maintenance and site infrastructure	0.5	Investments in ensuring the site infrastructure remains in safe working order.
Digitalisation	8.7	Use narrative consistent elsewhere in report.
<b>TOTAL</b>	<b>13.7</b>	

### Accounting Policies

Salford Royal reviews its accounting policies on a regular basis, following the requirements of International Financial Reporting Standards and the Department of Health Group Accounting Manual. These policies are reviewed and agreed by the Audit Committee and reflect the changing nature of the guidance and the external environment within which the Foundation Trust functions. The accounting policies were not materially altered from those used in 2016/17.

### Post Balance Sheet Events

There are no significant post balance sheet events.

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## A Look Forward

The financial outlook for the NHS continues to be challenging, with continued requirements to reduce public expenditure. A substantial and widening gap over the next few years is forecast between income and expenditure. With a continued increase in demand for NHS and social care services, this leads to a requirement to deliver significant cost savings without detriment to the quality of our standards of care.

Salford Royal has submitted its Annual Plan to NHS Improvement that covers the financial year 2018/19. Our operational plans for 2018/19 forecast a normalised net surplus, after costs of financing and depreciation, of £5.2 million. Our financial plan for 2018/19 has been set in the context of an offer from the 'general element' of the National Sustainability and Transformation Fund of £14.7m; the conditions of which continue to link this to delivering an income and expenditure control total of a £5.4m surplus (excluding depreciation of and receipt of donated assets) and £5.2m surplus including depreciation and receipt of donated assets. We must deliver £29.8 million of cost savings in 2018/19 to deliver this plan.

Investment will continue in Salford Royal's asset base with the investment of an estimated £18.3 million in 2018/19. This will include investments in replacing essential medical and IT equipment assets and providing necessary maintenance and upkeep of building assets.

Subject to HM Treasury approval, further expenditure is planned for 2018/19 and 2019/20 of c. £48 million to build a new surgical centre to provide additional operating theatre, critical care and diagnostic capacity to allow Salford Royal to become the single receiving site for Greater Manchester major trauma activity and to be the provider of high risk general surgical activity for the North West sector of Greater Manchester. Each of these developments is in response to commissioner-led requirements, with clinical activity flows expected to start in 2019/20.

## 2 Reduce workforce vacancies and staff turnover by effective recruitment and retention programmes

## 3 Reduce reliance on agency and temporary staff by recruiting medical and nursing posts

Salford Royal has developed a number of initiatives to support recruitment and retention in order to reduce vacancy levels. A rotational clinical fellow programme has been established to improve recruitment into junior medical posts; however there have been challenges in the latter part of the year due to a national shortage of Certificates of Sponsorship (Tier 2 work permits) preventing non-EU doctors recruited to these rotations from commencing with the organisation.

We are engaging in overseas medical recruitment with colleagues from within Greater Manchester, working with partners to source suitable doctors who have qualified overseas and are living in the UK and working with REACHE to appoint from their refugee doctor pool.

Trainee Physicians Associates have been supported throughout their 2 year training through placements at Salford Royal, and these trainees have been appointed into Associate roles to supplement the medical workforce.

We continue to train and appoint Advanced Clinical Practitioners to support a blended workforce model, and through these posts work, through substitution, to reduce the need for medical staff.

This year saw a detailed review of our overall approach to recruitment, and, as part of our improvement strategy, we have moved to 'multi-source' attraction to reach more candidates, with a much stronger digital presence using Facebook and Twitter.

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We are working more closely with a wider range of universities and also aim to convert more of the students who are placed with us into employment. A key part of the NCA recruitment work has focussed on overseas nursing recruitment, commissioning ID Medical to work with us to recruit nurses from India.

To assist with our retention of nursing staff we have developed a nurse rotation scheme and also a nurse transfer scheme, whereby nurses who were looking for a career move or were unhappy in their area of work could request a transfer to an alternative role. The NCA is engaged in a retention collaborative as part of the work initiated nationally by NHSI.

As described above we have undertaken a number of initiatives to recruit into posts in order to reduce agency spend. In addition, in terms of agency reduction, we have introduced an auto-registration process whereby, unless they opt-out, staff are automatically enrolled onto the bank with NHS Professionals.

We have worked with NHS Professionals to grow both our medical and non-medical banks.

**THEME 6**

**Implement Enabling Strategies**

**Key Priorities and Objectives**

- 1 Progress research and innovation priorities including the delivery of the global digital exemplar programme**



**Delivery of the global digital exemplar programme**

A global digital exemplar (GDE) is an internationally recognised NHS care provider delivering exceptional care, efficiently, through the world-class use of digital technology and information flows, both within and beyond their organisation boundary. It is also a reference site for other care providers.

Salford Royal is already advanced in its use of technology and, through the GDE programme, aims to achieve world-class status in the use of digital technology. During 2017/18, over 60 projects have been initiated, many already demonstrating early results and benefit for service users.

Our new electronic assessment tool for delirium is detecting delirium earlier, reducing length of stay, increasing screenings, reducing fall numbers and reducing mortality rates. The Delirium project is to be one of the first GDE blueprints to be shared nationally.

Our Pre-Admission Support app for Stroke is now being used by 74 paramedics/technicians across the region. We have reduced the number of paper forms passing through our scanning bureau by 145,495 and reduced the number of electronic patient care plans from 70 to 11, reducing documentation time for staff.

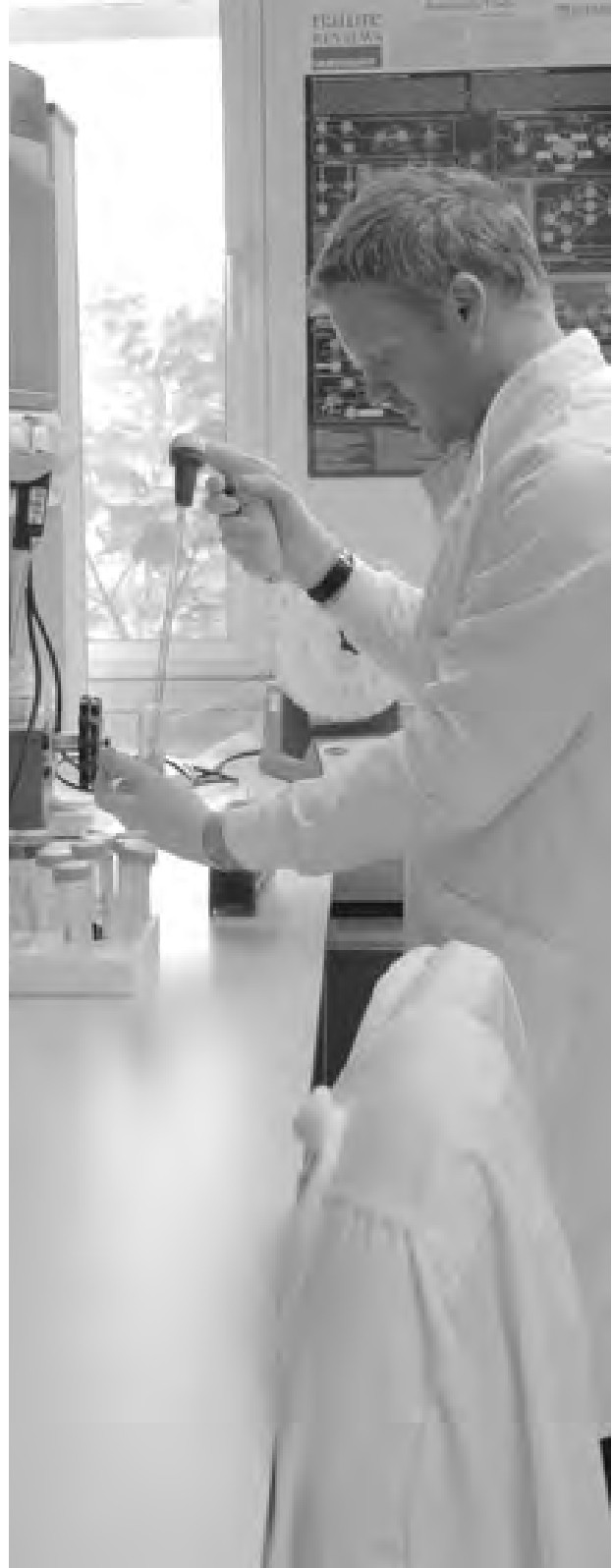


## Research and Innovation

Over the past year, Salford Royal successfully transitioned to a “joint” research office with Pennine. The joint research office harmonised and streamlined all research and development processes, resulting in significantly quicker study set-up times and more high quality research being undertaken. During 2017/18, our patients were recruited to 185 National Institute for Health Research Clinical Research Network (NIHR CRN) clinical research studies, which reflected a 10% increase on the previous year.

Participation in research also increased substantially, with more patients participating in high quality NIHR research studies than in any other previous year. Indeed, more than 6000 patients participated in a NIHR CRN clinical research study, representing an annual increase of 15%. Patients have participated in research across a broad range of clinical specialities and our level of research participation within Neurology and Dementia, Stroke, Dermatology, Renal, Diabetes, Gastroenterology, Musculoskeletal and Anaesthesia is amongst the highest in England.

Salford Royal’s reputation for attracting high quality industry trials has grown this year with the Trust recruiting to 45 industry-sponsored NIHR CRN studies. This is our highest level of industry activity to date and is 36% higher than last year.



## Sustainability Report

It is important to realise that the NHS must tackle sustainability in the widest terms possible. That is, the NHS cannot just be economically sustainable without considering social and environmental sustainability at the same time. The combinations of these elements are fundamental to a truly future-proof NHS and are a cornerstone to providing a high quality, productive and efficient healthcare service.

Climate Change is without doubt the biggest threat facing the planet today. The NHS Carbon Reduction Strategy seeks to ensure that all NHS organisations establish a fully integrated strategy. Its principle is firstly to identify and address all of the Trust's sources of carbon emissions, and secondly to embed the principles of sustainability throughout the organisation and its stakeholders.



### Salford Royal Sustainable Development

We have undertaken steps to reduce our impact on the environment. In 2016/17 we successfully invested £6.9m in our infrastructure, which saw the installation of a new combined heating and power unit, new LED lighting schemes and a number of other energy reducing initiatives. The project reached practical completion in May 2017 and since this date Salford Royal has enjoyed considerable benefits in terms of both energy and carbon reductions.

Work will not stop here; as part of the newly formed NCA, we remain fully committed to reducing our impact on the environment and over the next 12 months intend to produce a new Sustainable Development Management Plan (SDMP).

The SDMP for the NCA will focus on key priority areas such as:

- Energy & Carbon Management
- Procurement
- Low carbon travel and transport
- Water
- Waste
- Designing the built environment
- Governance
- Staff Awareness

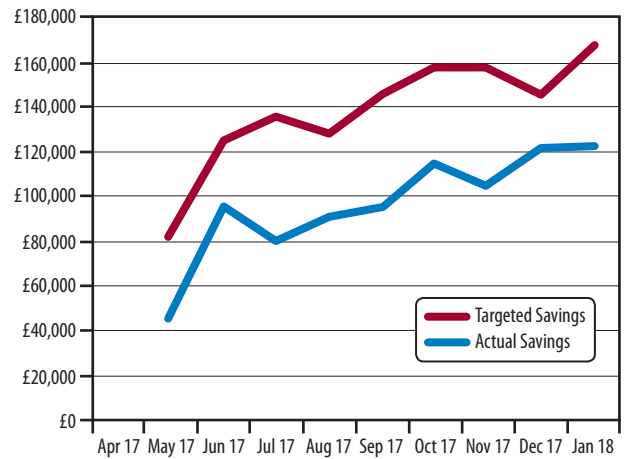
## Energy and Energy Consumption

Reducing the amount of energy used in our organisation contributes to achieving the NHS carbon reduction targets for England. There is also a financial benefit which comes from reducing our energy consumption.

Our £6.9m investment in the infrastructure with using the Carbon Energy Fund Framework and our successful partnering with Vital Energy has (since May 2017) had a significant impact on our overall energy consumption:

	£000's
Combined Heat and Power (CHP) savings	£984,782
Carbon Commitment Levy (CCL) savings	£31,003
Boiler improvement savings	£42,156
Carbon savings	£61,766
<b>Total energy savings</b>	<b>£1,119,707</b>
Lighting upgrade savings	£47,222
Insulation savings	£3,226
Controls and Building Management System (BMS) savings	£30,922
Thermal savings associated with disconnecting Clinical Sciences Building	£4,689
Multi storey car park lighting replacement (599 fittings)	£9,255
Pump replacement	£16,723
<b>Total Energy Conservation Measure savings</b>	<b>£127,854</b>
<b>Total Year To Date (YTD) energy savings</b>	<b>£1,247,561</b>

## Monthly Targeted Savings vs Actual Savings



## Year on Year Energy Cost Comparison

15 May 2016 - 31 January 2017	£000's
Total gas cost	£681,879
Total electricity cost	£1,727,723
<b>Total energy cost</b>	<b>£2,409,603</b>
15 May 2017 - 31 January 2018	
Total gas cost	£828,286
Total electricity cost	£461,610
<b>Total energy cost</b>	<b>£1,289,896</b>
<b>Total energy savings</b>	<b>£1,119,707</b>

## Performance Overview: Targeted Savings vs. Actual Savings Delivered

	£000's
Targeted YTD energy savings	£871,788
Actual YTD savings	£1,247,562
<b>Excess savings</b>	<b>£375,774</b>

## Previous Overall Energy Performance

Resource		2013/14	2014/15	2015/16	2016/17
Gas	Use (kWh)	38,066,594.00	36,769,798.00	45,118,433.00	49,576,150.00
	tCO2a	7,051.00	6,786.00	8,326.00	9,149.63
Electricity	Use (kWh)	23,256,314.00	24,116,636.00	24,329,278.00	24,154,379.00
	tCO2a	12,680.00	12,856.00	12,970.00	12,876.70
Water	Use (m3)	179,792.00	176,684.00	186,097.00	188,342.00
	CO2	N/A	N/A	N/A	N/A
Oil	Use (kWh)	-	-	-	299,765.00
	tCO2a	-	-	-	159.8
Coal	Use (m3)	-	-	-	-
	CO2	-	-	-	-
Green energy	Use (kWh)	-	-	-	-
	tCO2a	-	-	-	-
Total energy CO2e		19,731.00	19,642.00	21,296.00	22,186.13
Total energy spend (water not included)		£4,083,324.00	£4,338,821.00	£4,236,377.00	£3,924,560.00
Total energy spend (water included)		£4,664,281.00	£4,930,516.00	£4,831,098.00	£4,518,635.00

## Carbon Emissions and Energy Reduction

### Carbon Savings

Targeted YTD carbon savings (tonnes)	3,718
Actual YTD carbon savings (tonnes)	3,860
<b>Excess carbon savings (tonnes)</b>	<b>142</b>

The table above shows how the installation of the new CHP and other infrastructure investments has significantly reduced our carbon impact by over 140 tonnes. Much of this has been achieved by the installation of the combined heat and power (CHP) unit which produces around 70% of our total energy demand.

During 2016/17 our gross expenditure on the EU ETS (European Union Emissions Trading System) will be £29,465 for carbon emission allowances. This is a mandatory scheme aimed at improving energy efficiency and cutting emissions in large public and private sector organisations.

## Principle and Benefits to Combined Heat and Power

### Principle

A CHP engine uses a single source of energy (natural gas) to simultaneously generate power (electricity) and usable heat in a single process. During the process of generating electricity, the heat from the engine jacket is harnessed to produce low temperature hot water (LTHW) and the flue gases are captured to provide high-grade heat (in the form of steam).

### Benefits

- Reduced energy bills
- Climate Change Levy exemption on natural gas to energy centre through CHP Quality Assurance Certification
- Boiler plant operates at a higher guaranteed efficiency
- CHP electrical generation used on site is at a lower cost than imported electricity
- Electrical charges for electrical distribution system use are reduced
- More efficient than conventional power generation
- All the energy streams from the CHP are maximised, whereas in conventional power generation all the heat is dumped from the process
- Reduced CO2 emissions

## Procurement

In addition to our focus on carbon reduction, we are also committed to reducing wider environmental, economic and social impacts associated with the procurement of goods and services. This is set out within our policies on sustainable procurement and we will continue to develop and review a sustainable procurement strategy, in particular recognising the impact of whole life considerations, the application of new technologies, and engagement with our supply base, including Small Medium Enterprises (SMEs).

## Waste Recovery & Recycling

In 2017/18 we recovered almost 1000 tonnes of domestic waste, 7.85 tonnes of cardboard waste, almost 5 tonnes of glass and over 830 tonnes of clinical waste. These figures represent a marginal increase on waste produced in previous years. Only a very small amount of waste now goes to landfill. Our general waste is taken to a nearby waste transfer station, where it is then bulked up and taken to a power station and used as Refuse Derived Fuel to create energy that is fed back into the national grid. This process produces approximately 1 MWh of power per tonne of waste processed.

## Designing the Built Environment

Salford Royal's operational estate will continue to increase with new site developments such as the planned new Acute Receiving Centre for major trauma patients. To maintain the drive to reduce our energy and carbon activity, Salford Royal needs to offset these additions by pursuing corresponding reductions and decommissioning underutilised buildings wherever possible.

## Staff Awareness

By improving the awareness of staff on sustainable issues, we aim to encourage their support with energy and carbon reduction measures.

## Modern Slavery and Human Trafficking Statement 2017/18

In accordance with the Modern Slavery Act 2015, Salford Royal NHS Foundation Trust (Salford Royal) makes the following statement regarding the steps it has taken in the financial year 2017/18 to ensure that Modern Slavery (i.e. slavery and human trafficking), is not taking place in any part of its own business or any of its supply chains.

### The Organisation's Structure and Business

Salford Royal is an integrated provider of hospital, community, primary care and social care services, with some 750 beds and over 7,000 health and social care staff. The Trust provides a comprehensive range of local services to the 240,000 population of Salford, as well as specialist services to Greater Manchester, the North West of England and nationally, meeting the explicit and often complex needs of a wide range of patients and service users. Annual turnover is over £500m.

In 2016, staff from Salford Royal and Salford City Council were brought together to create an Integrated Care Organisation (ICO). This is one of the first ICOs in England. The ICO has enabled more than 2,000 health and social care staff (including district nurses, social workers, hospital staff, and mental health professionals) to work within one organisation, creating a more streamlined approach for people who use our services.

Salford Royal provides over 1 million hospital and community contacts for patients across:

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

The majority of acute health services are delivered at the main Salford Royal hospital site.

Salford Royal also provides:

- Community healthcare services for children and adults across Salford
- Specialist services at The Maples neuro-rehabilitation centre,
- Renal dialysis services at satellite units in Wigan, Bolton and Rochdale
- Elective orthopaedic services at Manchester Elective Orthopaedic Centre (MEOC)
- Outpatient neurology and dermatology clinics across Greater Manchester and into Cheshire

Salford Royal NHS Foundation Trust's position on modern slavery is to:

- Comply with legislation and regulatory requirements
- Make suppliers and service providers aware that we promote the requirements of the legislation
- Develop an awareness of human trafficking and modern slavery within our workforce
- Consider human trafficking and modern slavery issues when making procurement decisions

## Salford Royal's Policies on Modern Slavery

We are committed to ensuring that there is no modern slavery or human trafficking in any part of our business and, in so far as is possible, to requiring our suppliers hold a corresponding ethos.

To identify and mitigate the risks of modern slavery and human trafficking in our own business, Salford Royal has established robust recruitment procedures, details of which are found in its Management of Employment Checks Policy. The policy supports compliance with national NHS Employment Checks and CQC standards.

In addition, all other external agencies providing staff have been approved through Government Procurement Suppliers (GPS). The Trust will audit and monitor agencies (via GPS) who provide staffing for the Trust once a year to ensure that they are able to provide evidence of identification, qualification and registration.

Salford Royal has a number of controls in place to ensure compliance with employment legislation.

Modern slavery is incorporated within Salford Royal's Safeguarding Children and Safeguarding Adults policies. In addition, modern slavery is referenced within the Safeguarding Children and Adult mandatory training from Levels 1-3, which applies to all staff employed by Salford Royal. The Safeguarding Training Strategy clearly articulates the level of training appropriate to our people.

Salford Royal's people must:

- Undertake Safeguarding training appropriate to their roles and responsibilities
- Work with the Procurement Department when looking to work with new suppliers so appropriate checks relating to modern slavery can be undertaken

## Working with Suppliers

Salford Royal's Procurement Department will ensure its supplier base and associated supply chain, which provides goods and/or services to Salford Royal, have taken the necessary steps to ensure modern slavery is not taking place. The Procurement Department have committed to ensuring that this is monitored and reviewed with its supplier base via the Trust's Three Year Procurement Strategy.

The Procurement Department's senior team are all Chartered Institute of Purchasing and Supply (CIPS) qualified and uphold the CIPS's code of professional conduct and practice relating to procurement and supply. All members of the Procurement Department are required to undertake Safeguarding training at a level appropriate to their roles and responsibilities.

Salford Royal follows good practice, ensuring all reasonable steps are taken to prevent slavery and human trafficking and will continue to support the requirements of the Modern Slavery Act 2015 and any future legislation.



## Looking forward to 2018/19

With the establishment of the NCA, the 2018-19 Operational Plan has been developed from a group-wide perspective, enabling Care Organisations to deliver tailored local plans, whilst working together to achieve the common NCA mission and shared objectives.

The 2018/19 Operational Plan builds on the priorities identified in 'Saving Lives, Improving Lives', Salford Royal's Service Development Strategy for the period 2014-2019, whilst refreshing and realigning priorities to realise the benefits that the group structure enables.

The Operational Plan also incorporates priorities contained within:

- Five Year Forward View and NHS Mandate
- 'Taking Charge of our Health and Social Care in Greater Manchester'; Greater Manchester's Devolution and Sustainability Transformation Plan (STP)
- Salford's Locality Plan (jointly developed by the statutory health and social care partners)
- Organisation-specific plans to address financial and operational pressures

In 2018/19 Salford Royal forecasts:

- An operating surplus of £16,260k
- A normalised net deficit, after costs of financing and depreciation, of £5,198k
- A deficit excluding depreciation on donated assets of £5,374k



Our key priorities are highlighted below.

Strategic theme	Strategic priority / Principle objective
1. Pursue Quality Improvement to assure safe, reliable and compassionate care	1.1 We will demonstrate continuous improvement towards our goal of being the safest health and social care organisations in England
2. Improve care and services through integration, collaboration and growth	2.1 We will improve patient and care pathways to deliver improved prevention, earlier diagnoses, earlier treatment and earlier discharge across the system (including care at home or in a supportive environment) 2.2 We will offer leadership, scale and technology to improve care and deliver the goals of our Care Organisations and their locality plans 2.3 We will develop Group Shared Services functions to deliver scale, resilience, operational excellence and transformation for our Care Organisations and partners 2.4 We will ensure a safe and sustainable future for the Care Organisations of Salford, Bury, Rochdale and Oldham and collaborate with the City of Manchester and NHS Improvement to secure the transition of North Manchester 2.5 We will grow and strengthen the Northern Care Alliance to ensure a sustainable future for our populations served
3. Deliver the financial plan to assure sustainability	3.1 We will demonstrate continuous improvement in operational and workforce productivity and efficiency 3.2 We will work with partners to ensure financial plans are sustainable and deliver on our annual income and expenditure budgets
4. Support our staff to deliver high performance and continuous improvement	4.1 We will support staff to have rewarding, productive and fulfilling careers, enabling us to recruit and retain talented people
5. Deliver Operational Excellence	5.1 We will ensure good operational planning and execution to deliver on our urgent care, cancer and elective plans and trajectories, and deploy relevant standard operating models
6. Develop and implement our Service Development Strategy and the Northern Care Alliance enabling strategies	6.1 We will invest and reconfigure our estate and facilities to enable the delivery of an efficient and productive environment which improves patient and care experience 6.2 With our partners we will determine future models of care and a sustainable service configuration to ensure clinical and financial sustainability 6.3 We will reduce variation in care and improve experience and outcomes through the development of our Standard Operating model, our clinical reliability groups and the deployment of our quality and productivity improvement methodology 6.4 Service productivity is improved through digital transformation and the delivery of automation, clinical decision support and patient/user activation products 6.5 Through excellence in change management and delivery of new ways of working we embed the changes resulting from our Northern Care Alliance strategies

Signed: 

Date: 25 May 2018

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

safe • clean • personal



Salford Royal NHS Foundation Trust  
**Quality Report**  
**2017 - 2018**

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If you require any further information about the 2017/18 Quality Report please contact:

**The Quality Improvement Team** on **0161 206 8167** or email Paul Hughes at **[Paul.Hughes@srft.nhs.uk](mailto:Paul.Hughes@srft.nhs.uk)**



# Achievements in quality

2008 > 2009 > 2010 > 2011 > 2012 > 2013 > 2014 > 2015 > 2016 > 2017 > 2018 >

## Highlights over 10 years:

- in the best 10% nationally** we have continued to maintain our position for risk adjusted mortality
- 100%** reduction in MRSA blood stream infections
- 92%** reduction in *Clostridium difficile* infections
- 53%** reduction in cardiac arrests
- 54%** reduction in grade 2 pressure ulcers

## 2017/18 achievements:

- 95%** PJ paralysis 95% of wards engaged
- Implementation of a Trust wide mortality review tool
- 90%** of Salford Royal inpatients rate their care as 'very good' or 'excellent'
- 90%** of patients in Emergency Department screened
- 100%** of Emergency Department patients admitted to hospital screened for sepsis
- 50%** reduction in the number of anticoagulation related adverse incidents occurring in the Trust
- 98%** of Salford Royal outpatients rate their care as 'very good' or 'excellent'
- 97%** of Salford Royal adult community patients rate their care as 'very good' or 'excellent'
- GDE** Salford Royal chosen as 1 of 16 Global Digital Exemplar Centres across England

## Some 2017/18 achievements

### Salford Care Organisation honoured for Arena bombing response



Emergency Department consultant Dr Tony Gleeson was acknowledged for his teams response to the Manchester Arena bombing at 10 Downing Street by Prime Minister Theresa May on behalf of this year Pride of Britain awards.

### Corporate social responsibility recognition



SRFT Learning and Development colleagues have been recognised for their corporate social responsibility work promoting both NHS careers to local schools and working with the Prince's Trust employability programme.

### Dan Horner



Dr Dan Horner who is a Consultant in Emergency Medicine and Critical Care has been awarded the Royal College of Emergency Medicine Professorship. This is in recognition of his research portfolio.

### Professor Pippa Tyrrell



Stroke specialist Professor Pippa Tyrrell was awarded an MBE for her service to stroke medicine and care. Professor Tyrrell, who retired in December, was the first specialist stroke physician to be appointed in Greater Manchester in 1995 and led the way in transforming stroke services in the region.

### Margaret Morris



Former Chair, Margaret Morris has been awarded an MBE. Councillor Morris, a former nurse, has represented Winton since 1991 and became Chair of Salford Royal Trust in 2002. She has been awarded the honour for her services to health and wellbeing in Salford.

### Student nursing placement of the year



The Salford Royal palliative care team have won 'Student Placement of the Year - Hospital' award at the Student Nursing Times Awards 2017.

### Patient information highly commended



Professor Audrey Bowen and colleagues on the Royal College of Physicians' Intercollegiate Stroke Working Party won a highly commended award in the 2017 BMA Patient Information Awards. Also, medical student James Keitley and Consultant Neurologist Dr Martin Punter leaflet about CVT for patients was highly commended.

### Therapy support



Increased therapy support in our intermediate bedded units has helped people to regain mobility and independence to get home sooner, freeing up beds which has improved flow.

### Surgeon awarded Fellowship



Lyndsay Pearce has been awarded the Royal College of Surgeons of England, Lady Estelle Wolfson Emerging Leaders Fellowship. Lyndsay is a General Surgeon and is heavily involved with trainee surgical research in the North West.

### Outstanding contribution award



Debra Worthington, Maxillofacial Unit Manager, was awarded a special 'Outstanding Contribution to Orthodontics' award by the Orthodontic National Group, affiliated to the British Orthodontic Society.

### Multiple Sclerosis team QuDoS



Salford Royal's Multiple Sclerosis team have been awarded QuDoS in the MS Awards. The team was in the running for their work devising and delivering a training course for MS nurses.

### Advancing Healthcare Award



Gillian Rawlins won the award along with a colleague from Haelo for their work within the National Diabetes Prevention Programme. The award was the Faculty of Public Health and Public Health England Award for Contributions to Public Health, for providing NHS health checks and diabetes prevention checks in musculoskeletal physiotherapy services.

### SRFT Department of Biochemistry ISO achievement



Salford Royal Foundation Trust Biochemistry Department have achieved UKAS accreditation against ISO15189 Dietetics GDE.

### Fiona Carter



Fiona Carter, a Production Manager in the aseptic suite of Salford's inpatient pharmacy has become the first pharmacy technician to pass the National Product Approval Accreditation Programme.

### Alex Diamond



Alex Diamond's double award, being named NHS Procurement Rising Star in the NHS in the North West Excellence in Supply Awards on 19 October.

### Physiotherapists win UK public health award



The National Diabetes Prevention Programme (NDPP) in Salford has won a 2017 Advancing Healthcare Award. The NDPP won the Faculty of Public Health and Public Health England Award for Contributions to Public Health, for providing NHS health checks and diabetes prevention checks in MSK physiotherapy services.

### Improvement in Care home ratings



A programme of targeted support to care homes in Salford has reduced the proportion of homes rated as inadequate or requires improvement from 62% in March 17 to 36% September 2017.

### Work experience programmes rewarded



Salford Royal has received national accreditation for the quality of work experience it offers. Fair Train, the Group Training Association (GTA) for the voluntary and community sector, conferred the national Work Experience Quality Standard accreditation and awarded silver status to the Trust in August.

### Professor Chris Griffiths



Salford Royal and University of Manchester Professor Chris Griffiths has been awarded an OBE in 2018's new year's honours list for his contribution to dermatology.

# 1

## Statement on quality from the Chief Executive of the NHS Foundation Trust



## Welcome to the Quality Report for Salford Royal NHS Foundation Trust for 2017/18.

The last 18 months have been, without doubt, the most challenging period for us all in recent years but I am continuously amazed by the resilience of our staff and their strong desire to achieve high quality care for all our patients and users of our services. This report provides us with an opportunity to highlight some of the main developments to our services and the improvements we have made to care over the past year across all Salford, whilst also reporting on how we have performed against key national and locally determined clinical standards, waiting times and our key quality improvement priorities.

I would also like to update you on the progress we are making in creating our group of hospitals, community and integrated healthcare services known as the Northern Care Alliance.

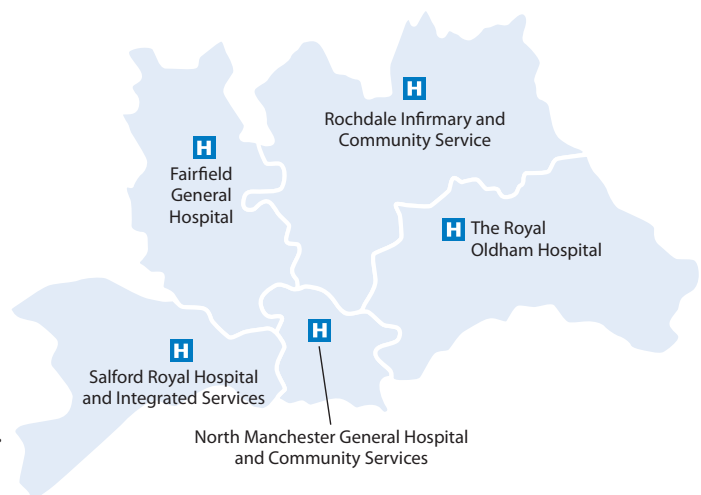
The Northern Care Alliance NHS Group (NCA) brings together Salford Royal NHS Foundation Trust and The Pennine Acute Hospitals NHS Trust to create one of the largest NHS healthcare organisations in Greater Manchester and the North West. Together we serve a population of over 1 million people under a new group arrangement of hospitals and associated community healthcare services.

From 1 April 2017, the Board of Directors of both Trusts delegated their functions to a Group 'Committees in Common'. While the two Trusts remain two statutory bodies, the Committees in Common (CiC) effectively manage all aspects of service provision on behalf of both Trusts. The NCA aims to standardise services to the evidence of best practice and deliver this reliably across multiple hospitals and community based services.

As an Alliance, we are building on the digital innovation which began at Salford, with NHS England supporting Salford Care Organisation through funding and international partnership opportunities to become one of the first Global Digital Exemplar sites.

The benefits of the GDE programme to patient safety have been numerous. Some recent examples include standardising the recording of allergies through our electronic patient record system, the creation of an electronic assessment tool for chronic kidney disease to allow for faster and more accurate assessments, and the introduction of a delirium screening tool within the Emergency Department.

We are also implementing a number of Greater Manchester service changes including developments in Major Trauma and high acuity services for patients with life-threatening conditions who require specialist surgical treatment. We are delighted to have received confirmation of £48m allocated for a new clinical building at Salford Royal.





## Saving Lives, Improving Lives

Our Mission Statement that binds us all together is: "Saving lives, Improving lives".

We are proud to be one of the few Trusts in the country to be rated as 'outstanding' by the Care Quality Commission, following a comprehensive inspection of our services. We are expecting a reassessment in 2018 and look forward to demonstrating our continued attention to providing high quality, safe and reliable services.

We continue to develop our approach to quality improvement across Salford Royal and the NCA, building on our success over the last ten years at Salford. Since 2008, we have had in place a Quality Improvement Strategy which aims to make us the safest organisation in the NHS.

This strategy sets out a number of key improvement projects and programmes of work which we have committed to work on, including initiatives seeking to reduce pressure ulcers, falls and infection rates and virtually all wards and units across our hospitals have been testing changes to end 'PJ Paralysis' by ensuring that we get patients up, dressed and out of bed at the earliest appropriate opportunity. You can read more about the Care Organisation specific improvement work in Section 2 of this Quality Account.

## Demand & operational pressures

Over the last year, we, like the rest of the NHS, have experienced severe pressure and demand on our services. Patient attendances, particularly frail elderly and those with high acute medical conditions, to our Emergency Departments, hospital occupancy rates, and delays in ambulance handovers have all been higher than previous years. In our community services, more patients are being supported at home and we continue to work with our partners to make transfers to care homes and other care settings as rapid as possible.

This year's seasonal flu and winter period and the extra demand this placed on our services was also significant. However, despite this increased demand, we are proud to have met all of the key cancer access standards and the 18 week Referral to Treatment (RTT) waiting time for patient requiring elective (planned) surgery.

Infection control and prevention remains a key priority for our staff here at Salford and for our other Care Organisations. We are encouraged that we reported no hospital acquired MRSA bacteraemia cases during the year at Salford, and the number of Clostridium Difficile cases was close to our trajectory.

Maintaining high standards of care, patient safety, cleanliness and management on our wards and across our services is something we are proud of here at Salford. The aim is for all wards and community services to achieve what we call SCAPE (safe, clean and personal every time) status. SCAPE goes beyond nursing care; services considered must demonstrate multi-disciplinary working on improvement and safety. SCAPE is a reward for achievement of quality standards as well as being a Trust leader in patient safety.

Over the last year, the Board has approved SCAPE status to the following wards and community teams for either achieving or maintaining high standards: Wards B4 / B5 / B6 and our South HV team, Broughton District Nurses, Bladder and Bowel team, and the Community Intermediate Rehabilitation and Supportive Discharge Service.

Our wards that have maintained SCAPE status are: HCU / L2 / L4 / H2 / MHDU / EAU / A&E / ANU / C2 / SRU / MAPLES / B7 / B8 / B1 / B2 / H4 / H5 / H8 / CCU / HU / M3 / Renal Unit.

The views of our patients, service users and staff are very important to us. We continually seek to engage and receive feedback through a number of methods, including surveys and patient and staff stories, all of which provide us with vital information and views on how we can improve further. In 2017/18, 95% of patients across our Salford Care Organisation rated their care as excellent or very good.

Amidst these continuing challenges, I have come across many wonderful examples of compassionate and personal care from our staff day in day out, and never more so than in the response we witnessed to the horrific terror attack that Manchester suffered in May 2017.

As NHS staff we plan extensively for major incidents such as this. However, no planning could have prepared those involved for the type and severity of the incident which, without doubt, made it so much more distressing and challenging. That being said, it was evident that our plans, and our involvement as part of Greater Manchester's response alongside other emergency services, went very well.

In total, across our Salford Care Organisation and our other services within the Northern Care Alliance, we treated some 45 patients, many of whom were in a critical condition.

Finally, I am pleased to confirm that the Board of Directors has reviewed this 2017/18 Quality Account and confirm that it is an accurate and fair reflection of our performance.

I hope that this Quality Account provides you with a clear picture of how important quality improvement, safety and service user and carer experience are to us at Salford Royal NHS Foundation Trust and the Northern Care Alliance NHS Group.

On behalf of the Board, I want to thank all staff, in each of our Care Organisations, for their continued contribution to our mission of 'Saving lives, Improving lives'.

Best wishes



Sir David Dalton  
*Chief Executive*

*Date: 25 May 2018*

Salford Royal NHS Foundation Trust  
Northern Care Alliance NHS Group  
Comprising the Care Organisations of Salford,  
Bury & Rochdale, Oldham and North Manchester

# 1

## Our aims



## Our aims

**Since 2008, we have had in place a clear Quality Improvement Strategy, which aims to make us the safest organisation in the NHS.**

**The current version of our strategy, which covers the period from 2015-18, details how we plan to accomplish this.**

### No preventable deaths

Estimating preventable deaths is complex. However, we are certain through the mortality reviews we carry out on all patients who die whilst under our care, that not all patients receive all ideal aspects of care for their conditions in a timely manner. We use these mortality reviews to find defects in care that we can fix to pursue our aim of having no preventable deaths.

In 2017/18 we have maintained our position for HSMR (risk adjusted mortality) and are in the best 10% of the NHS for this measure.

### Continuously seek out and reduce patient harm

Harm is suboptimal care which reaches the patient either because of something we should not have done, or something we did not do that we should have done. 98.76% of our patients receive harm free care, as measured by the safety thermometer.

### Achieve the highest level of reliability for clinical care

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

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

The views of our patients and staff are very important to us and we receive feedback through a number of methods, including surveys and patient and staff stories, all of which provide us with vital information on how to improve. In 2017/18, 95% of Salford Royal patients rated their care as excellent or very good.

### Deliver innovative and integrated care close to home which supports and improves health, wellbeing and independent living

Caring for patients, their families and carers, is just as important out of hospital as it is when they're staying with us as an inpatient. Community based teams such as district nurses, community allied health professions, and intermediate care teams provide care closer to, or in, patients' homes.

Our 'Salford Together' programme is bringing the contributions of GPs, district nurses, social workers, mental health professionals, care homes, voluntary organisations and local hospitals into a single system to support the health and wellbeing of the people of Salford.

## A review of quality improvement projects 2017/18

**Below is a list of quality initiatives in progress and their current status. Several projects are explained in more detail in the individual project pages.**

	Target achieved / On plan	Close to target	Behind plan
Better Care at Lower Cost	⊖		
Dementia and delirium	⊖		
#End PJ Paralysis / Last 1000 Days	⊖		
Harm free care	⊖		
Salford Together - Our Integrated Care Organisation	⊖		
Mortality Review	⊖		
Improving flow	⊖		
Patient, Family and Carer Experience Collaborative	⊖		
Productive community services	⊖		
Safer Salford	⊖		
Sepsis	⊖		
Global Digital Exemplar programme (GDE)	⊖		
Thrombosis	⊖		



## Better Care at Lower Cost



BETTER CARE AT LOWER COST

PRODUCTIVITY IMPROVEMENT PROGRAMME

### Identifying and removing elements of care delivery that do not add value to our Service Users' experience.

To provide sustainable, viable clinical services we must meet our financial targets in a very challenging economic context. The most sustainable way to do this, and the best way from our Service Users' perspective, is to identify and remove any elements from their care pathway that do not add value to their experience or outcomes.

We are clear that high quality care often costs less because it is well organised, carried out with minimal waste and meets the needs of patients the first time around. We have developed a clearly defined methodology to enable us to work with a number of areas at a time, identifying patient and user problems that occur consistently across these areas, and working together to fix them and provide a higher quality, more reliable service. Succeeding in this will reduce our costs by eradicating the problems, rather than starting with the costs as the problem to be addressed - seeking to cut budgets and costs in isolation will not work.

We know that to do this successfully, we must translate the learning from our improvement programmes that have reduced harm across our organisation over the last ten years. A new Improvement Board has been established, led by the Chief Officer, to oversee implementation of this programme of work.

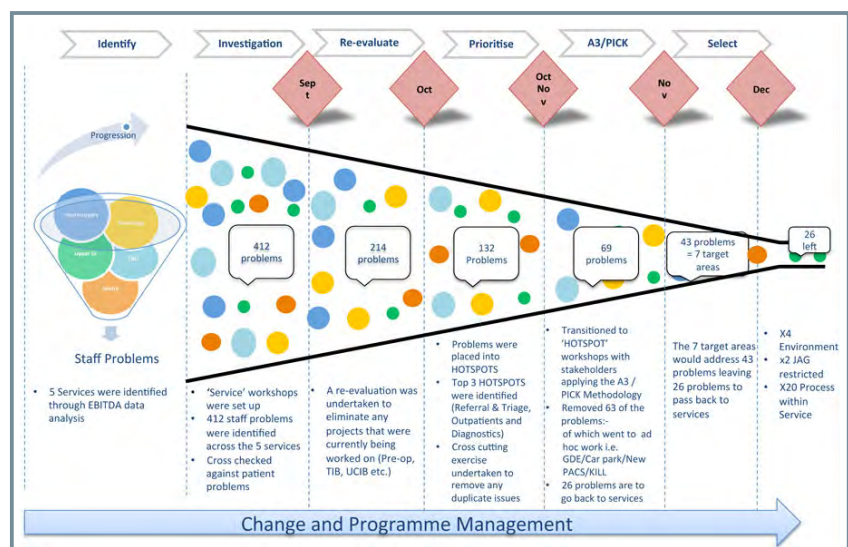
#### Improvements achieved

- Identified and analysed issues within 5 services via survey results from staff and patients, and workshops conducted with frontline staff
- Selected workstreams from this feedback within which we will develop improvement programmes. These include:
  - Outpatients
  - Referral & Triage
  - Diagnostics

#### Further improvements identified

- Develop and execute improvement programmes within each workstream
- Understand further opportunities to develop our Quality Planning processes in line with our learning from the initial workstreams

Diagram showing how we selected which workstreams to take forward





## Dementia and delirium

### We have developed an ambitious 3 year programme of work to improve management of dementia and delirium.

Dementia and delirium are areas of high priority for Salford Care Organisation. There are 1942 people (65 plus yrs) living with a diagnosis of dementia in the Salford Clinical Commissioning Group area, with a further estimated 304 without a diagnosis. There were 2491 individual admissions for people with dementia to Salford Royal NHS Foundation Trust for the financial year 2017/18.

**What:** Develop strategy for improving management of dementia and delirium

**By when:** April 2018

**Outcome:** In progress

**Progress:** Target achieved 

#### Dementia Steering Group

In 2017/18 the work of the dementia steering group, responding to our local National Audit of Dementia report and feedback from carers, people with dementia and staff has been focused around five elements:

- Coming into hospital
- Ongoing care
- Leaving hospital
- End of life care
- Workforce training and culture

#### National Audit of Dementia

The third round of the National Audit of Dementia Care in General Hospitals was published in July 2017. The report had 5 national key messages:

1. Delirium recording requires improvement
2. Personal information to support better care must be accessible
3. Services must meet the nutritional needs of people with dementia
4. Championing dementia means supporting staff
5. Involve the person with dementia in decision making



We have set out a 3 year plan to achieve an ambitious programme of work. Our early achievements have included embedding assessment of delirium in clinical pathways, pilot projects for ward based activity groups on the Ageing and Complex Medicine Wards and availability of finger foods at mealtimes and introduction of dementia training at trust induction.

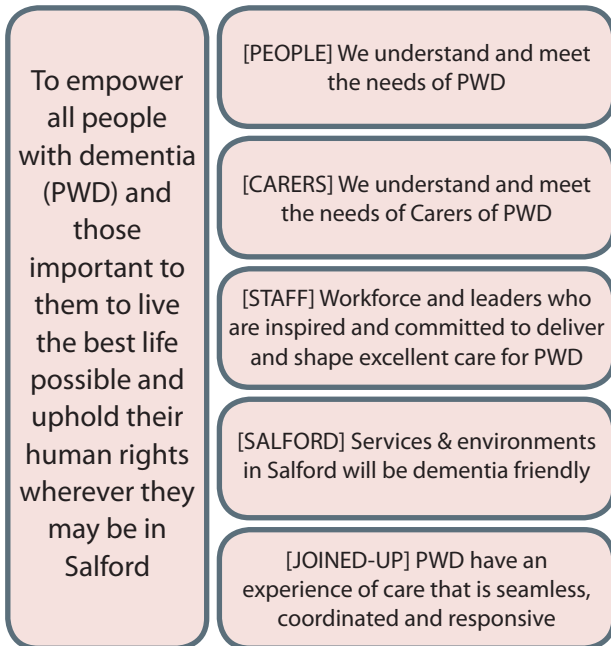
#### Dementia Strategy for Salford Care Organisation

There is a significant opportunity through the Integrated Care Organisation and alignment with the regional Dementia United transformation programme to improve care for people with dementia living in Salford. A group with representation from various sectors of health and social care including the voluntary sector has formed to develop a Salford Care Organisation strategy. This strategy will be finalised and launched early in the 2018/19 financial year.

*continued next page*



## Dementia and delirium *continued*



### Global Digital Exemplar Dementia and Delirium Project

Salford Royal hospital is a Global Digital Exemplar site involving development of digital solutions to enable us to meet national clinical standards of care. Pathways have been developed within the Electronic Patient Record to enhance/introduce:

1. The FAIR (find, assess, investigate, refer) assessment process to detect undiagnosed dementia
2. Screening for delirium on admission and assessment in inpatient areas
3. Management of delirium once detected

### Delirium Screening and Management

Delirium is an acute confusional state due to an underlying physical illness. It is distressing for patients, family and staff and has a range of associated poor clinical outcomes. Yet it is often under-recognised. It is preventable, treatable and duration can be shortened with early detection.

Bespoke electronic documentation for the assessment and management of delirium were developed and introduced into the Electronic Patient Record in September 2017. One of the aims is to improve delirium assessment in the Emergency Department and to improve coding for delirium in the health issues section of the record.

World Delirium Awareness Day was on the 14th March 2018 hosted at Salford Royal hospital supported by the Strategic Clinical Network for Greater Manchester and Eastern Cheshire.

#### What:

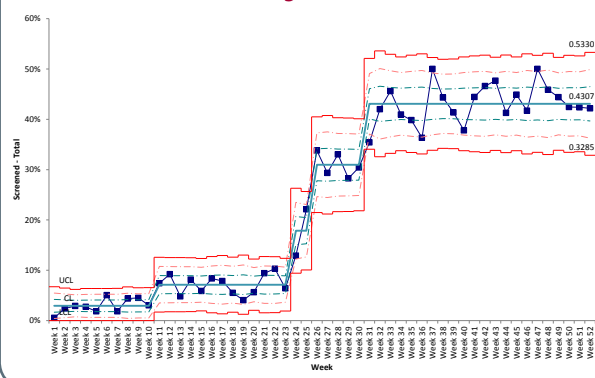
To improve delirium screening compliance in the Emergency Department for all non-elective patient admissions aged 65 years and over

**By when:** March 2018

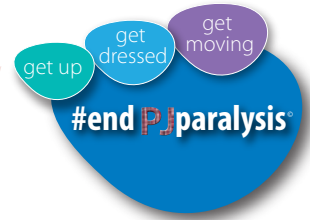
**Outcome:** In progress

**Progress:** Close to target

Chart: Delirium screening







## #End PJ Paralysis / Last 1000 Days

**Just 10 days of bed rest can result in 10 years of muscle ageing.**

**What:** Engage wards in the End PJ Paralysis / Last 1000 Days campaign

**How much:** 95% of wards engaged

**By when:** December 2017

**Outcome:** 95% of wards engaged as of December 2017

**Progress:** Target achieved 

The End PJ Paralysis / Last 1000 Days campaign is designed to highlight the importance of the most valuable currency in healthcare - patients' time. Whilst we can always replenish stocks and review budgets, we cannot replace time lost.

The campaign was launched by Professor Brian Dolan and colleagues who highlighted the impact on patients' well-being whilst time is wasted in hospital.

In many hospitals, pyjamas can appear as a patient 'uniform'. As such, an 'action' element of the campaign was the introduction of the End PJ Paralysis initiative, with the goal of getting patients up, dressed and moving.

Not being active whilst in hospital can increase the risk of falls, harms (such as pressure ulcers, infections and VTE), restrictions to everyday life and mobility. There is a risk of incontinence with over-reliance on catheters or bedpans, instead of assisting or encouraging patients to toilet as normal.

### Improvements achieved

The Last 1000 Days / End PJ Paralysis project was launched in early 2017 across the Northern Care Alliance, following awareness events held at all sites. The events were attended by colleagues from different grades and roles.

A change package has been developed to summarise all of the successful testing which has taken place. The changes are:

**Change 1:** Social Mealtimes

**Change 2:** Engaging Activities

**Change 3:** What Matters Most To Me Today?

**Change 4:** Team Awareness

**Change 5:** Public Awareness

**Change 6:** Introducing the principles into everyday practice (including the Fit2Sit Campaign)



### Further improvements identified

- The team are currently discussing how to spread the initiative further into other areas of the hospital, and embedding the Fit2Sit campaign within the Emergency Department.
- Additionally, the Northern Care Alliance has been asked to host the first national End PJ Paralysis / Last 1000 Days conference in June 2018, which will take place at Salford Royal, welcoming professionals from other hospitals and care organisations to discuss best practice and share new approaches to delivering patient-centred care.

*continued next page*

## #End PJ Paralysis / Last 1000 Days *continued*

### Case Study

The Pendleton Suite opened in November 2016, following the merger of two separate wards at Salford Royal hospital.

Shortly after opening, two patients on the ward experienced pressure ulcers.

Embracing the need for change, the ward became a key champion for PJ Paralysis and worked closely with the tissue viability team to reduce pressure ulcers. As a result, they have had no pressure ulcers for over 200 days.

The ward uses their day room as the main location for events through the week, converting the room into a beauty parlour, a space for playing board games, and even a weekly quiz activity!

A group of Care Support Workers (CSW) were trained by the Tissue Viability Team to create 'experts' on the ward to help train other staff members and be a point of contact

**Gabby Lomas** - Matron





## Harm free care

**98%** of our patients receive harm free care in both the hospital and community setting

**At Salford Royal we are committed to ensuring we deliver safe care for all our patients.**

**What:** 95% of patients will be harm free from falls, pressure ulcers, CAUTI and blood clots as measured by the safety thermometer

**By when:** April 2018

**Outcome:** 98% of our patients do not suffer any new harm whilst under the care of community and acute teams

**Progress:** On track

To help us monitor the safety of our patients we use a Department of Health tool called the Safety Thermometer. Each month we use this tool to audit the care given to our patients in both the hospital and community.

The Safety Thermometer records how many of our patients suffer from types of harm traditionally associated with health care including catheter associated urinary tract infection, pressure ulcers, blood clots (VTE) and falls whilst in hospital.

Over the last decade, the Organisation has undertaken extensive work to prevent these harms, along with others such as Acute Kidney Injury, from occurring. The approach we have taken with all of these issues is to test ideas for improvement in pilot areas, and then spread the successful ones across our Organisation (wherever possible across both the Acute and Community sectors). On-going implementation of the changes is then monitored via our Nursing and Community Assessment and Accreditation Systems.

Expert faculty meet regularly throughout the year to monitor incidence of each of these harms and plan further improvements.



# Salford Together - Our Integrated Care Organisation

## What is integrated care?

Joined up care, or integrated care means health and social care services and professionals working seamlessly together, with services delivered locally where possible.

## What is an Integrated Care Organisation?

In 2016, we brought together staff from our NHS organisations and Council to create an Integrated Care Organisation (ICO). This is one of the first ICOs in England. The ICO has enabled more than 2,000 health and social care staff (including district nurses, social workers, hospital staff, and mental health professionals) to work within one organisation, creating a more streamlined service for people who use our services.

There are major benefits in creating an ICO for the people who live in our community and work in our services. Patients and service users now have faster access to services, there is a greater focus on mental health and long-term conditions and reduced duplication of their assessments and tests. Staff now have access to a broader range of health and care specialists and the ability to provide better continuity of care, leading to improved staff satisfaction.

By working more closely together our teams of staff are able to discuss patient needs and develop shared care plans to make sure they get the right care, at the right time, in the right place.

## Why are we joining up care?

People have told us they do not feel like the health and social care system works well for them. The system is complicated and delivered in an uncoordinated way.

Health and care professionals often work independently instead of together to look after people. Often people find it frustrating that they have to repeatedly describe their conditions and needs to each professional who provides their care. There is a common understanding that care delivered in the community across mental and physical health should be integrated and more joined up with the person's needs at the centre.

## Salford Together

Salford Together is a partnership between Salford City Council, NHS Salford Clinical Commissioning Group, Salford Royal NHS Foundation Trust, Salford Primary Care Together and Greater Manchester Mental Health NHS Foundation Trust.

The CCG and the council have pooled resources and now have a combined budget for adult health and social care services. This means we can use resources more flexibly across the health and social care for the best for patients.

We are working together to provide more integrated care and new models of care to meet the needs of our population.

*continued next page*



## Salford Together - Our Integrated Care Organisation *continued*

### Our Plans

We want to offer more services that help and support people in their own communities and neighbourhoods.

We are investing in services closer to peoples' homes - to help those with physical, mental health and social care needs.

Hospitals will still be there when people need them - care in hospitals will be available when a person needs specialist care that can not be provided in the community or at home.

To support those who are healthy and to keep active and busy so they stay healthier for longer and support those who have care needs to manage their own conditions to improve their quality of life and independence.

We have three aims:

- Deliver better health and social care outcomes for people
- Improve the experience of service users and their carers
- Make better use of limited resources



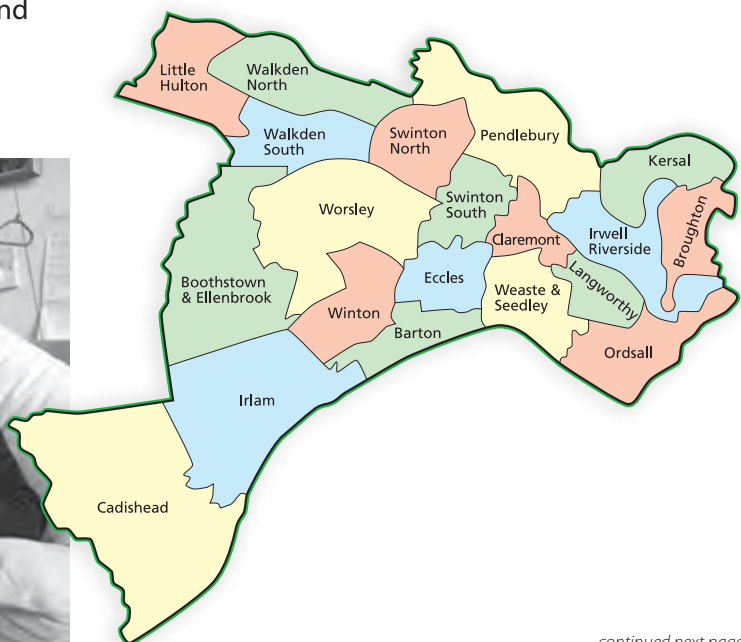
### Neighbourhood Teams

Salford is split into five areas for health and care: Ordsall (including Langworthy, Seedley and Weaste), Swinton, Broughton, Irlam (including Eccles and Cadishead), Walkden (including Little Hulton).

Our ambition is to create local neighbourhood teams in these areas - bringing services into the community. These teams will consist of a range of health and care professionals who have a variety of different skills, including: GPs, district nurses, social workers, hospital consultants, pharmacists and mental health professionals.

They will support people with long term conditions (such as mental health, diabetes and high blood pressure) and try to identify people who are at risk of developing a condition early offering them support and preventive care.

By working more closely together, we will aim to join up care better for the people of Salford - placing the person at the centre of everything we do.



*continued next page*



## Salford Together - Our Integrated Care Organisation *continued*

### Benefits

Support to help people manage their condition at home and keep fit and well

Treat people more efficiently in the communities where they live which will prevent many people needing to visit hospital

By identifying people with or at risk of developing an ongoing condition earlier, we can offer better support and care, which in turn will improve peoples' health outcomes and their care experience

Build on the already good links with the Voluntary, Community and Social Enterprise (VCSE) sector to ensure people know about support groups and activities within their neighbourhood

### Improvement plan

- Recruit neighbourhood leadership teams and develop governance architecture focused on delivery of outcomes
- Undertake a Test of Change in two neighbourhoods initially to develop and evaluate the introduction of the Enhanced Care Team on outcomes
- Start to understand the community assets and voluntary sector and how they can interface with the neighbourhood model, such as care navigation and social prescribing



### Services That Can Help at Home or in the Community

We want to provide services to help people remain at home, or recover during, or after, a physical, mental health or social care crisis.

Our plan is to provide coordinated and personalised services that respond quickly to people whose health or social care needs suddenly deteriorate at home or for people who require support when they are leaving hospital.

These services, co-ordinated through neighbourhood teams, will provide responsive care to enable people to recover and be independent.

We will also provide a new crisis response team in communities to support people in a physical, mental or social care crisis. This team will consist of health and care professionals such as physiotherapists, community nurses, mental health professionals, advanced practitioners and social workers providing a response within two hours when needed.

### Benefits

Helping people get extra care when they need it to help them stay in, or close to, their home

Responsive care and urgent response when needed, ensuring the only choice for people is not a visit or stay in hospital.

*continued next page*



## Salford Together - Our Integrated Care Organisation *continued*

### Improving Care Pathways

We want to provide better support to help people manage their physical, mental and social needs. This will include:

- Better access to diagnosis and treatment
- More coordinated care for people with long term conditions
- Personalised support to live at home

We want to focus on providing more services in the community to allow hospitals to focus on providing specialist care that can't be provided in a community setting or at home.

We will do this by providing specialist health and care professionals to work alongside GPs and community services to look after peoples' needs, which improves a patient's care pathway.

### Benefits

Provide more convenient access to services for people who need it the most.

Improving traditional communications between GPs and consultants, such as discharge letters and referral letters.

### Improvement plan

- Back pain project will involve three key phases: Referral and triage processes, psychological support in primary care and acute pathway for injections. Testing has started with one GP Practice.
- Falls project is focused on improving identification / referral pathways, improving assessment and recording, increasing capacity of community rehabilitation, enhancing the postural stability offer and tailored support to care homes.

### Improving Access to GP and Community Services

We want people who have a medical need to have quick and timely access to a GP in a way that suits them. However, demand for GP services is increasing because of, among other things, an ageing and growing population. People are living longer and many people in Salford are living with a number of long term conditions (such as high blood pressure, heart disease and diabetes). This means more people need access to a GP.

This is placing a strain on the system and it is not uncommon for people to have to wait a number of weeks for a GP appointment.

However, sometimes the GP might not be the best person to see. People could be seen and treated quicker or more appropriately by a nurse, mental health practitioner or a physiotherapist for example. That's where 'care navigation' comes in.

Care navigators are people who have received specialist training to give them the skills to correctly direct and refer patients, ensuring they get the service they need faster.

We believe by making changes to primary care (including GP and Pharmacy Services) and community services, we can help people manage their mental health and long term conditions and ensure GP practices are working more closely together to meet people's needs.

### Benefits

Meeting patients' needs and helping them get to the right service faster.

Freeing up GP appointment slots and improving access to primary care.

*continued next page*



## Salford Together - Our Integrated Care Organisation *continued*

### Sharing Medical and Care Records

As part of our ambition to make the treatment and care people receive as seamless as possible, our health and social care professionals need to see the relevant information about them so that they can focus on the needs of patients and service users.

Patients have told us they don't want to have to tell their story every time they see a professional involved in their care; this can be stressful and takes a long time.

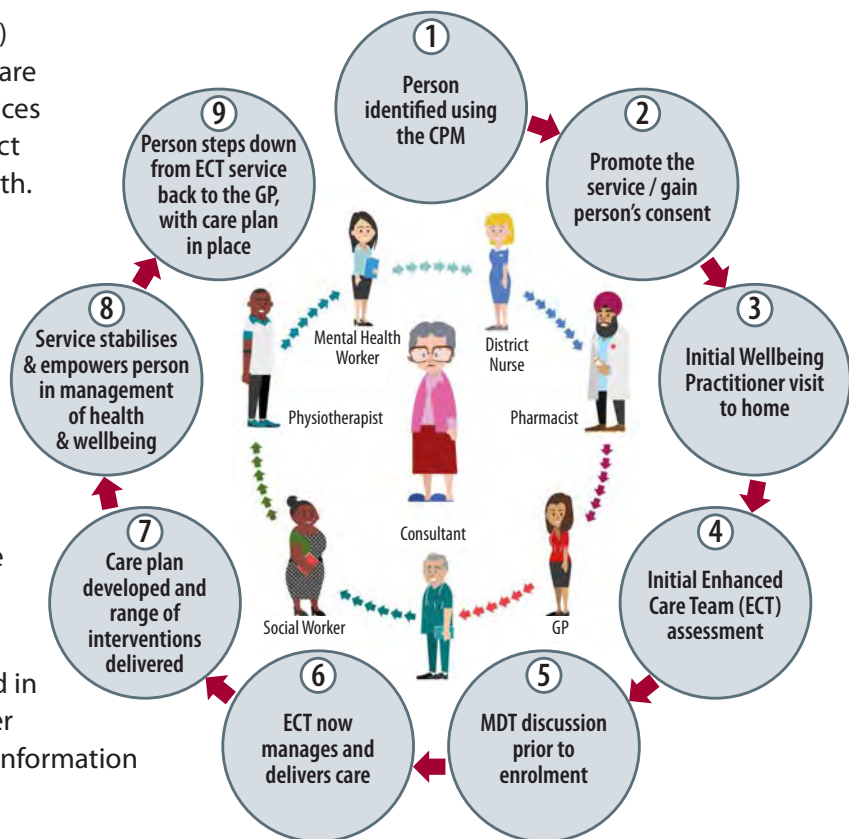
The Salford Integrated Record (SIRC) will be a truly integrated record of care and will be available to all care services to include: GPs, Hospital Staff, District Nurses, Social Care and Mental Health.

### Benefits

People will not have to repeat basic information e.g. about allergies and medications, this information will be visible to improve safety.

People won't receive unnecessary duplicate tests and can be assured their care givers have the up to date information they need.

Professional / care giver can review the patient's summary health record in advance and can avoid ringing other organisations to gather important information to give the best care.







## Mortality review


### Ensuring we have a robust process to learn from deaths.

**What:**

To implement a tool to standardise mortality review across the organisation with an emphasis on care quality and safety, shared learning and identifying any family/carer concerns.

**Outcome:**

Implemented a Care Quality Review (CQR) document into our Electronic Patient Record (EPR) system to enable reviews of all deaths by consultants within seven working days. Currently, 65% of deaths are being reviewed using this document between 1 January 2018 and 18 April 2018

**Progress:** On plan 

Learning from deaths is a key component of ensuring Salford Royal NHS Foundation Trust becomes the safest organisation in the NHS. In 2017, national guidance on how trusts should learn from deaths was published. Since then, we have set out to ensure we implement this as effectively as possible, ensuring we adapt it to our local needs and that it works for relatives and carers as well.

By implementing robust learning from deaths processes, we can capture as much learning as possible to enable us to lower our mortality rates and ensure fewer patients experience harm whilst in our care. In doing so, we can also provide more answers for relatives and carers as well as further improving in areas such as end of life quality standards for those patients expected to die.



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## Mortality review *continued*

### Key achievements

- Developed a local policy and process for the review of deaths in keeping with learning from deaths national guidance.
- Created a tool for EPR (CQR document) to ensure that all deaths are reviewed and to select patients for a more in-depth review.
- Developed data analysis tools in order to help us effectively identify these patients and monitor progress in the form of an online dashboard.
- Trained 17 clinicians (to date) in Structured Judgement Review (SJR) methodology to facilitate the review process with further training dates scheduled.
- Supported the development of new bereavement policy and information for bereaved relatives to register complaints so that we can take the views of loved ones into account.
- Created a specific forum to review all of our mortality alerts from clinician review, investigation and benchmarking tools.
- First Learning from Deaths paper summarising Q1-Q2 presented in public section of Care Organisation Assurance Risk Committee in December 2017.

### Further improvements identified

- Further SJR training to ensure we build adequate capacity into our review process with an emphasis on recruitment from specialty shortage areas and wider healthcare professional group.
- Continued work around the implementation of our mortality review process locally through use of the recently introduced dashboard.
- Working with partners across the Northern Care Alliance to share learning and improve the mortality review process further.
- Second phase of work to draw out themes and learning from mortality reviews to ensure they are shared transparently and widely as possible with an emphasis on evidence-based improvement.
- Continue reporting to all statutory bodies and working with Salford CCG around learning and improvement.
- Wider networking around Salford, as well as with national and regional bodies, particularly on learning disability, maternal and mental health deaths.
- Understand the emerging role of the proposed Medical Examiner and its potential interaction with the mortality review process.



## Improving flow

### Improving flow throughout the whole organisation.

As Salford Royal continues to grow, providing community and social care services and treating more patients out of the traditional hospital setting, the challenge now is to join up these services to ensure a smooth patient journey whenever they require access to our services.

This programme of work consists of three workstreams: Emergency Village; Inpatients; and 'Stranded' patients. These streams are monitored and directed by an Urgent Care Improvement Board.

**What:** To successfully improve the patient flow throughout the whole organisation resulting in improvements towards reducing bed occupancy and reaching the national A&E targets

**How much:** 95% A&E Target achieved; bed occupancy below 90%

**By when:** April 2018

**Outcome:** A&E 85.74%  
Bed occupancy 92.31%

**Progress:** In progress

#### Improvements achieved

- A dedicated GP stream service is now available in the department 12 hours a day, 7 days a week pulling appropriate patients into this service before they reach A&E triage.
- Our Global Digital Exemplar project has been working to revolutionise the way that the department relies on the Electronic Patient Record (EPR) system. To date, a new, more user friendly triage document is now live assisting nursing staff to treat patients more accurately and quicker.
- The new Ambulatory Emergency Care (AEC) area has been active in pulling patients out of A&E, creating capacity for those who need the most medical attention.
- Relocated rapid triage to the front door for ambulance arrivals to speed up the process of patients being seen by a clinician.

#### Further achievements identified

- Standardisation of the coordinator role throughout the whole emergency village to reduce variation in the role.
- Extending the GDE project into the Emergency Assessment Unit (EAU)
- Implementing a revised structure to board rounds in EAU to improve discharge and transfer numbers.

#### Emergency Village

Demand on the emergency village has always been high, and is increasing. This stream has been looking at how to work most effectively to ensure that we best know how to manage that high demand to ensure that patients are seen to and treated appropriately every time.



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## Improving flow *continued*

### Inpatient Flow and Stranded Patients

Once a patient is admitted to the hospital, it is often the case that they remain here for longer than is necessary. This delay is not beneficial for either the patient or the hospital. A well patient may become ill again while waiting to be discharged, while at the same time there is an acutely unwell patient in the emergency village waiting to be admitted onto a ward.

A "Stranded Patient" is defined as a patient who has had a length of stay in hospital of seven days or more. The final two streams of the patient flow project aim to get more patients out of hospital and back into their community as soon as they are well enough.

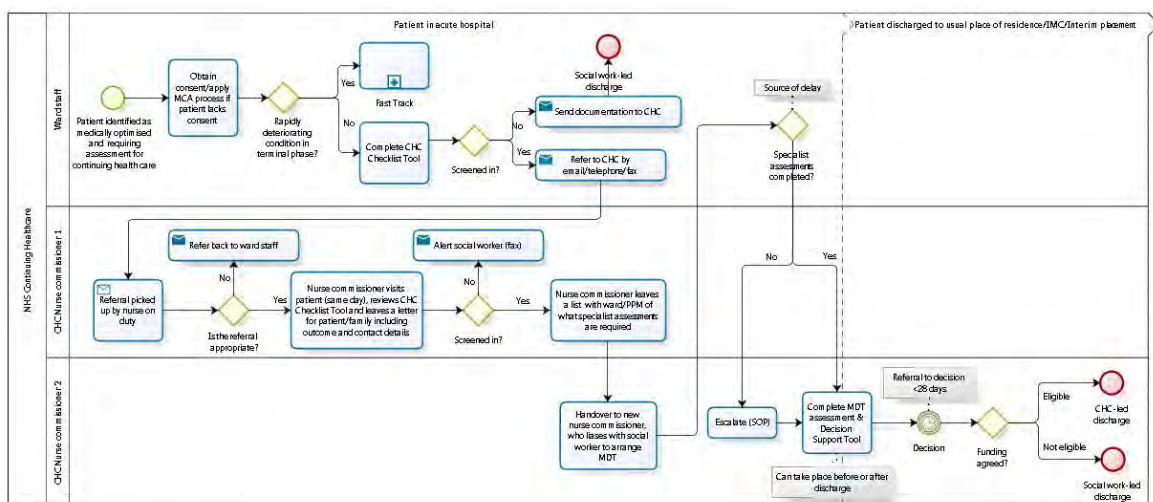
### Improvements achieved

- Recruitment of flow facilitators whose role is solely focused on improving patient flow and ensuring that patients are getting the right care and steps are in place to plan their discharge ready for when they are well enough to get home.
- Changes to the structure of the senior review tool used in ward rounds to make it easier for flow facilitators to arrange discharge on pilot wards.

- Creation of a weekly multidisciplinary and multi-agency meeting of acute, community and social care staff to review all patients with an extended length of stay or delayed discharge, and to progress plans and overcome barriers to discharge.
- Introduction of Trafford social workers onsite and in attendance at flow meetings to help safely speed up the discharge of patients from the Trafford area.

### Further achievements identified

- Roll out of the senior review tool acronym throughout the whole Trust.
- Improving utilisation of the Discharge Lounge, speeding up turnaround for patients in the emergency village awaiting admission.
- Recruitment to and implementation of an Integrated Discharge Team (IDT) with standardised roles and responsibilities to reduce variation in the system.
- Streamlining assessment and referral processes for intermediate and community care.



Example of process mapping approach taken to understand barriers to flow and plan improvements



## Patient, Family and Carer Experience Collaborative

**90%** of Salford Royal inpatients rate their care as very good or excellent

**98%** of Salford Royal outpatients rate their care as very good or excellent

**97%** of Salford Royal adult community patients rate their care as very good or excellent

**Patient, Family and Carer experience is at the heart of everything we do at Salford Royal and this key programme of work enables us to deliver what matters most to our patients.**

The Patient, Family and Carer experience collaborative is one of the key ways we drive improvements for patients and service users across Salford Royal. Our Patient Experience Team runs regular sessions with frontline teams where staff share tests of change that they have trialled based on service user feedback.

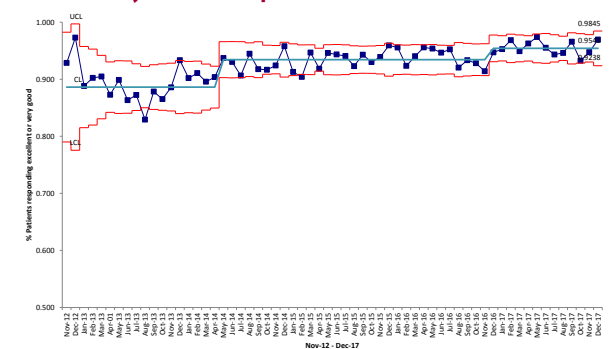
Underpinning this work is the delivery of the Trust's 'Always Events' which patients and service users should expect to receive every time they access Salford Royal's services. To support this work, data is collected and reported locally on key performance measures.

- Key aims:** > To be in the top 20% for patient satisfaction in the NHS
- > 95% of patients/service users to rate their care as very good or excellent
- Progress:** > Top 20% for patient satisfaction  
Target achieved **⊞**
- > Overall 95% of patients rated their care as very good or excellent
- > With 90% of inpatients rating their care as very good or excellent

### Improvements achieved

- Work continues to deliver sharing events locally run by different Divisions within the Organisation. The success of these sessions has seen more community and Allied Health Professional teams joining the process, and this has enabled sharing of good practice across staff groups and departments. The Inclusion & Equality team have recently joined these learning sessions to support areas to be more inclusive in their tests of change.
- Through reviewing local survey questions in adult community services the Trust can now align key performance measures alongside inpatient and outpatient services. Over 2017 we saw a significant improvement in performance for adult community services of service users who rate their care as excellent/very good.

**Chart: When arriving at outpatients how would you rate the courtesy of the receptionist?**



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## Patient, Family and Carer Experience Collaborative *continued*

### Improvements achieved *continued*

- Outpatients also saw a significant shift in performance data over 2017, in relation to service users rating the courtesy of the receptionist (excellent/very good), with a special cause shift from 93.14% over 2016 to 95.4% over 2017.



- The Trust's Meet & Greet service, working jointly with the Service Users disability forum, identified key training volunteers should undertake to assist individuals with additional support needs. As a result a training package was developed which covered: assistance dogs, hearing loss, anxiety, autism and learning disabilities. Several volunteers have also received British Sign Language training and Dementia awareness.
- On Critical Care, experiences on the unit can be traumatic for families/carers and patients often have no recollection of their admission to this area. The Unit has been running coffee mornings to provide peer to peer support for both patients and service users, they are gathering feedback and continue to identify ways where further support can be provided.



- Throughout the year the Trust holds a number of information stalls/events to both inform and engage the public and service users on key health and social care topics. Over 2017 a number of these have been held working with key partners including Carers and Young Carers, Diabetes, Delirium, Mental Health Awareness, Renal & Kidney, Domestic Abuse and Alcohol Awareness.
- World Café & PFCE Celebration Event; we hosted an event where staff and members of the public were able to see first-hand the fantastic work that has been developed in response to feedback. There was also the chance to feedback on the Governor-led Engagement topic of 'What Matters Most', over 60 people attended the event and service users were able to talk directly to staff on the improvement work that they have been developing.



## Patient, Family and Carer Experience Collaborative *continued*

### Further improvements identified

- Over 2017 we launched a public consultation programme, with Trust Governors, to review and refresh 'What Matters Most' to our service users and ensure it is fit for purpose. This has involved a number of engagement events including through the Membership Survey and this information will be used to review and refresh the Trust's Always Events over 2018.
- We have launched a programme of work to identify how we embed Equality Impact Assessments and service user led engagement opportunities for service redesign which has supported a public consultation programme on the Major Trauma Centre.
- In partnership with the NE Sector, we have joined NHS England's national programme on 'Always Events', we are currently piloting the work in two key areas at Salford; one based on the acute side of the hospital and one area out in the community. This work supports a co-design approach which will enable us to work more closely with patients and service users on the redesign of services.





## Productive Community Services

The Productive Series is a NHS Institute for Innovation and Improvement initiative and includes modules for both Acute and Community services. Its focus is safer care and delivering quality and value. The modules are simple to navigate and allow clinical colleagues to review current practice and to follow steps to improve this.


The Salford District Nursing service has been working on three of the Productive modules.

**What:** To introduce Well Organised Working Environment; Patient Status at a Glance and Planning Our Workload modules from the Productive Community Series across the city of Salford

**How much:** Reduce spend in District Nursing teams

**By when:** March 2018

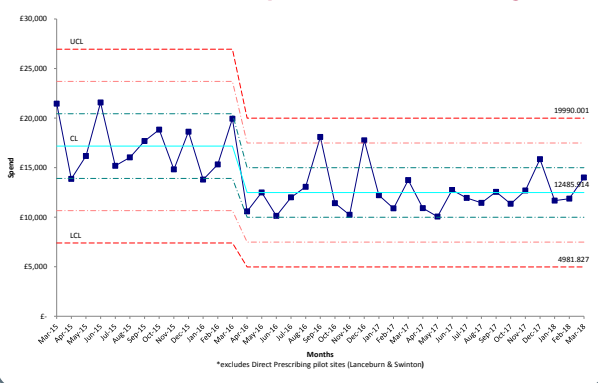
**Outcome:** Call out reduction in spend where this has been achieved

**Progress:** On plan 

### Progress made

- 'Bags to Go' initiative maintained at district nurse bases in the city which have standardised district nurse stock levels on visits and aid in making these visits more efficient.
- Two District Nursing teams, Lance Burn and Swinton, are trialling a new prescribing model for stock in patient homes with the aim of reducing delays for patients while also reducing waste and expenditure.
- Lance Burn District Nursing team are currently piloting an E-scheduling tool with Malinko with the aim of reducing waste, improving planning of daily visits and communication with patients.

**Chart: Combined stock spend for District Nursing sites**



### Further improvements identified

- A specific 1st visit 'Bag to Go' for Band 6 nurses is being developed to support effective and efficient use of supplies at the initial patient visit.
- Daily safety huddles are being reviewed with the intention making these effective, efficient and standardised across the city. This will support patient safety and increase direct patient facing time.





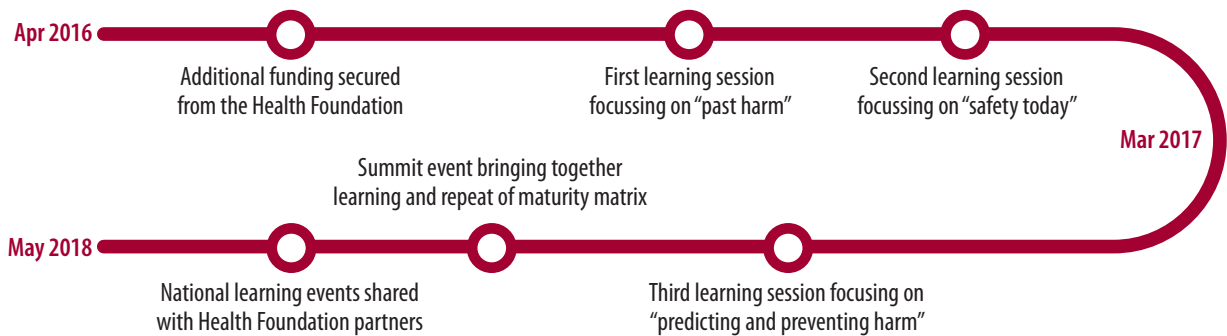
# Safer Salford

**This programme brought together members of Salford CCG Governing Body, Salford Royal Foundation Trust Board of Directors, and the Public Health Team from Salford City Council. These partners agreed six principles for a “Safer Salford”:**

1. Salford will be the safest health and care economy in the UK by 2025
2. The Measuring and Monitoring of Safety (MMS) Framework (in particular predictive tools) should underpin the development of the integrated care system
3. Medication, communication and handover (within and across care settings) should be the focus for improvement efforts
4. Safety indicators will shift from lagging to leading measures. Assessments of safety will be person - not provider - centred
5. The safety improvement plan should integrate with and build on existing quality improvement and safety strategies
6. Engagement of frontline staff is fundamental to hardwire a culture of safety across health and social care.

Below is a summary of the activity and learning from each of the programme workstreams.

## Safer leadership



Purpose	Design / Delivery	Learning
Create an environment which will facilitate development and spread of safety improvements.	Leadership development programme based on Making Safety Visible: <ul style="list-style-type: none"> <li>➤ LS1 - past harm</li> <li>➤ LS2 - safety today</li> <li>➤ LS3 - predicting and preventing harm</li> <li>➤ Summit</li> </ul>	Leaders at this level wanted practical tools to take back to their settings. Executive sponsorship is critical to secure participant engagement. Added value in thinking about system leadership and building new networks and relationships across Salford.

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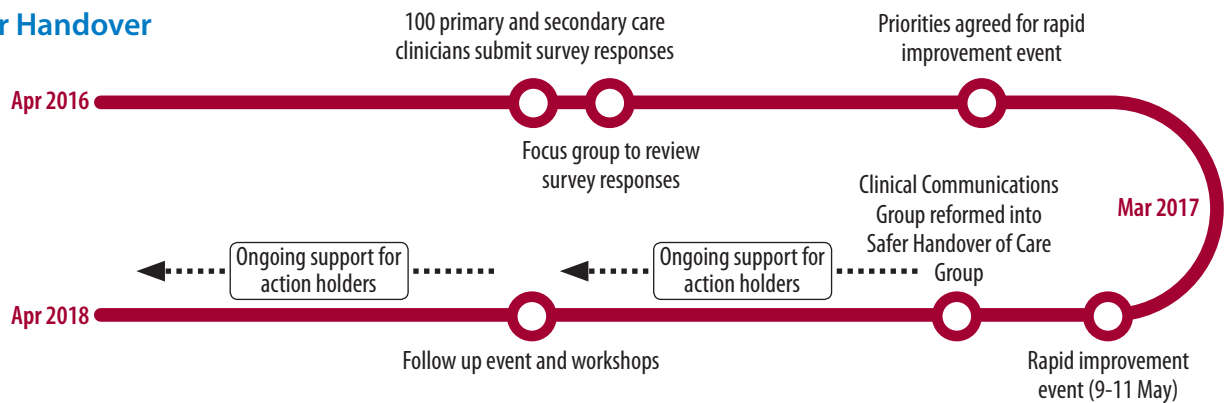
## Safer Salford *continued*

### Safer Care Homes



Purpose	Design / Delivery	Learning
Produce an evidence-based change package to improve safety in care homes.	BTS Collaborative model for 8-12 Care Homes in Salford.	Improvement capability baseline is low in care homes setting, but this increased for collaborative participants. Care homes require support adhering to PDSA methodology and realising impact from successful interventions. Participants highly valued social learning and opportunity to exchange issues and ideas.

### Safer Handover

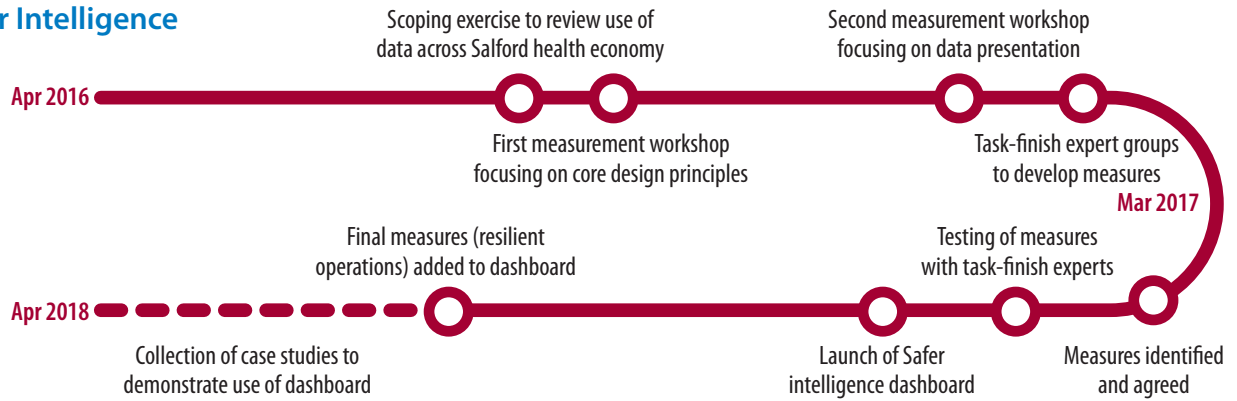


Purpose	Design / Delivery	Learning
Improving the safety of transfers of care, focused on medications, communication and handover.	Qualitative and quantitative data collected to surface information about current safety. Delivery of Rapid Improvement Event to tackle identified problems. Additional support and Follow Up event.	Understanding of current process for handovers between primary and secondary care - multiple steps, missed opportunities and inefficiencies in system. This is a complex area which interacts with multiple work streams - limited capacity within system to deliver supporting functions required (e.g. IT). Bringing clinicians from across the system together has contributed to a shared understanding of the process and problems.

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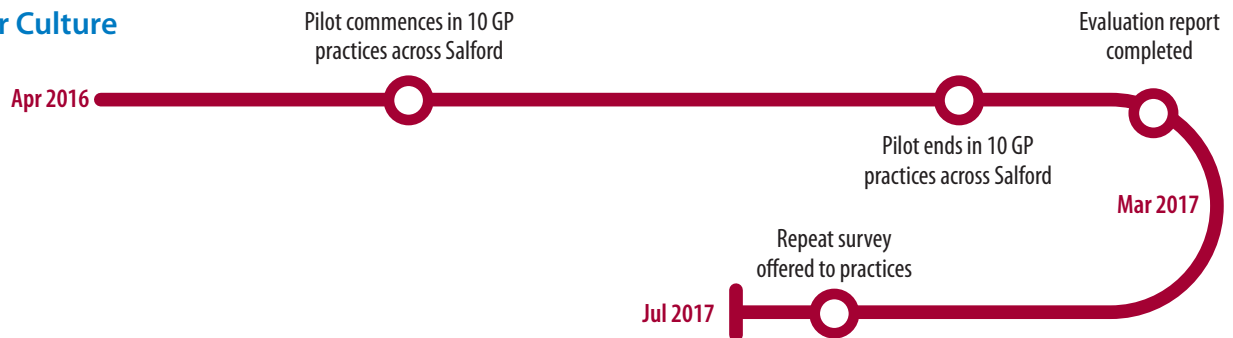
## Safer Salford *continued*

### Safer Intelligence



Purpose	Design / Delivery	Learning
Build a measurement system to answer the question 'how safe is health and social care in Salford.'	Scoping exercise to identify what data is currently collected in Salford, and how this relates to the MMS Framework Collaborative development of an interactive dashboard for two priority safety areas.	Data is used differently in different health and care settings. No definitive measure of "safety" or the "safest", but data should be presented to stimulate learning and inquiry "are we getting safer?" Investment is required to build both capability and capacity within the system to review learning from such a dashboard, as it doesn't have a "natural" home.

### Safer Culture

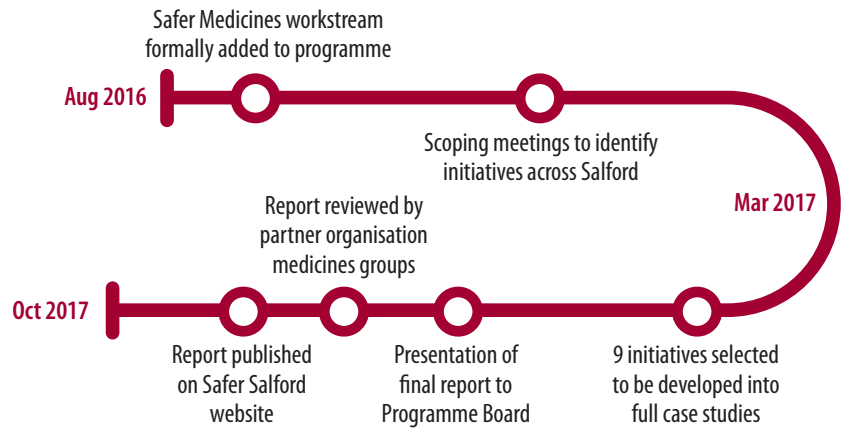


Purpose	Design / Delivery	Learning
Provide a tested tool to enable [primary care] units to understand and improve their safety culture.	Pilot 3 safety culture assessment tools in primary care settings. Evaluation of methodology and impact of surveys on culture.	No tool was ready to be taken off the shelf and rolled out in primary care in Salford. Low appetite for conducting "voluntary" survey amidst other pressures in primary care – indicative of low capacity and resources too stretched to take on further work. Greatest value came from a facilitated session / forum for all staff in practices to come together.

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## Safer Salford *continued*

### Safer Medicines



Purpose	Design / Delivery	Learning
Share learning across the system to improve medicines safety for patients.	<p>Desktop review of medicines safety initiatives undertaken across Salford health economy.</p> <p>Opportunities for scale up identified where appropriate.</p>	<p>Significant improvement activity is underway in all settings.</p> <p>No consistently applied methodology to scale up successful interventions.</p> <p>Measurement of impact of changes is not clearly documented.</p> <p>Forums for cross-system working are available and bearing fruit in terms of joined-up safety initiatives, which could be replicated for other cross-system problems.</p>

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## Safer Salford *continued*

Recent medicines safety initiatives across Salford Health Economy include:

- Salford Medication Safety dashboard (SMASH) is a new electronic medication safety dashboard developed by the University of Manchester, used in all GP practices in Salford. The dashboard interrogates electronic health records using a set of 17 medication safety indicators developed by the universities of Nottingham and Manchester. The dashboard allows primary care professionals to identify instances of unsafe medication prescribing and unsafe medication monitoring in their practice, provide a leading measure for harm as a result of adverse medicines events.
- Neighbourhood Integrated Practice Pharmacists (NIPPS) is a commissioned service that aims to ensure that all GP practices in Salford have access to a pharmacist for a minimum of 3 sessions a week for smaller practices and 5 a week for larger practices. Pharmacists are employed through Salford Royal NHS Foundation Trust and Salford Health Matters. To date 22 pharmacists have been appointed providing 100% coverage of GP practices.
- Salford Royal now has a dedicated medicines safety pharmacist to reduce the number of medication errors.
- Salford Royal has been awarded a number of innovation bids regarding medicines safety from Salford CCG including one to develop an electronic system to enable hospital pharmacists to refer patients to their community pharmacist for counselling and support with their medicines.
- A review of medicines automation across the Trust has taken place to evaluate the benefits for patient safety. From the trial it has demonstrated that automated drug cupboards releases nurse time for clinical duties and reduces the number of medication errors.
- A project has been undertaken to identify patients admitted to hospital because of an adverse incident with their medicines. This is communicated to the pharmacist working in patients GP practice for them to complete a medication review once the patient is discharged.
- Prescribing pharmacists attending the weekend ward rounds to prescribe take home medicines for patients have reduced the time taken for the discharge medication to be completed.
- Pharmacy technicians have been introduced into the intermediate care units and it has reduced the number of omitted doses.
- Electronic prescribing has been introduced into Heartly Green intermediate care unit and it has reduced the number of prescribing and administration errors.



# Safer Salford

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## Safer Salford *continued*

### Review of key learning from the Safer Salford programme

#### What have we learnt?

Programme Board identified common themes from the recommendations developed:

- Building capability using safety tools and QI methodology
- Leadership to create and embed a safety culture across Salford
- Focus on care homes as a key sector in Salford to support
- Continued support and delivery of Handover objectives

It was agreed that the initial themes identified to structure the programme “communication, handover and medicines”, resonated in different settings and remain priorities. Programme Board discussed the need to consider how to establish a culture which supports sharing of learning to improve safety across the whole health economy.

#### What next?

#### Taking forward learning into impactful outcomes

Learning from 2016-18 delivery has informed the development of a new programme of work for 2018-19 - more details of the content of this programme will be available separately at [safersalford.org.uk](http://safersalford.org.uk)

One theme emerging from this work is the challenge of ensuring partners continue to learn from the system, and are in a position to mobilise improvement activity where new areas of focus are identified.

The format, content and structure of cross-system discussions (Programme Board) will be adapted to address this need, with a more equal balance between overseeing delivery of the existing programme and capturing and sharing learning of emerging safety issues.





## Sepsis

**>90%** of patients in the Emergency Department and 100% of those admitted to hospital are screened for possible sepsis


**Sepsis is a life threatening condition that arises when the body's response to an infection injures its own tissues and organs. Sepsis can lead to shock, multiple organ failure and death especially if not recognised early and treated promptly.**

Nationally there is an aim to screen 80% of patients in emergency departments or inpatients' areas for possible sepsis. Sepsis is a notoriously challenging area to address because identifying where a patient has a new sepsis trigger is very difficult. In order to reliably achieve this Salford has built a screening system into the electronic patient record which will also allow us to identify patients who have been treated as sepsis.

**What:** To reliably screen for sepsis, and administer antibiotics to patients with sepsis on wards and in the emergency department

**How much:** 90% of patients to be screened for sepsis  
90% of patient with sepsis receive antibiotics within 1 hour

**Outcome:** ED screening 93%, inpatient screening 100%  
ED treatment within 1 hour 50%, treatment within 2 hours 89.5%  
Inpatient treatment within 1 hour 70%, within 2 hours 78%

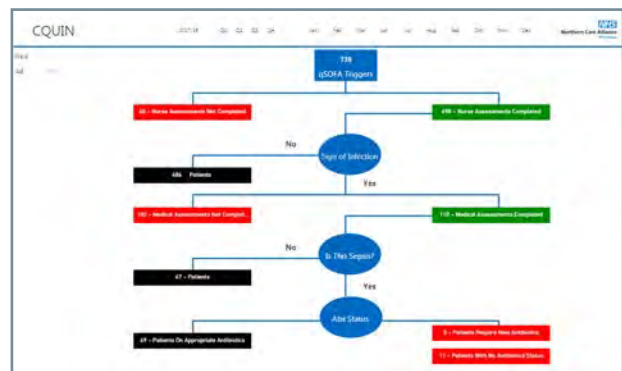
**Progress:** In progress 

### Improvements made

- Development of Electronic Patient Record tool based on early warning scores to screen patients for possible sepsis, now rolled out across all inpatient areas.

- Large scale programme of sepsis education to ward nurses to accompany the roll out of the Electronic Patient Record tool
- Data produced from the Electronic Patient Record tool which helps us assess how we are doing reliably for all patients, not just sample audits.

### Sepsis process dashboard



### Futher improvements identified

- Work is ongoing to improve the response times in inpatient areas
- Work is ongoing to improve the time to antibiotics in the emergency department – this is impacted when the department is very busy as patients may not be seen within 60 minutes.
- Work is needed to ensure our people use the sepsis document wherever relevant to help capture data
- A plan to use this Electronic Patient Record tool approach to improve response to early warning scores for other issues than high risk sepsis



## Global Digital Exemplar Programme (GDE)

### What is a Global Digital Exemplar (GDE)?

A Global Digital Exemplar (GDE) is an internationally recognised NHS care provider delivering exceptional care, efficiently, through the world-class use of digital technology and information flows, both within and beyond their organisation boundary. It is also a reference site for other care providers.

The GDE initiative is the first of a number of programmes that aims to increase the overall level of digital maturity across the NHS in England.

Salford is already advanced in its use of technology and wishes to begin the step change which will help it grow from being a national leader to a world leader.

### Aims of the programme

The overall aims of the programme are to

- Improve patient safety
- Improve reliability
- Increase operational effectiveness and efficiency
- Improve patient experience.

The 18 month investment objectives of the GDE programme are:

- Enabling technology - achieving HIMSS level 6 and HIMSS level 7 status
- Optimising digital - harnessing digital to transform care in Salford Royal NHS Foundation Trust
- Establishing a Digital Health and Care Centre to spread knowledge and provide a platform for wider commercial opportunities
- Develop an experience centre and digital academy to support digital transformation

### How will we achieve this?

In order to achieve this, the Trust has set out an 18-month programme which is part of this step change to becoming one of these exemplar sites.

The scope of the Trust's programme includes a number of projects which consist of 37 individual digital enhancement initiatives. These have been agreed by the Trust Board and make up the accepted proposal for us to become a GDE.

This is not just about upgrading and introducing new technology, it is about service change which is centred around improving safety, reliability, efficiency and patient experience

The projects included in the programme are about giving clinicians timely access to accurate information and joining up health systems to support service redesign and improve outcomes for patients.

The projects included have been specifically chosen by staff to be part of the overall scope of the programme. There are other improvement projects which will be running in parallel during this period. These may be woven into the programme too, but are not specifically funded by the GDE programme.

### What's included in the programme?

The programme comprises a series of projects which include 37 initiatives. Many of these initiatives are related as they are part of a particular patient care pathway.

The programme includes the standardisation of certain care pathways within our current Electronic Patient Record (EPR). This standardisation work began in April 2017 after the successful upgrade of the EPR which improved functionality. A further upgrade is planned for later this year.

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## Global Digital Exemplar Programme (GDE) *continued*

The various initiatives have been streamed into the following categories:

- Medicines Management
- Theatres
- Pathways
- Optimisation / enabling

### Improvements achieved

- Our new electronic assessment tool for delirium is detecting delirium earlier.
- Screening non-elective over 65-year-old patients, admitted via Emergency Department has increased to 70%.
- Our digital ecosystem project has developed the infrastructure for patients to send clinical and lifestyle data direct to clinicians, via wearables and apps to enable real-time clinical monitoring of patients.
- Our pre-admission support app for Stroke is now being used by 74 paramedics/technicians across the region.
- We have reduced our VTE (Venous Thromboembolism) rate from 411 to 333 with a new electronic assessment tool and have been awarded exemplar status for VTE.
- We are automatically screening 100% of patients for sepsis and reducing mortality rates by the administration of antibiotics within one hour, as well as reducing length of stay for patients with sepsis.
- We have seen the number of preventable HAT (Hospital Acquired Thrombosis) cases reduced by 13% to a total of 358 in 2017, with our new assessment tool for HAT.
- We have reduced the number of paper forms passing through our scanning bureau by 145,495.



- Once completed, our Health Issues project will see Salford being the first hospital in the world to have 100% accuracy of co-morbidity data.
- We have piloted innovative Speech Recognition software within five specialities and will review this data.
- We have begun our Emergency Department Transformation project which will involve overhauling our documentation and processes within ED, upgrading our clinical coding, streamlining how we communicate with GPs and ensuring we meet all the new national standards.
- High Satisfaction - A recent survey of EPR users showed that 93% of clinicians were satisfied with the Salford EPR. The survey, run by KLAS research showed we have high clinical satisfaction with our current EPR from users.
- Since December, we have reduced the number of electronic patient care plans from 70 to 11, reducing documentation time for staff.
- We have electronically consolidated 24 different pathology order forms into two forms, standardising diagnostic order fields for order sets and pathways.

### Further improvements identified

- E-booking for patients.
- Control Centre - launch of a new state-of-the-art electronic control system to give up to date, real time data on inpatient flow, outpatient utilisation and admission trends.



## Thrombosis

**50%** reduction in the number of anticoagulation related adverse incidents occurring in the Trust


Anticoagulation medication (commonly referred to as blood thinners) can be risky and dangerous if not managed appropriately. The Thrombosis Working Group discovered that an increasing number of adverse incidents were taking place in the Trust and decided that we needed to reduce harm for our patients.

Venous Thromboembolism (VTE) is a potentially fatal condition where blood clots in a vein. Most commonly this takes place in a leg but also takes place in the lungs, this is called pulmonary embolism (PE).

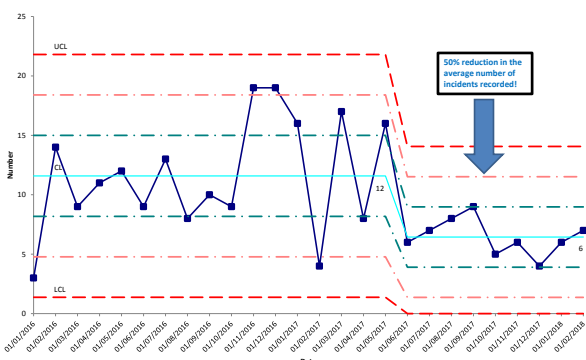
**What:** To become an exemplar centre for management of Thrombosis and Anticoagulation

**By when:** April 2018

**Outcome:** All criteria met; 50% reduction in anticoagulation incidents

**Progress:** Target achieved 

**Chart: Number of anticoagulation datix incidents since January 2016**



### Improvements achieved

- Awarded Exemplar Centre for management of Thrombosis and Anticoagulation by Kings College Hospital, entitling us to join the exclusive network of Trusts deemed national leaders in VTE management
- Improved processes in day-case surgery for identifying and managing patients on anticoagulation medication
- Established recognised Thrombosis Hub in the Trust featuring quick reference guides and policies in order to assist clinical staff in locating information
- Dedicated e-learning section established increasing awareness to staff in all disciplines

### Further improvements identified

- Introduce INR self-testing kits throughout the community and on hospital wards
- Reduce the number of prescribing errors by improving the prescribing page on Electronic Patient Record to block potentially damaging prescriptions from being produced.
- Improving the process of treating out of area anticoagulated patients to ensure that there is a robust system of discharging them back to their local clinic

The VTE Exemplar Centre panel was extremely impressed at the quality of VTE prevention across the Trust, particularly the quality improvement ethos embedded at all levels within the Trust and the innovative IT solutions created to enhance patient safety. Strong senior leadership has supported clinical staff in making positive changes to the VTE prevention care received by patients throughout the Trust.

### Emma Gee

Nurse Consultant – King's Thrombosis Centre  
King's College Hospital, NHS Foundation Trust

# 2

## Priorities for improvement and statement of assurances from the board



## Priorities for improvement

**The Quality Improvement Strategy 2015-18 outlines a number of projects which we committed to work on. We would however, like to highlight the following pieces of work as key priorities for 2018/19.**

### Pursue quality improvement to assure safe, reliable and compassionate care

#### Objective:

We will demonstrate continuous improvement towards our goal of being the safest health and social care organisation in England.

Through the Quality Improvement strategy we aim to lower our mortality rates and ensure that fewer patients experience harm whilst in our care.

One of the ways to reduce harm and lower mortality rates is to study the care pathways of those patients who have died so that lessons can be learned to improve care. Whilst it is rare that we encounter a case where death could have been prevented, the review of most patient pathways can teach us valuable lessons about improving care. In 2018/19, Salford Royal's Mortality Surveillance Committee will continue to embed the practice of reviewing 100% of the deaths that occurred in our Trust as well as work to spread the learning from these cases across the Northern Care Alliance.

In addition, Salford Royal will focus on using digital pathways to improve the reliability of care in conditions such as Delirium and Sepsis, with a particular focus on care for the deteriorating patient and update to our Early Warning Scoring system.

### Improve care and services through integration, collaboration and growth

#### Objective:

We will improve patient and care pathways to deliver improved prevention, earlier diagnoses, earlier treatment and earlier discharge across the system (including care at home or in a supportive environment).

The Integrated Care Organisation continues to be a key priority for the organisation and the areas of priority for 2018/19 are:

- Deliver new models of care to in reach into people's homes to reduce hospitalisation and provide better care
- Work with Salford Primary Care Together to deliver new models of urgent care across the city and within neighbourhoods, pooling our resources and system intelligence
- Through our integrated discharge arrangements reduce the number of patients who are delayed waiting for transfer into the community or home
- Specifically target reductions in stranded patients through faster access to homecare and more streamlined assessment processes
- Develop and implement Health and Social Care neighbourhood teams across Salford with a focus on whole person health and wellbeing

## Priorities for improvement *continued*

### Deliver Operational Excellence

#### Objective:

We will ensure good operational planning and execution to:

- Deliver on our urgent care, cancer, elective plans and trajectories
- Deploy relevant standard operating models

We know that poor experiences of care and patient harm can occur wherever there are blockages in the smooth flow of treatments and service to our patients. Taking a critical look at the interlinked operational systems and pathways that cut across our organisation, and redesigning them where necessary, is fundamental to ensuring we deliver safe, clean, personal and effective care.

In order to best manage our daily operations, and support our flow and productivity improvement work, we are aiming to launch a new, state-of-the-art electronic control centre to give up to date, real time data on inpatient flow, outpatient utilisation and admission trends. In addition to the continued development of the control centre, Salford Royal has launched several flow improvement work-streams to address issues such as delayed transfers of care and urgent care improvement.

And finally, Salford Royal will work with other Care Organisations and in the Northern Care Alliance to deliver a standard operating model in elective access, booking and choice at scale.

### Support our staff to deliver high performance and continuous improvement

#### Objective:

We will support staff to have rewarding, productive and fulfilling careers, enabling us to recruit and retain talented people.

Salford Royal has had great success in using Quality Improvement principles and tools over the last ten years and we are constantly working to understand how to embed these principles in the daily work of all our staff.

In 2018/19, we will be further developing our methods of change management and working on a 'method' to ensure this is embedding with all staff at all levels of the organisation and indeed across the Northern Care Alliance.

These priorities are the same set of priorities that form SRFT's quality improvement strategy. Each time a new strategy is produced a comprehensive exercise is undertaken to understand what our priorities should be utilising information from our risk management systems, national priorities, patient views as well as the Council of Governors.

The progress of these priorities will be monitored, measured and reported on through Salford Royals NHS Foundation Trust assurance boards through the 2018/19 reporting period.

## Statements of assurance from the Board

During 2017/18 Salford Royal NHS Foundation Trust provided and/or subcontracted across 7 relevant health services.

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

The income generated by the relevant health services reviewed in 2017/18 represents 100% of the total income generated from the provision of relevant health services by Salford Royal for 2017/18.

## Participation in Clinical Audit

### National clinical audit

During 2017/18, 45 national clinical audits and 5 national confidential enquiries covered NHS services that Salford Royal NHS Foundation Trust provides.

During that period Salford Royal NHS Foundation Trust participated in 43 [96%] national clinical audits and 5 [100%] national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

### The table below shows:

- The national clinical audits and national confidential enquiries that Salford Royal NHS Foundation Trust was eligible to participate in during 2017/18.
- The national clinical audits and national confidential enquiries that Salford Royal NHS Foundation Trust participated in during 2017/18.
- The national clinical audits and national confidential enquiries that Salford Royal NHS Foundation Trust participated in, and for which data collection was completed during 2017/18, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

Title	Eligible	Participated	% Submitted
Acute Myocardial Infarction (MINAP)	Yes	Yes	100%
BAUS Urology Audit: Cystectomy	Yes	Yes	100%
BAUS Urology Audit: Nephrectomy	Yes	Yes	100%
BAUS Urology Audit: Percutaneous Nephrolithotomy	Yes	Yes	100%
BAUS Urology Audit: Urethroplasty	Yes	Yes	100%
BAUS Urology Audit: Female Stress Urinary Incontinence	Yes	Yes	80-90%
National Bowel Cancer Audit (NBOCAP)	Yes	Yes	100%
National Cardiac Rhythm Management Audit (CRM)	Yes	Yes	100%
Intensive Care National Audit & Research Centre - Case Mix Programme (ICNARC)	Yes	Yes	On-going
National Diabetes Paediatric Audit	Yes	Yes	100%
Elective Surgery (National PROMs Programme)	Yes	Yes	On-going
British Association of Endocrine and Thyroid Surgery - member audit requirements	Yes	Yes	100%

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National clinical audit *continued*

Title	Eligible	Participated	% Submitted
National Fracture Liaison Service Database (FLS-BD) 2016	Yes	Yes	On-going
National Hip Fracture Database	Yes	Yes	On-going
National In-patient Falls Audit	Yes	Yes	100%
National CEM FNOF Audit	Yes	Yes	100%
National Head and Neck Cancer Audit (DAHNO)	Yes	Yes	On-going
UK IBD Registry (IBD) - Biologics Audit	Yes	No	N/A
Learning Disability Mortality Review Programme (LeDeR)	Yes	Yes	On-going
UK Trauma Audit and Research Network (UKTARN)	Yes	Yes	100%
National Audit of Dementia	Yes	Yes	100%
National Bariatric Surgery Registry (NBSR)	Yes	Yes	On-going
National Cardiac Arrest	Yes	No	N/A
National Chronic Obstructive Pulmonary Disease (COPD) Audit programme - Secondary Care	Yes	Yes	On-going
The National Clinical Audit of Specialist Rehabilitation for Patients with Complex Needs Following Major Injury (June 2015- June 2018)	Yes	Yes	On-going
National Comparative Audit of Blood Transfusion - Re-audit of Patient Blood Management in Scheduled Surgery	Yes	Yes	100%
National Comparative Audit of Blood Transfusion - Re-audit of Red Cell & Platelet transfusion in adult haematology patients	Yes	Yes	100%
National Comparative Audit of Blood Transfusion - Audit of the management of patients at risk of Transfusion Associated Circulatory Overload (TACO)	Yes	Yes	100%
National Diabetes Audit (Adults) Core	Yes	Yes	On-going
National Diabetes in Pregnancy Audit	Yes	Yes	On-going
National Diabetes Foot Care Audit	Yes	Yes	Within expected range
National Diabetes Inpatient Audit	Yes	Yes	On-going
National Emergency Laparotomy Audit (NELA)	Yes	Yes	On-going
National Heart Failure Audit (NHF)	Yes	Yes	100%
National Joint Registry (NJR)	Yes	Yes	On-going
National Lung Cancer Audit	Yes	Yes	On-going
NNAP Neurosurgical National Audit Programme (Society of British Neurological Surgeons) - Consultant Level Outcomes Publication	Yes	Yes	On-going
National Oesophageal Cancer Audit (NOCGA)	Yes	Yes	On-going
National CEM Pain in Children	Yes	Yes	<50%
National CEM Procedural Sedation in Adults	Yes	Yes	100%
National Prostate Cancer Audit (NPCA)	Yes	Yes	On-going
National Renal Registry	Yes	Yes	On-going
National Sentinel Stroke Audit Programme (SSNAP)	Yes	Yes	On-going
Serious Hazards of Transfusion (SHOT): UK National Haemovigilance Scheme	Yes	Yes	100%
UK Parkinson's Audit	Yes	Yes	Awaiting report

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

### NCEPOD confidential enquiries

Title	Eligible	Participated	% Submitted
NCEPOD – Chronic Neurodisability	Yes	Yes	75%
NCEPOD – Young People’s Mental Health	Yes	Yes	64%
NCEPOD – Cancer in Children, Teens and Young Adults	Yes	No patients identified during time period	N/A
NCEPOD – Acute Heart Failure	Yes	Yes	On-going
NCEPOD – Peri-operative Diabetes	Yes	Yes	64%

### National clinical audit: actions to improve quality

The reports of 27 national clinical audits were reviewed by the provider in 2017 and Salford Royal NHS Foundation intends to take the following actions to improve the quality of healthcare provided.

Title	Outcome
National Heart Failure Audit	<ul style="list-style-type: none"> <li>➤ Trust-wide initiatives regarding discharge planning.</li> <li>➤ Processes put in place to improve access to in-patient echo for Heart Failure patients.</li> <li>➤ Heart failure service review in progress.</li> </ul>
National Audit of Myocardial Infarction (MINAP)	No actions required. We will continue to submit data to the national database.
National In-patient Falls Audit	<p>The Audit Report was received by the Trust in December and will be reviewed by the Trust Falls Group in order that an internal action plan can be developed to address any areas of concern. Already in place in relation to the prevention of falls are:</p> <ul style="list-style-type: none"> <li>➤ MDT falls Steering Group which is Care Alliance Wide.</li> <li>➤ A Falls Prevention Change Package.</li> <li>➤ A Falls Panel reviews a selection of Low and No Harm Falls.</li> <li>➤ All Moderate Harm Falls and above are investigated through the incident management process.</li> <li>➤ There is a range of technology in use e.g. sensor mats and motion sensors.</li> <li>➤ Established Specialising Policy.</li> </ul>
UK Trauma Audit and Research Network (UKTARN)	<p>Audit data demonstrated a higher than expected number of elderly major trauma patients. These patients, like our other trauma patients are cohorted on our trauma ward but often have multiple complex medical comorbidities. We have developed an Aging and Complex Medicine consultant service on this ward to help in the management of their care.</p>
National Sentinel Stroke Audit Programme (SSNAP) and Acute organisational report	<ul style="list-style-type: none"> <li>➤ Deep dive review of the MDT staffing levels followed by a business case to increase staffing levels</li> <li>➤ Increase the SIM sessions and assure standardised and effective local induction of the Junior doctors at all levels on start of their employment.</li> <li>➤ Regular repeated training and SIM (Live SIM) to embed for example “parallel working” to bring the door to needle time down.</li> </ul>

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National clinical audit: actions to improve quality *continued*

Title	Outcome
National Paediatric Diabetes Audit	Following the 2016 national report (which contained 2014/15 data) the Trust introduced a restructured annual review process to ensure that care processes are carried out appropriately. This is currently in place and the clinical team reports that this has made it easier to track that care processes undertaken by the MDT are recorded onto the EPR system. Due to the delay in reporting of the audit results at a national level we should see the benefits of this in next year's audit report. The MDT are looking at ways to improve liaison with retinal screening to ensure that information on patient attendance is more easily available and are also working with the lab to improve the availability of blood test results on EPR.
National Audit of Dementia	An internal action plan has been developed to fulfil hospital strategy and audit outcomes, this includes: <ul style="list-style-type: none"> <li>➤ Improve delirium screening</li> <li>➤ Improve completion of hospital passport</li> <li>➤ Tier 3 training for site managers</li> <li>➤ Increase patient/carer feedback</li> <li>➤ Introduce structured pain assessment tool</li> <li>➤ Increase carer awareness Johns campaign</li> <li>➤ Develop delirium training</li> <li>➤ Improve central record keeping dementia training</li> <li>➤ Develop activity programme for people with dementia in wards</li> <li>➤ Improve nutritional screening and finger food availability</li> <li>➤ Optimise discharge letter information</li> <li>➤ Increase achievement preferred place of death</li> <li>➤ Develop SOP to reduce ward moves at night</li> <li>➤ Further develop the dementia champions group</li> </ul>
National Oesophageal Cancer Audit (NOCGA)	<ul style="list-style-type: none"> <li>➤ Audit demonstrates very low morbidity and mortality (0.6 and 2.2% 30 and 90 day mortality respectively).</li> <li>➤ Length of stay remains slightly high at 13 days and the team are looking to Improve the ERAS pathway in order to reduce length of stay.</li> </ul>
National Cardiac Rhythm Management Audit (CRM)	EPR data collection tool modified to improve data completeness.
National Diabetes Foot Care Audit	Following implementation of high risk foot program in Salford and raised awareness, a much higher number of patients self-present with ulcers at an early stage leading to significantly better outcomes compared to rest of England and Wales. The team are looking to obtain funding for another Diabetes Specialist Nurse (DNS) to enable a DSN to be present in the multidisciplinary foot clinic.
National Diabetes Audit (Adults) Core	Salford doing better than previously with regards to patients receiving all care processes. Significant reduction in number of patients presenting with DKA. Salford CCG have incentivised GPs to achieve treatment targets this year.

National clinical audit: actions to improve quality *continued*

Title	Outcome
Intensive Care National Audit & Research Centre - Case Mix Programme (ICNARC)	<p>Data from ICNARC is regularly discussed at a number of meetings including the Critical Care Management Group and the Critical Care Strategic Group.</p> <p>The Critical Care Team review and act on all ICNARC results and Global Measures as part of the Greater Manchester Collaborative work.</p> <p>The team has focused on delays in transfer from critical care and out of hours transfers and have been working with bed management team looking at improving delayed discharges.</p> <p>To support this improvement the team reviewed discharges between 8 and 10 and found that many were identified as resulting from poor flow. The Team introduced a booking system to monitor /manage flow earlier. The team aim to move patients through the system in line with the patient's needs which helps to keep beds free. This means that patients move when they are ready to move rather than waiting until their bed on Critical Care is required.</p> <p>Medial High Dependency (now called medical high care) - There are substantial changes in progress around the management of this unit.</p>
National Emergency Laparotomy Audit (NELA)	<ul style="list-style-type: none"> <li>➤ Consultant anaesthetist and consultant surgeon presence for all high risk laparotomies. Formally agreed by Department of Anaesthesia.</li> <li>➤ Risk prediction scoring (p-possu) now embedded and mandatory when booking an emergency bowel operation for theatre.</li> <li>➤ Ortho-geriatric buy-in to improve significantly the proportion of elderly patients seen peri-operatively.</li> <li>➤ Liaison with Radiology to improve the proportion of CT's reported by a consultant radiologist pre-operatively.</li> </ul>
National Diabetes In-patient Audit	<p>A continued pro-active approach on the medical wards by Diabetes Specialist Nurse (DSNs) who pick up where medication errors are occurring and take action to prevent this.</p> <p>Regular training of ward nurses - the DSNs run educational courses throughout the year for ward nurses and in particular the link nurses. The study sessions last between 30-120 minutes so if a nurse can only be released from the ward for a short period of time it should not prevent them from receiving some education. These will continue and the team try to target nurses whilst they are visiting the wards as well.</p> <p>Ongoing education sessions are taking place with the junior doctors.</p> <p>A process for the diabetes team to be notified of any patients coded with T1DM diabetes who are admitted is in development.</p>
National BTS Bronchoscopy Audit	<p>The Audit Report was received by the Trust in September 17 and will be reviewed by the Specialty Team in order that an internal action plan can be developed to address any areas of concern.</p>
National BTS Bronchoscopy Audit	<p>SRFT has improved on most standards compared to own previous audit results, mostly due to use of EPR document for sedation which has been implemented since.</p> <p>This re-audit has identified areas within this EPR proforma where improvement could be made. Current EPR sedation proforma is to be updated to include the areas of concern. This is expected to go live in early 2018.</p>

National clinical audit: actions to improve quality *continued*

Title	Outcome
National Diabetes in Pregnancy Audit	<ul style="list-style-type: none"> <li>➤ Increased education in primary care for GPs and practice nurses.</li> <li>➤ Plan made for pre-pregnancy leaflet to be sent out to all women with diabetes of child-bearing age informing them of the importance of being adequately prepared. Looking to identify administration support to undertake this piece of work.</li> </ul>
BTS Adult Asthma	<ul style="list-style-type: none"> <li>➤ SRFT was better than the national average for most aspects of acute asthma care.</li> <li>➤ Asthma clinics reconfigured to achieve easier access for patients with acute hospital admissions for asthma.</li> <li>➤ Working to improve implementation of asthma bundle in Emergency Department.</li> </ul>
CEM Adult Asthma	<p>Main outcomes for local action were to:</p> <ul style="list-style-type: none"> <li>➤ Re-iterate: <ul style="list-style-type: none"> <li>- Use of asthma order set on EPR (includes oxygen and drugs)</li> <li>- Documentation of repeat EWS after treatment</li> </ul> </li> <li>➤ Incorporate the following onto our current Asthma Clerking Proforma: <ul style="list-style-type: none"> <li>- Inhaler type + technique checked</li> <li>- Psychosocial factors considered</li> </ul> </li> <li>➤ Have peak flow as part of observations.</li> </ul>
CEM Paediatric Asthma	<p>Key actions following the audit:</p> <p>Discussion at Consultant CPD for agreed consistent management. (ie: acceptable O2 sats, mdi vs nebs):</p> <ul style="list-style-type: none"> <li>➤ Unit guideline on the management of acute asthma to be developed.</li> <li>➤ Emphasis (via group hurdle, unit meeting and teaching sessions) on observation assessment inc re-assessment.</li> <li>➤ Re-audit within 1 year</li> </ul>
CEM Severe Sepsis and Septic Shock	<p>There is significant work on-going across that Trust in relation to sepsis. This includes:</p> <ul style="list-style-type: none"> <li>➤ Improving identification &amp; Observations: <ul style="list-style-type: none"> <li>QSOFA red flag implementation (EPR tracking board &amp; sepsis status inclusion on all ED documents)</li> <li>Training of Clinical and Nursing Staff in New sepsis definitions and application of SOFA/ QSOFA scores</li> <li>Creation of unified observation system and education of nursing/ support staff in providing comprehensive/ complete observation charts</li> <li>CAVPU became part of updated EPR</li> <li>Training of Clinical and Nursing Staff in New sepsis definitions and application of SOFA/ QSOFA scores- this will allow identification of sicker cohort requiring cultures</li> </ul> </li> <li>➤ Senior input: <ul style="list-style-type: none"> <li>- 4 new consultants hired since last audit</li> <li>- Critical Review Document created</li> <li>- Guidelines re Ceiling of Care created</li> </ul> </li> <li>➤ Improving deliverance of Sepsis 6: <ul style="list-style-type: none"> <li>- Sepsis Nurse</li> <li>- Sepsis Training</li> </ul> </li> </ul>

National clinical audit: actions to improve quality *continued*

Title	Outcome
National Bowel Cancer Audits	<ul style="list-style-type: none"> <li>➤ The clinical lead has been working with the Clinical Audit Team to improve data quality.</li> <li>➤ The Clinical Audit Team have been working with the Trust Information and Cancer MDT Teams to develop a EPR data capture system to fulfil the requirements of the national audit and the Trust's COSD submission.</li> <li>➤ The audit data to be used as part of annual consultant assessment/review.</li> </ul>
Renal Registry	The Renal Department are working to increase the number of patients who start haemodialysis with a functioning fistula/graft. Work streams have been identified around timeliness of referral to the advanced kidney care clinic and access to surgery. A tool has also been developed to assist clinicians in the prediction of likelihood and timing of needing to start renal replacement therapy.
National Chronic Obstructive Pulmonary Disease (COPD) Audit programme - Secondary Care	The Trust Level BPT Commissioners Report audit results showed that SRFT was one of only a third of Trusts who achieved BPT Tariff of $\geq 60\%$ . The Team are continuously working on ways to increase compliance.
National Chronic Obstructive Pulmonary Disease (COPD) Audit programme -Pulmonary Rehabilitation	The Audit Report was received by the Trust in November 17 and will be reviewed by the Specialty Team in order that an internal action plan can be developed to address any areas of concern.
National Prostate Cancer Audit	The report findings are awaiting review by the specialty. However, data completeness and quality has been identified as a concern. The Clinical Audit Team have been working with the Trust Information and Cancer MDT Teams to develop a EPR data capture system to fulfil the requirements of the national audit and the Trust's COSD submission.
National Lung Cancer Audit	The Trust works with the Sector MDT to review national audit results, improve lung cancer services and shorten the Lung Cancer Pathway.
National Hip Fracture Database	<ul style="list-style-type: none"> <li>➤ Timely root cause analysis of cases missing all components of best practice standards feedback to service teams.</li> <li>➤ Timely root cause analysis of surgical delays cases (&gt;36 hours) feedback to service teams.</li> </ul>

## Local clinical audit

The reports of 68 local clinical audits were reviewed by the provider in 2017/18. The table below includes examples of local audits reported in 2017/18. The table also includes actions planned and undertaken in response to the audit findings. A full list of local audits will be detailed in the Trust's 2017/18 Clinical Audit Annual Report.

Audit title	Examples of Actions Planned/Undertaken
Safe Storage of Medicines at Ward Level	The findings of the audit are broken down to ward level in order to identify specific areas requiring action. The data allows us to identify any issues that exist regarding ward infrastructure, e.g. broken locks that may be preventing compliance with the required standards and these can be acted upon in real time.
Infection Control Ward Audits	<p>The Infection Control Team undertakes a rolling programme of ward and community area infection control audits. Wards/areas are audited annually and individual reports are returned to the ward manager / lead manager for action. Reports highlight areas of concern which require improvement. Wards/areas are required to produce an action plan to address any issues of concern and submit these to the IC Team.</p> <p>Wards/areas are RAG Rated as Green, Amber or Red. Any areas receiving a Red Rating is followed up within one week, any area receiving an Amber Rating with 6 months to ensure improvements have been made.</p>
Advancing Quality AKI	<p>The Trust has a significant amount of AKI improvement work on-going:</p> <ul style="list-style-type: none"> <li>➤ Wards involved in the AKI improvement work have seen a 20% reduction in patients developing AKI whilst in hospital. In these same wards there has been a 39% reduction in the number of patients progressing from an early stage 1 AKI to a more severe stage 2 or 3 AKI</li> <li>➤ A change package has been developed by pilot wards identifying 6 changes that have supported the improvements in AKI care. These are: <ul style="list-style-type: none"> <li>- Change 1: AKI score highlighted by the nurse coordinator</li> <li>- Change 2: AKI patients discussed via safety huddle</li> <li>- Change 3: Nurse Communicates AKI score with medical team</li> <li>- Change 4: Use of the 'SALFORD' care bundle</li> <li>- Change 5: Pharmacy AKI Review</li> <li>- Change 6: AKI Education</li> </ul> </li> <li>➤ The Change Package is in the process of being spread across the Organisation</li> </ul>

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Local clinical audit *continued*

Audit title	Examples of Actions Planned/Undertaken
WHO Surgical Checklist	<p>The audit process is integrated into our theatre management system (Theatreman), this system makes completion of the WHO questions a mandatory element of the patient progressing through peri-operative care as there is a failsafe that the patient cannot be progressed without prior completion. This has been in use within 10 of our 18 theatres for the last year and plans are on target for full theatre compliance by April 2018. The remaining 8 theatres data is collected using a paper form format.</p> <p>Data is reported within the peri-operative care compliance report.</p> <p>In addition to the quantitative audits a qualitative audit in the form of an observational (secret shopper) audit is undertaken. This involves assessment against pre-selected quality markers, including who was present and integration/silent focus of the clinical team</p>
Audit evidence of consent for Immunoglobulin treatment and compliance with annual review	<p>The audit identified a need increase clinic slots to see patients for annual review. Extra clinics scheduled with HA. Consent added to nursing flow sheets in EPR as a reminder to ask for consent.</p>
Rapid Cycle (re-audit) of the CEM VTE Risk in Lower Limb Injury Audit	<p>Patient advice leaflet introduced and available on trust intranet.</p>
Re-audit of the Management of Cellulitis	<ul style="list-style-type: none"> <li>➤ ED cellulitis proforma was updated to include classes of cellulitis to help guidance on route of antibiotics and ambulatory management, including use of Home IV therapy via Rapid Response team.</li> <li>➤ Quick Reference Guide was developed (include drug prescription and criteria for RR referral for Home IV antibiotics), to make the prescription much more accessible and referral process easier.</li> </ul>
The Management of Meningitis and Encephalitis in the ED	<ul style="list-style-type: none"> <li>➤ Staff education on the existence and content of BIA guidelines.</li> <li>➤ A quick reference guide (QRG), based on these guidelines has been developed to support this.</li> </ul>
Re-audit of handover documentation in the ENT department	<p>An acronym expansion for the handover document has been drawn up that gives four key lines of information that need to be filled in for each patient. This will standardise the key information to be given to the receiving doctor.</p>

## Participation in clinical research

The number of patients receiving NHS services provided or sub-contracted by Salford Royal NHS Foundation Trust in 17/18 that were recruited during that period to participate in research approved by a Research Ethics Committee was 6060.

### Goals agreed with commissioners: use of the CQUIN payment framework

A proportion of Salford Royal NHS Foundation Trust income in 2017/18 was conditional on achieving quality improvement and innovation goals agreed between Salford Royal NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangements with for the provision of relevant health services, through the Commissioning for Quality and Innovation payment framework.

For 2017/18 the baseline value of the CQUIN was 2.5% of the contract value (excluding drugs and devices etc) for CCGs and NHS England (public health and dental). This equates to £5.2m.

For NHS England (specialised commissioners) the CQUIN baseline value equated to 2% of the contract value (excluding drugs and devices etc) which was £2.2m.

A further £722K relates to mental health CQUINs which have been agreed as part of our sub-contract arrangements with Greater Manchester Mental Health Foundation Trust.

As a result of changes in responsible commissioner (Information rules), activity has been realigned in year resulting in a movement in CQUIN values (CCG CQUIN payment now equates to £5.6m and NHS England £1.8m)

In terms of in-year performance, if the agreed milestones were not achieved during the year or the outturn contract value was lower than the baseline contract, then a proportion of CQUIN monies would be withheld. If activity in 2017/18 is higher than the plan, the additional activity also attracts a CQUIN payment of 2.5% or 2% depending on commissioner.

For 2017/18 Salford Royal has received sign-off that the milestones for all CQUINs relating to quarters 1 and 2 of 2017/18 have been achieved. NHS England (specialised commissioners) have confirmed that SRFT have achieved all quarter 3 specialised CQUINs but we are still awaiting confirmation in respect of the CCG CQUINs for quarter 3. Quarter 4 performance for all CQUINs will be shared with commissioners at the end of April; a response is expected from commissioners by the end of May.

Further details of the CQUIN performance in 2017/18 and the goals for 2018/19 are available on request via [Craig.Sharpley@srft.nhs.uk](mailto:Craig.Sharpley@srft.nhs.uk)

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

Indicator number	Applicable to	Indicator name	Sub-indicator or Description	CCG	NHS England (spec Comm)	NHS England (Dental and PH)	Total	Total Greater Manchester Mental Health sub contract	Comment
			No CQUIN goal but 0.5% of CQUIN funding provided to support engagement with STPs	1,027,792		12,226	<b>1,040,018</b>	144,494	
			No CQUIN goal but 0.5% of CQUIN funding linked to risk reserve	1,027,792		12,226	<b>1,040,018</b>	144,494	
1a	Acute, Community and Mental Health	Improving NHS Staff Health and Wellbeing	Improvement of health and wellbeing of NHS staff	171,436		12,226	<b>526,122</b>	24,102	
1b			Healthy Food for NHS Staff, visitors and patients	171,230				24,073	
1c			Improving the uptake of flu vaccinations for front line staff within Providers	171,230				24,073	
2a	Acute	Reducing the impact of serious infections (antimicrobial resistance and sepsis)	Timely identification and screening for sepsis in emergency departments and acute inpatient settings	112,342			<b>112,342</b>		
2b			Timely treatment of sepsis in emergency departments and acute inpatient settings	112,342			<b>112,342</b>		
2c			Antibiotic review	112,342			<b>112,342</b>		
2d			Reduction in antibiotic consumption per 1,000 admissions	112,342			<b>112,342</b>		
3a	Mental health	Improving physical healthcare to reduce premature mortality in people with serious mental illness	Cardio metabolic assessment and treatment for patients with psychoses				<b>0</b>	57,798	
3b			Collaborating with primary care clinicians				<b>0</b>	14,449	
4	Acute and Mental Health	Improving services for people with mental health needs who present at A&E	Reducing the number of attendances to A&E for a selected cohort of frequent attenders	449,369			<b>449,369</b>	72,247	
5	Mental health	Transitions out of Children and Young People's Mental Health Services (CYPMHS)	Improving the experience and outcomes for young people as they transition out of CYPMHA				<b>0</b>		
6	Acute	Offering advice and guidance	This CQUIN requires providers to set up and operate A&G services for non-urgent GP referrals	449,369			<b>449,369</b>		
7	Acute	NHS E-Referrals	Making available ALL 1st outpatient slots on NHS e-referral service by 31st March and achieve ASI of 4% or less	449,369			<b>449,369</b>		
8	Acute	Supporting proactive and safe discharge	Supporting proactive and safe discharge (acute provider)	513,896		12,226	<b>526,122</b>		
9a	Mental health and community for 2017/18 & acute as well in 2018/19	Preventing ill health by risky behaviours - alcohol and tobacco	Tobacco screening	3,226		12,226	<b>76,753</b>	3,612	This CQUIN was operational during quarters 1 and 2 only
9b			Tobacco brief advice	12,905				14,449	
9c			Tobacco referral and medication offer	16,132				18,062	
9d			Alcohol screening	16,132				18,062	
9e			Alcohol brief advice or referral	16,132				18,062	



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

Indicator number	Applicable to	Indicator name	Sub-indicator or Description	CCG	NHS England (spec Comm)	NHS England (Dental and PH)	Total	Total Greater Manchester Mental Health sub contract	Comment	
<b>NATIONAL CQUINs 2017-19</b>	10	Community	Improving the assessment of wounds	Increasing the number of wounds which have failed to heal after 4 weeks and receive a full wound assessment	96,791		<b>96,791</b>			
	11	Community	Personalised Care and Support Planning	Embedding personalised care and support planning for patients with long term conditions	96,791		<b>96,791</b>			
	12	Mental health	Local CQUIN - mental health	A local indicator relating to suicide or pre-natal psychosis			<b>0</b>			
<b>SPECIALISED CQUINs 2017-19</b>	13	Acute	Nationally standardised Does banding for Adult Intravenous Anticancer Therapy (SACT)	Expanding on the 19 SACT agents with standardised dosing tables developed for 2016-17 - implementing standard doses for a new range of SACT agents		50,999	<b>50,999</b>			
	14	Acute	Clinical Utilisation Review	CQUIN requires: <ul style="list-style-type: none"> <li>➤ Daily use in practice of CUR can be evidenced on agreed bed numbers with an achievement of 85-95% compliance rate</li> <li>➤ Delivery against agreed KPIs for the reduction of bed usage throughout the period of CUR operation where patients do not meet clinical criteria for admission or continued stay</li> <li>➤ Monthly and quarterly reports</li> </ul>		1,220,337	<b>1,220,337</b>			
	15	Acute	Clinical Utilisation Review - Early Implementer Scheme	This CQUIN is designed to enable the Trust as an CUR Early Implementer site to support the national EIS programme		100,000		<b>100,000</b>		
	16	Acute	Activation System for Patients with Long Term Conditions	This CQUIN is in 2 parts: a) Continuing with existing cohort for PAM within heart failure / COPD and metabolic Medicine b) Expanding to LSD homecare		100,000		<b>100,000</b>		
	17	Acute	Medicines Optimisation	CQUIN requires: <ul style="list-style-type: none"> <li>➤ Faster adoption of prioritised best value medicines as they become available</li> <li>➤ Improving drugs MDS data quality</li> <li>➤ Cost effective dispensing routes</li> </ul>		405,474		<b>405,474</b>		
	18		Not used							
	19	Acute	Spinal surgery networks, data, MDT oversight	The CQUIN scheme has four elements: 1) Continue with delivery of Spinal MDT 2) Data - All spinal activity delivered by SRFT will be entered onto Spinal Tango 3) MDT Governance - Complex spinal cases (ie instrumented cases) will be discussed at the MDT and surgery will proceed where agreed by the MDT 4) Development of a spinal network across the North West		100,000		<b>100,000</b>		

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

Indicator number	Applicable to	Indicator name	Sub-indicator or Description	CCG	NHS England (spec Comm)	NHS England (Dental and PH)	Total	Total Greater Manchester Mental Health sub contract	Comment
20	Acute	Dermatology Hub and Spoke	This CQUIN is to develop a hub and spoke model, develop MDTs, protocols around the delivery of specialised dermatology treatments starting with adalimumab for the treatment of patients with Hidradenitis Suppurativa (HS)		180,000		<b>180,000</b>		
				<b>5,138,960</b>	<b>2,156,810</b>	<b>61,130</b>	<b>7,356,900</b>	<b>722,471</b>	

	CCg CQUIN Value	NHS England (spec Comm) CQUIN value	Total
Opening values	5,200,090	2,156,810	7,356,900
Information rule adjustmer	355,927	-355,927	0
<b>Total</b>	<b>5,556,017</b>	<b>1,800,883</b>	<b>7,356,900</b>

## Statements from the Care Quality Commission

Salford Royal NHS Foundation Trust is required to register with the Care Quality Commission (CQC) and its current registration status is registered without conditions.

Salford Royal NHS Foundation Trust has the following conditions on registration “none”

The Care Quality Commission (CQC) has not taken enforcement action against Salford Royal NHS Foundation Trust during 2017/18.

Salford Royal NHS Foundation Trust has participated in special reviews or investigations by the Care Quality Commission (CQC) relating to the following areas during 2017/18:

### Local System Review, Trafford

The CQC undertook a local system review of the pathway of care for Trafford patients and service users aged 65 and over as one of 20 such local system reviews which considered system performance along a number of ‘pressure points’.

Input was gained from Trafford Council (the local authority), NHS Trafford Clinical Commissioning Group (the CCG), Manchester Health and Care Commissioning, (MHCC), Manchester University NHS Foundation Trust (MFT - previously Central Manchester NHS Foundation Trust and University Hospital South Manchester NHS Foundation Trust), Salford Royal NHS Foundation Trust (SRFT) and Pennine Care NHS Foundation Trust (PCFT). Only 6.9% of these patients attend Salford Royal NHS Foundation Trust.

20 care and treatment records were reviewed across the whole Trafford pathway and 11 services in the local area were visited including acute hospitals, intermediate care facilities, care homes, domiciliary care providers, GP practices, extra care housing, the Urgent Care Centre, out-of-hours GP and the Trafford Co-ordination Centre.

There are no ratings attached to this type of inspection. The final report indicates there was system-wide commitment to serve the people of Trafford well, but the challenge for the Trafford system was to transform services while delivering improvements, as the experience of people receiving health and social care was varied.

In the first quarter of 2016, A&E attendances and emergency admissions from care homes were higher than average. Although more recent figures were better than the national average - the actual number of admissions had not fallen. People were being admitted with conditions that could potentially be cared for in the community, such as urinary tract infections.

## In March 2015 the CQC published the results of their inspection of Salford Royal rating the Trust as 'Outstanding'

Overall rating	Inadequate	Requires improvement	Good	Outstanding	
				★	
Safe	Effective	Caring	Responsive	Well led	Overall
Urgent and emergency services (A&E)	Outstanding ★	Good	Outstanding ★	Good	Outstanding ★
Medical care (including older people's care)	Outstanding ★	Good	Good	Outstanding ★	Outstanding ★
Surgery	Requires improvement	Good	Good	Good	Requires improvement
Intensive/critical care	Good	Good	Good	Outstanding ★	Good
Services for children and young people	Good	Good	Good	Good	Requires improvement
End of life care	Good	Good	Outstanding ★	Outstanding ★	Outstanding ★
Outpatients	Requires improvement	Not rated	Good	Requires improvement	Good

Overall rating	Inadequate	Requires improvement	Good	Outstanding
				★
Are services				
Safe?			Good	
Effective?			Good	
Caring?				Outstanding ★
Responsive?				Outstanding ★
Well led?			Good	

### Surgery, Safe:

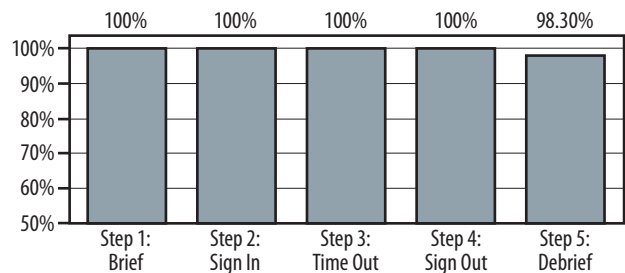
#### WHO checklist:

Assurance of compliance with the WHO surgical safety checklist is now provided by a completely electronic solution. This system requires each of the five steps to safer surgery be completed before the next step of the patients clinical pathway can be progressed.

This has required a robust educational programme for all staff involved, the benefits of which are seen within compliance data. To ensure quality of each step of the safety checks, daily observational assessments are made and the results reported - allowing for further learning, corrective action and development opportunities.

Work streams have been commenced to look at improvements in the debrief step. Rolling debrief boards are under evaluation within theatres - this allows all the learning throughout the list to be collated for reflection by the team at the end of the list. It is hoped this will reinforce the process and the quality of this step. This will be evaluated for success.

#### WHO Electronic Compliance February 2018:



Month of February 2018 compliance with safety checks:

- Fridge temperatures **99%**
- Warmer temperatures **99.5%**
- Freezer temperatures **100%**
- Anaesthetic machine checks **99.6%**
- Resuscitation Equipment **100%**

Safety measurements within theatres are closely monitored and fed back to staff regularly to allow for input and reflection. There is an established process to promptly address any non-compliances and implement appropriate mitigation.

## Surgery, Well Led:

### Theatre culture and morale:

Theatres have worked hard to build on work streams and initiatives from 2017. Communication has continued to improve within the department: the monthly department wide governance mornings have provided a valuable platform to ensure all staff are kept informed of developments, performance and key issues. Daily team huddles have been successfully implemented, these provide a forum to brief all disciplines of staff on the days activities and allowing opportunity for two way escalation of concerns, ideas and good practice. Other initiatives include:

- A monthly newsletter - allowing for celebration of achievements, dissemination of developments and highlighting key topics.
- Recruitment - establishing staffing to turnover has allowed for consistent staffing and retention of learning. This has contributed to improved employee experience.
- Employee of the month continues to allow for acknowledgment of staff commitment and dedication
- Implementation of anaesthetic training programme, allowing staff to build on their expertise and skills within other roles within theatres

### Surgery procedure cancellations:

The division continue to hold weekly combined theatre scheduling meetings with representation from each specialty, day case, theatre managers and anaesthetic coordinators. The establishment of a cancelled clinical operations meeting has allowed each incidence to be assessed for root cause, learning and opportunities to prevent in the future. Cancelled operations continues to be closely monitored at Trust executive level and continue to inform strategic developments.

## NHS number of General Medical Practice code validity

These are the latest figures available from SUS+ DQ Dashboard for Salford Royal NHS Foundation Trust. They are based on provisional April 2017 to December 2018 data at the Month 09 inclusion date (not an average nor end of year position):

The percentage of records in the published data submitted to the SUS which included a valid NHS number was:

**99.7%** for admitted patient care;  
**99.9%** for outpatient care; *and*  
**98.9%** for Accident and Emergency care

The percentage of records in the published data which included a valid General Medical Practice Code was:

**99.8%** for admitted patient care;  
**99.6%** for outpatient care; *and*  
**99.8%** for Accident and Emergency care

## Information governance toolkit attainment level

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

Salford Royal NHS Foundation Trust IG Toolkit score for 2017/18 is graded green, satisfactory.

### Clinical coding error rate

Salford Royal NHS Foundation Trust were not subject to the 'Payment by Results clinical coding audit' during 2017/18.

During the course of 2017/18 a number of internal audits took place as part of our overall clinical coding assurance programme, the below accuracy rates were submitted as evidence for the IG Toolkit requirement 505. The Trust achieved level 2 based on the below audit results.

Primary Diagnosis	<b>91.50%</b>
Secondary Diagnoses	<b>95.89%</b>
Primary Procedure	<b>93.57%</b>
Secondary Procedure	<b>91.49%</b>

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

Good quality information underpins the effective delivery of safe and effective patient care. Reliable data of high quality informs service design and improvement efforts. High quality information enables safe, effective patient care delivered to a high a standard.

#### High quality information is:

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

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

- Validation to improve ethnicity recording for acute and community activity.
- Identification, review and resolution of potential duplicate patient records.
- Regular use of the demographic batch service to trace records against the National Spine portal to ensure accurate data (i.e. NHS number).
- Monitoring of day case activity and regular attenders to improve timeliness and accuracy of data for patients admitted to shorter stay areas.
- Validation of discharges entered for times between 11pm to 6am discharges to ensure accuracy.
- Notification of planned outpatient activity with no outcome recorded to ensure activity is fully captured in hospital information systems.
- Tracing demographics for outpatients who did not attend their appointments to identify those who with updated demographics (home/correspondence addresses).
- Monitoring of undelivered and invalid correspondence reported by the Trust mail handler.
- Review of rejected GP correspondence sent via electronic document transfer.
- Review of patient related correspondence returned to the Trust to ensure correct demographic data is held.
- Review of any inpatient, outpatient and A&E activity that has not undergone automatic contract/commissioner allocation.
- Review of death reports from National Spine portal to ensure out of hospital deaths are recorded on the Trust's Patient Administration System (PAS).
- Gathering user feedback of an efficient and effective service to the wider organisation.
- Advising and guiding users and service managers on the proper capture of hospital activity according to national information standards and NHS Data Model and Dictionary.
- Regular review of data validity as published through the SUS (Secondary Uses Service) Data Quality Dashboard.

## Learning from deaths

During 2017/18, 1527 of Salford Royal NHS Foundation Trust patients died. This comprised the following number of deaths which occurred in each quarter of that reporting period:

**345** in the first quarter;

**362** in the second quarter;

**388** in the third quarter;

**432** in the fourth quarter

By 18/4/2018, 1049 case record reviews and 29 investigations have been carried out in relation to the number of deaths. In 28 cases a death was subjected to both a case record review and investigation.

The number of deaths in each quarter for which a case record review or an investigation was carried out was:

**230** in the first quarter;

**247** in the second quarter;

**267** in the third quarter;

**305** in the fourth quarter.

1 representing 0.1% of the patient deaths during the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient. In relation to each quarter this consisted of:

**1** representing **0.43%** for the first quarter;

**0** representing **0%** for the second quarter;

**0** representing **0%** for the third quarter;

**0** representing **0%** for the fourth quarter.

These numbers have been estimated using the PRISM 2 methodology applied to local case record review tools and Datix platform Serious Incident Reporting. Figures are provisional for the third and fourth quarter and subject to ongoing review. Structured Judgment Review has been applied in 19 cases during the reporting period to date.

### Theme 1:

#### Management of patients at risk of falls, balancing dignity and safety

There is a tension in the balance of respecting patient dignity and privacy alongside maintaining safety and reducing the risk of inpatient falls. This is most pertinent around such personal issues as toileting.

There has been recognition of a gap in the assessment of safety from falls around toileting. There is a need to emphasise the following messages:

- Commode tagging should also encompass toilet tagging
- Improve communication with patients (involve relatives where necessary) to discuss where high risk of falls. At present there is work ongoing regarding revision of a ward safety introductory video for patients. There is also consideration of a falls prevention leaflet being introduced at pre-operative assessment
- Considered deployment of technology to reduce falls from the toilet (e.g. rambleguard monitoring)
- Ensure personal care area environments have necessary measures for staff to supervise but maintain dignity through the use of privacy curtains
- Where temporary staff are employed, ensure that they are encompassed in safety huddles and bedside handover/checking procedures to gain familiarity with local practices to minimise falls

**Theme 2:****Management of patients with Severe Mental Illness admitted to the acute hospital environment**

Patients with severe mental illness present frequently to general acute hospitals for many different reasons and may have a variety of specialist needs associated with their condition. Such needs require consideration of the following issues:

- Collaboration with local mental health specialist services
- Clear identification of patients in general ward areas with acute mental health needs
- Staff training to raise awareness of specific issues relating to management of patients with an acute crisis due to mental illness including:
  - Support workers/specials providing supervision to minimise potential harm compatible with MHA/MCA legislation
  - Senior staff members in assessment of the acute hospital ward environment to make a more detailed risk assessment leading to actions to promote patient safety (e.g. stripping all objects of potential harm from a room)
- Family/Care-giver concerns are specifically recorded and addressed relating to patients with acutely disturbed behaviour
- The EPR based Patient Safety Prescription is potentially a useful tool for assisting in the assessment of these patients and prompting consideration of other steps for potential management
- Ensure escalation of patients awaiting admission to specialist mental health facilities is prioritised by informing Site Manager on-call and recording delay in transfer on Datix

**Theme 3:****Preparation of procedure trolleys and cleaning and handling of reusable procedural equipment (e.g. flexible endoscopes) in general ward areas**

There are a wide range of procedures and equipment employed across the Trust and so this theme should provide broad points for consideration in your own general ward area (\*excludes theatres and EPU):

- Use of SOPs and additional training to support staff in the cleaning of reusable equipment in the ward area
- Checklists to support staff restocking procedure trolleys and where possible a register to show when this was last undertaken and by whom
- Consider where to minimise the potential risk of decanting solutions (e.g. cleaning agents) at the point of care through using pre-mixed purpose-made solutions and/or processes such as second-checking
- Ensuring clear labelling of all containers where contents have been modified (e.g. additives) with date added, nature and amount of additive
- Ensure necessary COSHH assessments have been completed and are up to date in relevant areas where there is use of chemical agents for such purposes as cleaning reusable equipment.

**Theme 4:****Level 1 Post-operative care facilities**

At present Level 1 care (defined by the Intensive Care Society as care for "patients in need of additional monitoring/clinical interventions, clinical input or advice) for post-operative patients is provided by the 8 bedded H6 Monitored Unit and the adjacent Critical Care Unit.



### Theme 5:

#### Monitoring and escalation of raised Early Warning Scores (EWS)

Salford Royal NHS Foundation Trust has an established policy and systems for capturing physiological derangement of acutely ill patients. There is a recurrent theme identified from review of SI reports issues around escalating raised EWS scores which could potentially lead to harm and preventable deaths.

### Theme 6:

#### Oxygen and target saturation prescribing, review and reassessment

A wide range of conditions require use of supplementary oxygen within hospital. SRFT uses the EPR to prescribe this drug alongside targeted oxygen saturations as directed by national BTS guidance and supported by local policy. Though this has promoted oxygen prescribing within SRFT as demonstrated by national audit data, it is clear that there are many other complexities to its safe use that require attention:

- Use of structured ward round documents by medical team that include reference and assessment of NEWS and oxygenation;
- Knowledge of various oxygen delivery devices and compatible oxygen flow-rates;
- Recognition and escalation of patients in a timely fashion with elevated NEWS score (see theme 5).
- Review and consideration of escalation of patients where appropriate by senior medical decision-maker when increasing oxygen required to maintain target saturations.

#### Final reflections from serious incident reports and Structured Judgement Review

The following points have been identified as important to share within the organisation and group:

- Early testing of stool samples when there is potential concern for *C. Difficile* infection
- Clear documentation and handover if there is a need to repeat/chase investigations such as blood tests
- There are many examples from Structured Judgement Review of good collaborative and Consultant-led care
- There are examples of excellent attention to the holistic needs of patients and relatives during provision of end of life care
- There is recognition of a need to provide adequate orientation and knowledge/cultural insight to any temporary supporting staff who may not have worked within a specific area within last 6 months or where individual needs are identified.
- There have been occasional delays in fast-track discharge for patients approaching the end of life who then subsequently die in hospital

A description of the actions which the provider has taken in the reporting period, and proposes to take following the reporting period, in consequence of what the provider has learnt during the reporting period.

### **Theme 1:**

#### **Management of patients at risk of falls, balancing dignity and safety**

Local ward relaunch of the falls change package with a renewed emphasis on the points outlined in 27.4 as well as supporting this through a group feedback on strengths/weaknesses of local delivery and regular weekly audit. The Falls Steering Group maintains oversight of this key aspect of patient safety and work collaboratively with colleagues from across the Northern Care Alliance ("group").

### **Theme 2:**

#### **Management of patients with Severe Mental Illness admitted to the acute hospital environment**

Local ward collaborative work with the Greater Manchester Mental Health NHS Foundation Trust. This has included introduction of regular daily joint board rounds with senior nursing staff/shift leaders and members of the Mental Health Liaison Team (MHLT) making joint risk assessments of patients suffering from acute mental illness. There has been much sharing of information regarding the implications of the mental health act and how to risk assess the general ward environment and its suitability for patients with acute mental health needs. A date is awaited for delivery of specialist knowledge to support workers who may offer supervision of these patients to maintain safety in a manner that is compliant with MHA/MCA legislation. There has been increased use of EPR tools used in other ward areas to help support improved care of these patients and this should be commended.

### **Theme 3:**

#### **Preparation of procedure trolleys and cleaning and handling of reusable procedural equipment (e.g. flexible endoscopes) in general ward areas**

There has been evidence of rapid learning and change including cessation of point-of-care mixing of cleaning solutions, creation of an endoscopic cleaning SOP and training of support staff to improve consistency. There is evidence of collaborative working with colleagues from the Endoscopic Processing Unit (EPU) and Health and Safety Team to address the risks presented in this case. There has been evidence of staff communications through deploying safety alerts and disseminating information through the ward safety huddle. Spot inspection of procedure trolleys is monitoring compliance with restocking process.

### **Theme 4:**

#### **Level 1 post-operative care facilities**

There is ongoing work to understand the potential of additional Level 1 capacity in the form of an Extended Recovery Unit within the Surgical Division during Q1 2018/19.

### **Theme 5:**

#### **Monitoring and escalation of raised Early Warning Scores (EWS)**

Salford Royal is establishing a work stream around this and currently seeking to recruit interested individuals across the multidisciplinary team including junior medical staff.

## Theme 6:

### Oxygen and target saturation prescribing, review and reassessment

There has been evidence of rapid shared learning amongst ward staff with a questionnaire circulated locally to assess learning delivered. Reflection on Investigation findings has been cascaded throughout Pharmacy to promote Medication safety. Local audit has been performed to identify device use and target saturations prescribed with feedback to local governance group. There is a stretch aim to develop an EPR alert on the tracking board to identify any patients without prescribed oxygen or target saturations to improve consistency further within Salford Royal NHS Foundation Trust.

An assessment of the impact of the actions taken by the provider during the reporting period

#### Impact of learning from deaths work:

We have been working on ensuring a standardised approach to all mortality reviews ensuring cases have a high quality review process and are escalated appropriately. So far we haven't identified any major themes that we were not already identifying through our governance processes, as described above. The actions around these have and will continue to be managed within divisional assurance structures. We have been able to draw together more comprehensive learning themes and aim to strengthen the way we share learning, and use themes to inform the Trust Strategy. The major impact has been to provide clarity around themes which may not have been joined up across the Organisation previously.

The impact of the first year of this project has been relatively low key, but we expect to produce a series of high impact communication streams and projects as a consequences of our thematic learning over the next 24 months, as well a develop local rapid alerts for accelerated learning.

0 case record reviews and 0 investigations completed after 01/04/2018 which related to deaths which took place before the start of the reporting period.

0 representing 0% of the patient deaths before the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient. This number has been estimated using local case record review tools and Datix platform Serious Incident Reporting which at present is not available as this is the first year of implementation of the National Learning from Deaths strategy.

0 representing 0% of the patient deaths during any previous reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient.

## How we are implementing the priority clinical standards for seven day working

Salford Royal NHS Foundation Trust has committed to implementing the NHSI standards for seven day hospital services. Please see below for the progress that has been made against the four priority standards:

### Time to first consultant review

- The overall proportion of patients seen and assessed by a suitable consultant within 14 hours of admission is 95%.
- Complete revision of the working practices in medicine at the weekend. There are now up to four Consultant Physicians (including acute physicians and geriatricians) working each weekend, which facilitates Consultant review of medical patients referred to medicine in A&E, continuous post take ward rounds 8am-8pm and Consultant review of the most unwell ward patients. On-call Physician and Geriatrician visit all post-acute medical wards on Saturday and Sunday
- Increased establishment of Acute Physicians has enabled seven-day working on EAU with acute physicians and/or geriatricians present and working in EAU from 8am to 8pm, seven days per week. This has also led to a daily consultant ward reviews of new EAU medical admissions seven days a week, until 8pm

### Diagnostics

- Radiology services are provided 24/7 for all core procedures in the urgent and emergency patient. Seven day services are offered for CT, MR, Ultrasound and plain x-ray examinations for routine inpatients wherever possible. Our MRI service provides high volumes of in-patient scanning during the weekend owing to the frequent opening of all three static MRI scanners at the weekend. This was highlighted by the Dr Foster hospital guide 2012

### Intervention key services

- Consultant delivered interventional Neuro-radiology service on Sundays and a three session day on a Friday
- A Consultant for each surgical specialty is on-site at the weekend to review admissions
- There are three Consultant Anaesthetists working 8am-6pm at weekends covering general, neurosurgical and trauma anaesthesia
- Senior decision maker (largely Consultant) review of emergencies (and indeed all inpatients) daily including each weekend day in urology, gynaecology and general surgery
- A second emergency list in Theatres has been created to allow synchronous neurosurgical and other surgical emergencies to take place

### On-going Review

- There is a Consultant Neurosurgeon and Spinal Surgeon on site every day
- Acute Physician/Geriatrician in-reach into orthopaedics and general surgery
- Development of medical specialist in-reach into EAU

## Reporting against core indicators

Since 2012/13 NHS Foundation Trust have been required to report performance against a core set of indicators using data made available to the Trust by NHS Digital.

The core indicators are listed in the table below:

Domain	Indicator	2017/18	National average	Where applicable - Best performer	Where applicable - Worst performer	Trust statement	2016/17	2015/16	2014/15
Preventing people from dying prematurely	SHMI value and banding (most recent: 17/18 Q1)	<b>0.8176</b> Lower than expected	<b>1.00</b>	N/A	N/A	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. Mortality reduction has been a constant focus for the Trust over the course of successive Quality Improvement Strategies The Salford Royal NHS Foundation Trust has taken the following actions to improve this rate, and so the quality of its services, by the implementation of wide ranging Quality Improvement Strategies which have aimed to improve mortality and harm by focussing on a series of interventions including: Trust wide harm reduction Quality Improvement Collaboratives (as can be seen through the content of this Quality Account)	<b>0.866</b> Lower than expected	<b>0.935</b> As expected	<b>0.98</b> As expected
Enhancing quality of life for people with long-term conditions	% patients deaths with palliative care coded at either diagnosis or speciality level (Jan '17 to Dec '17 latest published data)	<b>39.96%</b>	<b>30.11%</b> (Peer Group)	N/A	N/A	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust has a very well established Palliative Care Team, who provide in reach to all areas of the hospital. The Salford Royal NHS Foundation Trust continues to take the actions highlighted in this Quality Account to improve this percentage and so the quality of its services, by continuing to place the utmost importance on high quality palliative care for our patients	<b>45.70%</b>	<b>45%</b>	<b>47%</b>
Helping people recover from episodes of ill health or following injury	Patient reported outcome scores for groin hernia surgery (2016/2017 latest published data)	<b>0.375</b>	<b>-0.241</b>	N/A	N/A	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust has undertaken a significant amount of work in the area of Theatres Improvement. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by implementation of our Quality Improvement strategy.	<b>0.375</b>	*data not nationally published due to low numbers	<b>0.049</b>
	Patient reported outcome scores for varicose vein surgery	This procedure is not carried out at the Trust.				This procedure is not carried out at the Trust.	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
	Patient reported outcome scores for hip replacement surgery (2016/2017 latest published data, remains provisional)	<b>0.81</b>	<b>0.80</b>	N/A	N/A	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust has undertaken a significant amount of work in the area of Theatres Improvement. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by implementation of our Quality Improvement strategy.	<b>0.81</b>	*data not nationally published due to low numbers	<b>0.45</b>
	Patient reported outcome scores for knee replacement surgery (2016/2017 latest published data, remains provisional)	<b>0.367</b>	<b>0.323</b>	N/A	N/A	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust has undertaken a significant amount of work in the area of Theatres Improvement. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by implementation of our Quality Improvement strategy.	<b>0.367</b>	*data not nationally published due to low numbers	<b>0.29</b>
Helping people to recover from episodes of ill health or following injury	28 day readmission rate for patients aged 0-15	The Information Centre hasn't updated this metric since 2013, therefore we have included our own data on readmissions on the Trust Selected Metrics page.							
	28 day readmission rate for patients aged 16 or over	The Information Centre hasn't updated this metric since 2013, therefore we have included our own data on readmissions on the Trust Selected Metrics page.							

Reporting against core indicators *continued*

Domain	Indicator	2017/18	National average	Where applicable - Best performer	Where applicable - Worst performer	Trust statement	2016/17	2015/16	2014/15
Ensuring that people have a positive experience of care	Responsiveness to inpatients' personal needs: CQC national inpatient survey score	<b>8.4%</b> (2016 survey, latest results available)	<b>69.6%</b>	9.2%	7.4%	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust has undertaken a Patient Family and Carer Experience Collaborative which was started in January 2013 and aims to improve all elements of experience. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by continuing to deliver a Patient, Family and Carer Experience strategy	<b>8.5%</b> (2015 survey)	<b>8.7%</b> (2014 survey)	<b>8.6%</b> (2013 survey)
	Percentage of staff who would recommend the provider to friends or family needing care	<b>88%</b> (Q1 2017/2018)	<b>80%</b> (Q1 2017/2018)	100% (Several Trusts)	43% (Dorset County Hospital NHS Foundation Trust)	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust has undertaken a Patient Family and Carer Experience Collaborative which was started in January 2013 and aims to improve all elements of experience. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by continuing to deliver a Patient, Family and Carer Experience strategy	<b>79%</b>	<b>82%</b>	<b>87%</b>
Treating and caring for people in a safe environment and protecting them from avoidable harm	% of admitted patients risk-assessed for Venous Thromboembolism (2017/18 Q3)	<b>96%</b>	<b>96%</b>	100% (Essex Partnership University NHS Foundation Trust - Q3)	76.08% (Mid Essex Hospital Services NHS Trust Q3)	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust reviews all cases of hospital acquired Venous Thromboembolism to ensure that all elements of best practice are adhered to. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by developing systems to ensure that patients receive risk assessments for venous thromboembolism. VTE forms part of the thrombosis improvement project which is described within the project pages of the quality accounts	<b>96%</b>	<b>96%</b>	<b>96%</b>
	Rate of <i>C. difficile</i> per 100,000 bed days	<b>8.7</b> 21 Trust apportioned cases (16/17 latest published figures)	<b>15</b>	0 (several Trusts)	82.7 (The Royal Marsden)	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. Infection control remains one of the Trust's highest priorities with all cases of Hospital Acquired <i>C. difficile</i> reviewed and opportunities for learning are shared. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by placing infection control as the highest priorities and ensuring that all staff are fully compliant with mandatory training for antiseptic non-touch technique	<b>8.7</b> 21 Trust apportioned cases	<b>6</b> 14 Trust apportioned cases	<b>11</b> 26 Trust apportioned cases
Treating and caring for people in a safe environment and protecting them from avoidable harm	Rate of patient safety incidents per 1000 bed days Prior to 2014/15 rate was based on 100 admissions	-	<b>Not given</b>	N/A	N/A	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust continues to promote a culture of open and honest reporting and endorsing a fair blame culture. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by encouraging a culture of voluntary reporting and endorsing a fair blame culture	<b>37.5</b> (count of incidents = 4,406) (October 2015 - March 2016)	<b>37.5</b> (count of incidents = 4,406) (October 2015 - March 2016)	<b>42.5</b> (count of incidents = 4,970) (October 2014 - March 2015)
	Rate of patient safety incidents that resulted in severe harm or death per 1000 bed Prior to 2014/15 rate was based on 100 admissions	-	<b>Not given</b>	N/A	N/A	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust continues to promote a culture of open and honest reporting and endorsing a fair blame culture. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by encouraging a culture of voluntary reporting and endorsing a fair blame culture	-	<b>0.07</b> (count of incidents = 8) (October 2015 - March 2016)	<b>0.09</b> (count of incidents = 10) (October 2014 - March 2015)
Ensuring that people have a positive experience of care	Inpatient Friends and Family Test (Jan '18 latest published month)	<b>89%</b> (February 2018)	<b>96%</b> (February 2018)	100% (Several Trusts)	75% (Sheffield Children's NHS Foundation Trust)	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust continues to promote a culture of open and honest reporting and endorsing a fair blame culture. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by continuing to deliver a Patient, Family and Carer Experience Strategy	<b>90%</b> (February 2017)	<b>90%</b> (January 2016)	<b>94%</b> (February 2015)
Ensuring that people have a positive experience of care	Accident and Emergency Friends and Family Test (Jan '18 latest published month)	<b>90%</b> (February 2018)	<b>86%</b> (February 2018)	100% (Several Trusts)	66% (University Hospitals of North Midlands NHS Trust)	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust has undertaken a Patient Family and Carer Experience Collaborative which was started in January 2013 and aims to improve all elements of experience. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by continuing to deliver a Patient, Family and Carer Experience Strategy	<b>89%</b> (February 2017)	<b>91%</b> (January 2016)	<b>91%</b> (February 2015)

# 3

## Other information



## Performance against locally selected indicators

		Target/Benchmark	2017/18	2016/17	2015/16	2014/15	2013/14	Comment
Patient Safety Outcomes	Hospital standardised mortality rate (calculated using annual benchmark) - Dr Foster no longer used, we only have this figure since July	Expected ratio=100. Under 100 is better than expected	83.55%	84.05%	77.85%	82.40%	82.23%	Dec'17
	Stroke Mortality Rates (Acute Cerebral Vascular Disease)	Expected ratio=100. Under 100 is better than expected	-	78.02%	87.90%	108.03%	90.00%	Not on CHKS, unable to provide
	Cardiac Arrests outside critical care units per 1,000 admissions	Local measure not nationally benchmarked	0.41	0.53	0.52	0.48	0.49	
	Orthopaedic Surgical Site Infections (inpatients & readmissions)**	Latest data release relates to 2017/2018	1.87%	3.69%	4.83%	2.50%	3.00%	
	Safety thermometer acute - % of patients safe from new harm	Local target: Above 95%	98.76%	97.50%	97.90%	98.20%	98.60%	Mar'18
	Safety thermometer community - number of patients safe from new harm	Local target: Above 95%	98.04%	96.80%	97.20%	96.60%	96.90%	
	Pressure Ulcers acute	Local count not nationally benchmarked	36	77	49	37	85	
	MRSA	Local target: 0	0	2	0	0	0	
	C.diff - All cases (including unavoidable)	Local Trajectory: 21 avoidable cases	24	21	14	26	18	
	28 Day Readmission	Peer value: 7.5%	6.89%	Rate: 8.55% Relative Risk: 100.49	Rate: 8.41% Relative Risk: 102.85	Rate: 8.49% Relative Risk: 103.77	Rate: 7.89% Relative Risk: 98.3	Rolling 12m to Feb 18. Relative risk not on CHKS
Clinical Effectiveness	Advancing quality - Composite Quality score for Myocardial infarction	N/A	N/A	N/A	97.70% April-July 2015	98.30%	96.54%	No longer participating in audit
	Advancing quality - Appropriate care score for Myocardial Infarction	N/A	N/A	N/A	90.40% April-July 2015	92.53%	89.10%	No longer participating in audit
	Advancing quality - Composite Quality Score for Hip and Knee surgery	Target 83.5% Regional Average 2017 93.6%	84.30%	99.6% Jan-Mar 2016 80.5% Apr-Sept 2016	99.30%	98.65%	98.40%	
	Advancing quality - Appropriate Care score for hip and knee surgery	Regional Average 2017 72.9%	39.00%	97.8% Jan-Mar 2016 80.5% Apr-Sept 2016	96.80%	94.62%	92.50%	
	Advancing quality - Composite Care score for Congestive Heart failure	Regional Average 71.2%	N/A	86.90%	90.00%	94.61%	83.11%	No longer participating in audit
	Advancing quality - Appropriate Care Score for Congestive Heart Failure	Regional Average 46.8%	N/A	69.20%	74.80%	85.64%	61.22%	No longer participating in audit

continued next page



Performance against locally selected indicators *continued*

		Target/Benchmark	2017/18	2016/17	2015/16	2014/15	2013/14	Comment
Clinical Effectiveness <i>continued</i>	Advancing quality - Composite Care score for Pneumonia	Regional Average 87%	N/A	92.10%	92.00%	92.11%	89.42%	No longer participating in audit
	Advancing quality - Appropriate Care Score for Pneumonia	Regional Average 62.6%	N/A	72.30%	75.80%	76.74%	74.88%	No longer participating in audit
	Advancing quality - Composite Quality Care score for stroke	N/A	N/A	N/A	N/A	96.98%	91.90%	No longer participating in audit
	Advancing quality - Composite Quality Care score for stroke	N/A	N/A	N/A	N/A	86.63%	92.56%	No longer participating in audit
	Advancing quality - Composite Quality Care score for AKI	Target 52.5%	32.80%	N/A	N/A	N/A	N/A	
	Advancing quality - Appropriate Quality care score for AKI	22.3%	2.40%	N/A	N/A	N/A	N/A	
	VTE Risk assessment	95% NHS Contract Threshold	95.88%	95.73%	96.00%	96.00%	96.00%	YTD as at Q3
Patient Experience	% of adult in-patients who felt they were treated with respect and dignity	-	N/A	86.00%	85.00%	85.00%	88.00%	No longer participating in audit
	% of adult in-patients who had confidence in the trust doctors treating them	National Picker score average 85%	83.00%	84.00%	87.00%	89.00%	88.00%	Mar '18
	Count of patients who waited more than 52 weeks for treatment	Local target is 0	5	3	7	20	22	YTD to Feb '18
	GP Out of Hours - Time from case active to definitive telephone clinical assessment. Urgent calls within 20 minutes	Local target: full compliance is 95-100%	91.67%	97.74%	100.00%	100.00%	98.23%	Mar '18
	GP Out of Hours - Time from case active to definitive telephone clinical assessment. Non-urgent calls within 60 minutes	Local target: full compliance is 95-100%	91.87%	95.38%	95.06%	96.53%	98.06%	Mar '18
Cancelled operations	No. of patients whose operations were cancelled by the hospital for non clinical reasons on the day of or after admission to hospital	No current local target or comparison	773	N/A	N/A	N/A	N/A	
Cancelled operations not treated within 28 days	No of those patients whose operations were cancelled by the hospital for non-clinical reasons on day of or after admission to hospital, and were not treated within 28 days	No current local target or comparison	26	N/A	N/A	N/A	N/A	

## Performance against national indicators 2017/18

**Salford Royal aims to meet all national indicators. We have provided an overview of the national indicators and minimum standards including those set out within NHS Improvement indicators framework below. Further indicators can be found in Section 2 of the Quality Report.**

		Target/ Benchmark	2017/18	2016/17	2015/16	2014/15	2013/14	Comment
Access to treatment	18 weeks RTT - patients on incomplete pathway	92%	92.30%	92.90%	94.40%	94.27%	95.10%	
Access to A&E	% of patients waiting a maximum of 4 hours in A&E from arrival to admission, transfer or discharge	95%	85.74%	85.95%	93.30%	95.01%	95.90%	
Infection control	Number of <i>C.diff</i> cases	21	24	21	14	26	18	
Access to cancer services	% of cancer patients waiting a maximum of 31 days from diagnosis to first definitive treatment	96%	99.00%	98.80%	96.90%	97.00%	98.20%	YTD to Feb '18
	% of cancer patients waiting a maximum of 31 days for subsequent treatment (anti cancer drugs)	94%	100.00%	100.00%	100.00%	100.00%	100.00%	YTD to Feb '18
	% of Cancer patients waiting a maximum of 31 days for subsequent treatment (surgery)	94%	98.60%	97.50%	96.30%	96.50%	98.30%	YTD to Feb '18
	% of cancer patients waiting a maximum of 31 days for subsequent treatment (radiotherapy)	98%	100.00%	100.00%	100.00%	100.00%	100.00%	YTD to Feb '18
	% of cancer patients waiting a maximum of 62 days from urgent GP referral to treatment	85%	89.90%	88.70%	88.20%	86.20%	86.80%	YTD to Feb '18
	% of cancer patients waiting a maximum of 62 days from the consultant screening service referral to treatment	90%	81.00%	95.50%	95.80%	82.60%	96.40%	YTD to Feb '18
	% of cancer patients waiting a maximum of two weeks from urgent GP referral to date first seen	93%	96.40%	95.50% and target achieved each quarter	94.70%	96.00%	97.90%	YTD to Feb '18
	% of symptomatic breast patients (cancer not initially suspected) waiting a maximum of two weeks from urgent GP referral to date first seen	N/A	Breast service now managed on behalf of SRFT by University Hospital of South Manchester	N/A	88.60%	96.20%	95.60%	YTD to Feb '18
Diagnostics	Maximum 6-week wait for diagnostic procedures	99%	96.56%	99.25%	99.19%	99.06%	-	
	VTE Risk assessment	95% NHS Standard Contract Threshold	95.88%	95.73%	96.00%	96.00%	96.00%	YTD as at Q3
Cancelled operations	No. of patients whose operations were cancelled by the hospital for non clinical reasons on the day of or after admission to hospital	0%	1.24%	1.2%*	0.90%	0.66%	0.56%	*2016/17 was previously reported as 1.33%. The methodology has been reviewed for 17/18 and the 16/17 figure amended to be consistent
Cancelled operations not treated within 28 days	No of those patients whose operations were cancelled by the hospital for non-clinical reasons on day of or after admission to hospital, and were not treated within 28 days	0%	3.78%	7.45%	2.62%	3.44%	0.78%	

## NHS England patient safety alerts information 2017-18

Reference	Alert title	Issue date	Comments	CAS Closure Date
MDA/2017/005	Comprehensive Reverse Titanium Shoulder Tray (specific lots) - risk of device fracture	4.4.17	Alert disseminated. Not relevant as not used at SRFT	27.6.17
MDA/2017/006	All Alaris™ GS, GH, CC, TIVA, PK, enteral syringe pumps & Asena™ GS, GH, CC, TIVA, PK, syringe pumps – risk of uncontrolled bolus of medicine.	12.4.17	Alert disseminated and assurance of compliance received	12.7.17
MDA/2017/007	LMA® MAD Nasal™ intranasal mucosal atomization device – might not deliver a fully atomised plume of medication.	21.4.17	Alert disseminated. Not relevant as not used at SRFT.	21.6.17
MDA/2017/009	BD Plastipak 100ml catheter tip syringe with Luer slip adaptor, specific lots – risk of leakage and delayed therapy	24.4.17	Alert disseminated. Not relevant as not used at SRFT	31.5.17
MDA/2017/008	LMA mucosal atomization devices - topical anaesthesia may not be delivered in a fully atomised spray	24.4.17	Alert disseminated. Not relevant as not used at SRFT	26.6.17
MDA/2017/010	All Accu-Chek® Insight insulin pumps – updated information for battery management	2.5.17	Alert disseminated. Not relevant as not used at SRFT	6.6.17
MDA/2017/011	Biological replacement pericardial aortic heart valve: Mitroflow LX (sizes 19mm and 21mm) – risk of early structural valve deterioration	3.5.17	Alert disseminated. Not relevant as not used at SRFT	11.8.17
MDA/2017/012	V60 ventilator – potential for unexpected shutdown	17.5.17	Alert disseminated and assurance of compliance received	17.8.17
MDA/2017/013	All LIFEPAK 1000 automatic external defibrillators (AEDs) - risk of device shutting down unexpectedly during patient treatment and possible failure to deliver therapy	18.5.17	Alert disseminated and assurance of compliance received	19.6.17
MDA/2017/014	All HeartStart MRx defibrillators – possible failure to deliver a shock, cardioversion, pacing or monitoring	24.5.17	Alert disseminated. Not relevant as not used at SRFT	23.6.17
MDA/2017/015	Solus Flexible Wire Reinforced Laryngeal Mask Airway – risk of hypoxia due to partial or total occlusion of the airway tube after inflating the cuff	9.6.17	Alert disseminated. Not relevant as not used at SRFT	23.6.17
MDA/2017/016	DePuy Synthes Radial Head elbow prosthesis system: risk of post-operative loosening of the radial stem	12.6.17	Alert disseminated. Not relevant as not used at SRFT	3.7.17
MDA/2017/017	BVM (Bag-Valve-Mask) manual resuscitation systems – risk of delay to emergency treatment	21.6.17	Alert disseminated and assurance of compliance received	19.7.17
MDA/2017/018	All metal-on-metal (MoM) hip replacements: updated advice for follow-up of patients	29.6.17	Alert disseminated and assurance of compliance received	27.7.17
MDA/2017/019	Unomedical high concentration oxygen masks (specific lots) - risk of hypoxia as the tubing can disconnect from the oxygen mask	10.7.17	Alert disseminated. Not relevant as not used at SRFT	31.7.17
MDA/2017/020	Haemofiltration machine: all Prismaflex systems installed with software version 6.10 – risk of under-infusion of anticoagulant	11.7.17	Alert disseminated and assurance of compliance received	1.8.17

## NHS England patient safety alerts information 2017-18 *continued*

Reference	Alert title	Issue date	Comments	CAS Closure Date
MDA/2017/021	VITEK®2 Identification (ID) / Antimicrobial Susceptibility Test (AST) Cards – potential false resistance for antibiotics on the AST panel, leading to false negative ESBL test or false positive urea (URE) reaction on ID cards.	14.8.17	Alert disseminated. Not relevant as not used at SRFT	14.9.17
MDA/2017/022	DePuy Synthes Impactor for PFNA (Proximal Femoral Nail Anti-rotation) Blade: risk of infection	17.8.17	Alert disseminated. Not relevant as not used at SRFT	15.9.17
MDA/2017/023	Shoulder System: Comprehensive Nano Humeral Components – Increased risk of revision when used in reverse configuration	18.8.17	Alert disseminated. Not relevant as not used at SRFT	18.9.17
MDA/2017/027	Intra-aortic – balloon pump (IABP): CS100, CS1000 and CS300 – risk of haemodynamic instability to patient	24.8.17	Alert disseminated. Not relevant as not used at SRFT	15.9.17
MDA/2017/026	Overhead hoist: Freeway Easy Fit system with a swivelling trolley – risk of fixing pin moving or splaying	24.8.17	Alert disseminated. Not relevant as not used at SRFT	25.9.17
MDA/2017/025	Nail intramedullary fixation system: Trauma guide wires 70cm – risk of infection	24.8.17	Alert disseminated. Not relevant as not used at SRFT	25.9.17
MDA/2017/024	Insulin pens – NovoPen Echo and NovoPen 5 (certain batches) – risk of hyperglycaemia due to cartridge holder weakening when exposed to certain household chemicals	24.8.17	Alert disseminated and assurance of compliance received	25.9.17
MDA/2017/028R	Re-issued Replacement bileaflet mechanic heat valves – risk of inverted implantation	31.8.17	Alert disseminated. Not relevant as not used at SRFT	12.10.17
MDA/2017/028	Replacement bileaflet mechanic heat valves – risk of inverted implantation	31.8.17	Alert disseminated. Not relevant as not used at SRFT	12.10.17
MDA/2017/029	Lung ventilators: Astral 100, 100SC and 150 – potential power loss due to faulty battery	12.9.17	Alert disseminated. Not relevant as not used at SRFT	14.11.17
MDA/2017/030	All Accu-Chek® Insight insulin pumps – risk of alarm failure	20.9.17	Alert disseminated and assurance of compliance received	18.10.17
MDA/2017/031	IntelliVue patient monitors used with 12-lead ECG – risk of ECG trace distortion. Specific models and software versions affected.	28.9.17	Alert disseminated. Not relevant as not used at SRFT	26.10.17
MDA/2017/033	Professional use HIV test: Alere HIV Combo – risk of false positive results	3.10.17	Alert disseminated. Not relevant as Sexual Health Service no longer provided by SRFT	14.11.17
MDA/2017/032	Intra-aortic balloon pump (IABP): Maquet/Datascope CS100, CS100i and CS300 – potential for interruption or delay to therapy of critically ill patients	3.10.17	Alert disseminated. Not relevant as not used at SRFT	14.11.17
MDA/2017/034	ThermoScientific TM Oxoid™ CAZ10 ceftazidime, CT1629B antimicrobial susceptibility test disc – potential for false resistance results if stored at the wrong temperature	23.11.17	Alert disseminated and assurance of compliance received	21.12.17
MDA/2017/035	Nasogastric (NG) feeding tubes – recall due to risk of neonatal or paediatric patient choking on ENFIT connector cap	19.12.17	Alert disseminated. Not relevant as not used at SRFT	20.4.18

## NHS England patient safety alerts information 2017-18 *continued*

Reference	Alert title	Issue date	Comments	CAS Closure Date
MDA/2017/036	Syringe pumps – required user actions in the event of PL3 alarm to prevent risk of interrupted infusion	20.12.17	Alert disseminated and assurance of compliance received	N/A
MDA/2017/036R	Syringe pumps – required user actions in the event of PL3 alarm to prevent risk of interrupted infusion	21.12.17	Alert disseminated and assurance of compliance received	23.8.18
MDA/2017/037	AlterG Anti-Gravity treadmill, model M320, used for rehabilitation after surgery – unexpected surge to maximum speed and failure of the emergency stop	21.12.17	Alert disseminated. Not relevant as not used at SRFT	12.4.18
MDA/2018/001	Pacemakers And CRT-P - Oversensing Of Minute Ventilation Sensor Signal Leading To Risk Of Syncope And Pre-Syncope	12.1.18	Alert disseminated and assurance of compliance received	12.6.18
MDA/2018/002	All Philips Heartstart Mrx Monitors/Defibrillators ? Significant Delay In The Supply Of Batteries	15.1.18	Alert disseminated. Not relevant as not used at SRFT	5.2.18
MDA/2018/003	In vitro fertilisation (IVF) and assisted reproduction technologies (ART) products – precautionary measure	22.1.18	Alert disseminated. Not relevant as not used at SRFT	19.2.18
MDA/2018/004	Recall of specific lots of RUSCH sensor (series 400) silicone and non-sterile rectal/ pharyngeal temperature sensors	15.2.18	Alert disseminated. Not relevant as not used at SRFT	7.3.18
MDA/2018/005	Roche Tissue Diagnostics (Ventana Medical Systems) – OptiView DAB IHC Detection Kit, UltraView Universal DAB Detection Kit, OptiView Amplification Kit and Hematoxylin II – Dispenser failure of Hematoxylin II and Horseradish Peroxidase reagents	15.2.18	Alert disseminated. Not relevant as not used at SRFT	15.3.18
MDA/2018/006	Plum 360 infusion pumps – user actions required to prevent risk of interrupted infusion or delay to treatment	15.2.18	Alert disseminated. Not relevant as not used at SRFT	15.3.18
MDA/2018/007	Manufactured by Zimmer GmbH – recall due to risk of infection as affected instruments may not be adequately cleaned when using standard cleaning instructions.	15.2.18	Alert disseminated. Not relevant as not used at SRFT	15.3.18
MDA/2018/008	Aquilon series of nebulisers – CE mark withdrawn and supply ceased	22.2.18	Alert disseminated. Not relevant as not used at SRFT	5.4.18
MDA/2018/009	Bag Valve Mask (Bvm) Manual Resuscitation System ? Risk Of Damage To Lungs By Delivery Of Excessive Pressure	2.3.18	Alert disseminated. Ongoing	17.4.18

## Never Events

Never Event	Description	Key findings from root casue analysis	Actions to prevent recurrence
Wrong level spinal surgery	After following relevant protocols, the wrong level spinal surgery was performed	<p><b>Issues Identified</b></p> <ul style="list-style-type: none"> <li>➤ The Neurosurgical Registrar and Senior Clinical fellow were deemed competent by the Consultant Neurosurgeon to undertake this surgery unsupervised. Once the level was marked with the clip, and correct level identified on x-ray the Consultant Neurosurgeon investigating has described how a retractor holding muscle was moved, but this was enough to move the clip and target the spinal surgery at the incorrect level.</li> </ul> <p><b>Incidental Findings</b></p> <ul style="list-style-type: none"> <li>➤ A debrief of the whole theatre team did not occur at the end of the procedure. This is because the surgeons involved left theatre to report this incident. They were under the impression that the theatre staff were aware of this incident, but this was not the case.</li> <li>➤ Confirmation of consent is undertaken by the Neurosurgical Consultant, but this is not documented on the consent form. He reports that he confirmed consent verbally with the patient but forgotten to sign the 'Confirmation of Consent' section for this on the form. He described that he normally does this and feels he probably forgotten to do this because prior to signing the form he wanted to reassess her to confirm what level and side needed surgery as I had not been able to see her personally the previous week.</li> <li>➤ Lack of communication between the theatre team and the surgeons, indicating a lack of situational awareness.</li> <li>➤ The Neurosurgical Registrar had worked at SRFT for 7 months, but the correct site spinal surgery policy was not covered as part of the induction. The Senior Clinical Fellow had started work at SRFT 8 days before this incident occurred. He had not received a local induction.</li> <li>➤ The lead in the theatre chose not to wear a green hat, so was not identifiable to other staff in this theatre. 1 scrub nurse in her statement reported that the lead in theatre was not clear.</li> </ul> <p><b>Potential Root Causes</b></p> <p><u>Human - Knowledge based behaviour</u></p> <p>Human error; not recognising the risk of moving the muscle retractor, and the impact this could have on the operating level. Retractor movement resulted in clip movement. The Neurosurgical Consultants do assess clinician's competency and this was completed in this operating clinician's case. This case was discussed at Neurosurgical M&amp;M meeting on the 26th June 2017. The correct site policy is currently under review and they are going to include the following line; 'If retractor is adjusted a third x-ray should be considered.'</p>	<ul style="list-style-type: none"> <li>➤ Local induction to be carried out by the Neurosurgical Tutor (Consultant Neurosurgeon), and will have a greater focus of surgical policies and procedures. Until Medics have completed local induction they will not be permitted to operate independently. They will only be able to operate under the direct supervision of a Consultant. This will also be included in the policy</li> <li>➤ Pastoral support/education of the Registrar and Senior Clinical Fellow involved in this incident, aimed at learning from this incident and using this for further learning.</li> <li>➤ Sharing of the incident across the currently neurosurgical workforce, and with new staff during local induction.</li> <li>➤ Share the incident with theatre staff, on the Theatre Governance day. This should highlight the importance of WHO processes, and if staffs feel things are not going to plan how they should explore/question the surgeon, and how the whole theatre team must be informed.</li> <li>➤ Medical Director to arrange meeting with NHS England regarding the classification of wrong level spinal surgery as a never event.</li> </ul>
Wrong level spinal surgery	Wrong level spinal surgery	<p><b>Issues Identified</b></p> <p>The surgical decompression at the time of surgery on the 15/5/17 was not extensive enough and it was ineffective at L4/5 requiring a second operation at this level</p> <p>The correct site spine surgery clinical guideline was followed at each stage and the correct level was identified by the surgeon on the 15/5/17 but incorrect level surgery still occurred in the sense that the surgeon focused too much on the top end of the decompression and insufficient attention was given to L4/5.</p> <p><b>Incidental Findings</b></p> <p>The patients' original surgical date was cancelled due to bed availability</p> <p>Although surgery occurred on the 15/05/17, the incident was identified on the MR scan on the 18/05/17. An adverse incident report was not submitted until the 30/05/17. Reported as a no harm incident.</p> <p style="text-align: right;"><i>continued next page</i></p>	<ul style="list-style-type: none"> <li>➤ The surgeon is to undertake reflection regarding this procedure.</li> </ul>

## Never Events *continued*

Never Event	Description	Key findings from root casue analysis	Actions to prevent recurrence
Wrong level spinal surgery <i>continued</i>	Wrong level spinal surgery <i>continued</i>	<p><b>Potential Root Causes</b></p> <p><u>Human skill based</u> - the surgical decompression was not extensive enough and despite following the correct level policy, wrong level surgery was performed. The surgery therefore achieved its objectives at L3/4 but an inadequate decompression resulted at L4/5 which required a second operation. Following correct identification of the level, human error resulted in misjudgement of the extent of decompression required to encompass all of the surgical objectives.</p>	
Wrong level spinal surgery	A Patient, consented and listed for L4/L5 decompression, had L3/L4 decompression	<p><b>Issues Identified</b></p> <ol style="list-style-type: none"> <li>1. Incomplete surgical marking page completion and not documented which members of staff confirmed the x-ray level in the operation note, but surgical pathway signed by scrub nurse and anaesthetist at time out suggesting they thought the correct level had been decompressed.</li> <li>2. The surgery was performed by a Neurosurgical registrar; he was not supervised by a consultant but had been deemed competent to perform the procedure unsupervised.</li> <li>3. An error occurred after second x-ray and time out whereby the surgeon placed instruments either side of the correct level which is in the centre of the field of view on the x-ray image taken. The second x- ray check did occur as per correct level policy followed by appropriate second time out.</li> <li>4. The technique used to mark the level can be criticised because two instruments were placed either side of the correct L4/5 level instead of a single instrument at the site of intended fenestration.</li> <li>5. The self-retaining retractor is not sited in the optimum position for L4/5 surgery and is slightly cranially placed. The x-ray image is also not as clear as it would ideally be.</li> <li>6. The above factors do not represent a breach of our correct level policy and after consideration by the Morbidity committee neither of these technical factors are considered as clear 'errors' and would not normally lead to wrong level surgery.</li> </ol> <p><b>Incidental Findings;</b></p> <ol style="list-style-type: none"> <li>1. The patient has reported that a doctor initially marked her neck and when she questioned this he realised his error rubbed out the mark to her neck and marked her back. This error is reflected in the patient's surgical pathway on the page for surgical marking.</li> <li>2. Adverse incident report not entered promptly once wrong level surgery had been identified.</li> <li>3. The patient was not made aware that the Consultant Neurosurgeon would not be performing her surgery.</li> </ol> <p><b>Root Cause(s)</b></p> <p><u>Human knowledge-based behaviour</u> - This case was discussed at the M&amp;M meeting on the 2/10/17. The wrong level surgery was due to human error. The second x-ray check did occur as per policy but an error occurred following this.</p> <p>The surgeon placed instruments either side of the correct level which is in the centre of the field of view on the x-ray image taken. Therefore the error did not occur at this point because during the 'Second Time Out' all would confirm that the correct level is shown on the x-ray.</p> <p>The opinion of the Morbidity committee is that the technique used to mark the level can be criticised because two instruments were placed either side of the correct L4/5 level instead of a single instrument at the site of the intended fenestration. Also the self-retaining retractor is not sited in the optimum position for L4/5 surgery and is slightly cranially placed. The x-ray image is also not as clear as it would ideally be.</p> <p>The wrong level surgery has occurred after the second time out because of a misjudgement of the correct working angle at this point. It is likely that the surgeon had identified L4/5 correctly on the x-ray but failed to take into account that the fenestration is normally most easily created from caudal to the disc space. Given the 40-50 cm or so from the microscope to the wound a small error of the required geometry can lead the surgeon into the adjacent wrong level.</p>	<ol style="list-style-type: none"> <li>1. The investigation report will be shared with the clinical teams in Neurosurgery and Theatre at governance meeting</li> <li>2. Wrong level surgery on consent forms to be discussed at Neurosurgical governance meeting</li> <li>3. Discussion of allocation of patients to operation lists, clear communication with patient's as to which clinician will be performing their surgery.</li> <li>4. An internal review of wrong level surgery investigations to identify any common themes, report to be presented to the senior divisional team.</li> <li>5. The correct level policy to be reviewed to incorporate relevant learning from this case.</li> <li>6. Morbidity &amp; Mortality meeting and incident report to be shared with trainee for reflective learning and discussion at appraisal.</li> </ol>

## Never Events *continued*

Never Event	Description	Key findings from root casue analysis	Actions to prevent recurrence
Wrong side surgery	Patient listed for removal left sided ureteric stent and right sided one removed in error	<p><b>Issues Identified</b></p> <ol style="list-style-type: none"> <li>The Urology clinical fellow was not aware that the patient had bilateral ureteric stents in place when the patient attended clinic on the 6.9.17 and the previous clinical documentation does not make this clear. The procedure was difficult in that the visibility in the bladder was poor due to the presence of debris.</li> <li>At the time of this incident there was not a specific LocSSIP for the removal of ureteric stents.</li> </ol> <p><b>Root Cause(s)</b></p> <ol style="list-style-type: none"> <li><u>Transfer of knowledge</u> - Clinical documentation did not identify the presence of bilateral stents in the last clinical letter.</li> <li><u>Human Knowledge based behaviour</u> - the Urology clinical fellow was not looking for 2 ureteric stents so when she saw a stent in the patient's bladder she removed it, not realising the patient had bilateral stents</li> <li><u>Organisational protocol/procedure</u> - no LocSSIP for the removal of ureteric stents at the time of this incident</li> </ol>	<ol style="list-style-type: none"> <li>Development of LocSSIP which will include left and right ureteric stents in place.</li> <li>Sharing of the investigation findings at Urology governance and discussion to take place about what clear clinical documentation looks like.</li> </ol>
Wrong level spinal surgery	Patient listed for laminectomy at L4-L5. The approach needed to be via L3 spinal process, but more of L3 removed than intended. This was a complex case and pre and intra-operative imaging indicated that the surgery was occurring in the correct location.	<p><b>Issues Identified</b></p> <p>Technical difficulty in positioning and during the decompression led to a dural tear with CSF leak and root prolapse which obscured the surgeons view and impeded his safe access to complete the surgery. This also increases the risk of serious damage to the nerve roots and therefore disabling neurological deficit therefore the surgeon needed to place emphasis on concluding the operation minimising nerve damage. This led to a failure to fully decompress at L5 as thoroughly as had been intended.</p> <p>The correct Trust policy had been followed in reviewing the intraoperative images and the x-ray indicates that the correct level was identified during surgery and subsequent to this the incomplete decompression occurred due to the dural tear.</p> <p><b>Incidental Findings</b></p> <ul style="list-style-type: none"> <li>West Midlands Ambulance cancelled the patient's transport and the patient had to be transported home by taxi.</li> <li>There were issues communicating with the patient's partner. Attempts were made to contact her by telephone on a number of occasions and due to no success contact was made via email.</li> <li>The patient was not discussed with the pain team prior to the operation</li> <li>Wound expressing fresh blood and oozing post op</li> <li>Methadone not stocked on the ward and took some time to source</li> </ul> <p><b>Potential Root Causes</b></p> <p>There was difficulty positioning patient on the Salford seat and therefore the patient was positioned in Montreal mattress and was in quite a degree of hyperextension. This positioning contributed to the fact that access was difficult, the development of a CSF leak and the herniation of lumbar sacral roots was also a complicating factor in this patient's operation.</p> <p>Because of the extension and quantity of CSF leak, formal completion of the operation was not possible and a dural patch was applied secured with tisseel and the operation was discontinued.</p> <p>There were no training or supervising issues identified. The surgeon responsible is senior and experienced and the procedure was within the scope of his usual practice. He has performed this type of surgery many hundreds of times with good results and complication rates. Trust policy was followed in regards to pre-incision and intraoperative x-rays.</p>	<ul style="list-style-type: none"> <li>The surgeon has reflected on the complication and intraoperative difficulty.</li> <li>Duty of candour has been completed with the patient.</li> <li>The surgeon has shared his experience by presenting the case at Morbidity and Mortality departmental meeting.</li> </ul>



## Never Events *continued*

Never Event	Description	Key findings from root casue analysis	Actions to prevent recurrence
Wrong level spinal surgery	<p>Patient needed L4/L5 spinal decompression, but L3/L4 undertaken in error.</p> <p>L4/L5 laminectomy undertaken one week later once error identified.</p>	<p><b>Issues Identified</b></p> <p>This patient received wrong level discectomy at L3/4. The error was recognised during the surgery and he received the intended surgery at L4/5 under the same anaesthetic. The immediate cause of the incident was misjudgement by the operating surgeon. Policy regarding a “second time out” after intraoperative x-ray was followed but the surgeon misjudged the necessary working angle from the intraoperative X-ray which led him to the incorrect level.</p> <p><b>Incidental Findings</b></p> <p>The operating surgeon was an experienced Trainee. The supervising Consultant intervened in the case after it had been identified that wrong level surgery had occurred.</p> <p>An incidental finding is that the technical quality of the x-rays obtained in theatre was poor although this did not directly cause the problem.</p> <p>The patient presented 11 days later with a left below knee deep venous thrombosis. Prophylaxis against deep venous thrombosis was given as per usual policy and documentation completed but the deep venous thrombosis occurred despite this. A risk factor may have been increased operative time due to the intraoperative wrong level incident.</p> <p><b>Potential Root Causes</b></p> <p>Education and training causes: Despite knowing and adhering to the policy regarding correct site surgery, the surgeon made a technical error during the surgery. He misjudged the necessary working angle from the intraoperative x-ray which led him to the incorrect level. It may be less likely that the incident would have occurred if a Consultant grade surgeon had been present although it has to be acknowledged that other incidents have occurred with Consultant as principle operating surgeon. There is potentially an issue to be addressed in training concerning how best to implement.</p>	<p>This case has been openly discussed at Neurosurgery Morbidity and Mortality meeting to share learning points.</p> <p>After the investigation has been completed the case will also be presented at Spinal Governance meeting.</p> <p>Full duty of Candour is being addressed with the patient.</p> <p>Action to be taken to address Training/ Supervision issues raised- The operating surgeon is receiving specific targeted training.</p> <p>Agreement to be reached with Neurosurgery and Spinal surgery within 4 weeks on specific proposals to improve implementation of existing policy to prevent wrong level surgery.</p>
Misplaced NG tube	Misplaced NG tube on insertion.	Investigation ongoing (due for closure soon).	

## Annex 1: Statement from local commissioner, overview and scrutiny committees

### CCG response Salford Royal NHS Foundation Trust Quality Accounts (2017/18)

NHS Salford Clinical Commissioning Group (CCG) welcomes the opportunity to comment on the 2017/18 Quality Accounts for Salford Royal NHS Foundation Trust.

We have worked closely with the Trust during the year reviewing a range of indicators in relation to quality and performance; gaining assurance of the delivery of safe and effective services. The material presented within the Quality Accounts is consistent with information supplied to commissioners throughout the year.

Whilst we appreciate the relationships that are being developed as part of the Northern Care Alliance; we are reassured that the quality accounts include a focus on progress made in developing local integrated care services and delivering high quality hospital care for the citizens of Salford. We welcome the priorities outlined within the 2018/19 quality improvement plan in relation to integrated community care and look forward to seeing the outcome of this work in next year's report.

We commend the organisations' sustained commitment to improving safety and reduction in avoidable harm which is evident within the report. Clear measures of improvement in the recognition and management of sepsis as well as a continued focus on reliably delivering harm free care exemplify this. As partners in the Safer Salford programme we are pleased to see that the outcomes of this work are highlighted. Much of the work that is outlined in respect of medication safety has been supported by NHS Salford CCG and we intend to continue to work in partnership with the Trust in improving the safety of medicines during 2018/19.

The report highlights how learning and continuous improvement is embedded within the organisation, which is something that we observe in our interactions with the Trust. Thematic analysis of the learning from mortality reviews and serious incidents as outlined within the report is an illustration of this. NHS Salford CCG is working closely with the Trust to embed the mortality reviews for individuals with a learning disability (LeDeR programme) into existing arrangements.

We endorse and fully support the Trust in their involvement in the #End PJ Paralysis campaign. There are clear links between this work and ensuring that older people have a positive experience when using services.

The introduction to the report references the national issue of increasing demand on services which is well recognised by commissioners. We have worked closely with the Trust during the year through the Urgent and Emergency Care Delivery Board to support the implementation of a range of plans to improve performance against the A&E standards.

The document includes a range of areas where NHS Salford CCG has been working in conjunction with the Trust to support quality improvement. We are pleased to endorse these Quality Accounts for 2017/18 and look forward to continued partnership working on driving improvements in safety and quality for the benefit of our population.

Anthony Hassall  
Chief Accountable Officer  
NHS Salford Clinical Commissioning Group



## Health and Adults Scrutiny Panel

Our work with Salford Royal NHS Foundation Trust over the past 12 months has provided an ongoing demonstration by the Trust to provide outstanding services to the people of the city. The delivery of these standards shows the clear commitment of the Trust to its staff, patients and visitors.

The Panel note the organisational challenges which have been successfully met in the creation of the Northern Care Alliance NHS Group and in the continued development of the Salford Care Organisation.

The Panel would like to offer congratulations and thanks to all employees of the Trust, without whose endless dedication and professionalism, the achievements and improvements would not be possible.

We look forward to further progressing our partnership work with the Trust in 2018 / 2019.

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

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

We have been engaged by the Council of Governors of Salford Royal NHS Foundation Trust to perform an independent limited assurance engagement in respect of Salford Royal NHS Foundation Trust's Quality Report for the year ended 31 March 2018 (the "Quality Report") and certain performance indicators contained therein against the criteria set out in the 'NHS Foundation Trust annual reporting manual 2017/18' and additional supporting guidance in the 'Detailed requirements for quality reports 2017/18' (the 'Criteria').

## Scope and subject matter

The indicators for the year ended 31 March 2018 subject to the limited assurance engagement consist of the national priority indicators as mandated by NHS Improvement:

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

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

## Respective responsibilities of the directors and Practitioner

The directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the 'NHS Foundation Trust annual reporting manual 2017/18' and supporting guidance issued by NHS Improvement.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- The Quality Report is not prepared in all material respects in line with the Criteria set out in the 'NHS Foundation Trust annual reporting manual 2017/18' and supporting guidance;
- The Quality Report is not consistent in all material respects with the sources specified in NHS Improvement's 'Detailed requirements for external assurance for quality reports 2017/18'; *and*
- The indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the 'NHS Foundation Trust annual reporting manual 2017/18' and supporting guidance and the six dimensions of data quality set out in the "Detailed requirements for external assurance for quality reports 2017/18'.

We read the Quality Report and consider whether it addresses the content requirements of the 'NHS Foundation Trust annual reporting manual 2017/18' and supporting guidance, and consider the implications for our report if we become aware of any material omissions

*Continued next page*

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

- Board minutes for the period 1 April 2017 to April 2018;
- Papers relating to quality reported to the Board over the period 1 April 2017 to April 2018;
- Feedback from commissioners dated April 2018;
- Feedback from governors dated May 2018;
- Feedback from local Healthwatch organisations dated May 2018;
- Feedback from the Overview and Scrutiny Committee dated April 2018;
- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and National Health Service Complaints (England) Regulations 2009, dated May 2017;
- The 2017 national patient survey;
- The 2017 local patient survey;
- The 2017 national staff survey; and
- The Head of Internal Audit's annual opinion over the Trust's control environment dated March 2018

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the "documents"). Our responsibilities do not extend to any other information.

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

We 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 Salford Royal NHS Foundation Trust as a body, to assist the Council of Governors in reporting Salford Royal NHS Foundation Trust's quality agenda, performance and activities.

We permit the disclosure of this report within the Annual Report for the year ended 31 March 2018, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body, and Salford Royal NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

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## Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- Evaluating the design and implementation of the key processes and controls for managing and reporting the indicators
- Making enquiries of management
- Limited testing, on a selective basis, of the data used to calculate the indicators tested against supporting documentation
- Comparing the content requirements of the 'NHS Foundation Trust annual reporting manual 2017/18' and supporting guidance to the categories reported in the Quality Report; *and*
- Reading the documents

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

## Limitations

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

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable, measurement techniques that can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary.

Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the Quality Report in the context of the criteria set out in the 'NHS Foundation Trust annual reporting manual 2017/18' and supporting guidance.

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

Our audit work on the financial statements of Salford Royal NHS Foundation Trust is carried out in accordance with our statutory obligations. This engagement will not be treated as having any effect on our separate duties and responsibilities as Salford Royal NHS Foundation Trust's external auditors. Our audit reports on the financial statements are made solely to Salford Royal NHS Foundation Trust's members, as a body, in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006.

Our audit work is undertaken so that we might state to Salford Royal NHS Foundation Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. Our audits of Salford Royal NHS Foundation Trust's financial statements are not planned or conducted to address or reflect matters in which anyone other than such members as a body may be interested for such purpose.

In these circumstances, to the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than Salford Royal NHS Foundation Trust and Salford Royal NHS Foundation Trust's members as a body, for our audit work, for our audit reports, or for the opinions we have formed in respect of those audits.

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## Conclusion

Based on the results of our procedures, as described in this report, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018:

- The Quality Report is not prepared in all material respects in line with the Criteria set out in the 'NHS Foundation Trust annual reporting manual 2017/18' and supporting guidance;
- The Quality Report is not consistent in all material respects with the sources specified in NHS Improvement's 'Detailed requirements for external assurance for quality reports 2017/18'; *and*
- The indicators in the Quality Report identified as having been subject to limited assurance have not been reasonably stated in all material respects in accordance with the 'NHS Foundation Trust annual reporting manual 2017/18' and supporting guidance

Grant Thornton UK LLP  
Chartered Accountants  
4 Hardman Square  
Spinningfields  
Manchester  
M3 3EB

*Date: 25 May 2018*

## Annex 2: Statement of responsibilities for the Quality Report

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

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

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

- The content of the Quality Report meets the requirements set out in the NHS Foundation Trust annual reporting manual 2017/18 and supporting guidance.
- The content of the Quality Report is not inconsistent with internal and external sources of information including:
  - Board minutes and papers for the period April 2017 to April 2018
  - Papers relating to quality reported to the board over the period April 2017 to April 2018
  - Feedback from commissioners dated 27/04/2018
  - Feedback from governors dated 16/05/2018
  - Feedback from Overview and Scrutiny Committee dated 26/04/2018
  - The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated May 2017
  - The 2017 national patient survey 17/10/2017
  - The 2017 national staff survey 06/03/2018
- The Head of Internal Audit's annual opinion of the Trust's control environment dated May 2018.
- CQC inspection dates 27/05/2018
- The Quality Report presents a balanced picture of the NHS Foundation Trust's performance over the period covered.
- The performance information reported in the Quality Report is reliable and accurate.
- There are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report. These controls are subject to review to confirm that they are working effectively in practice.
- The data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review.
- The Quality report has been prepared in accordance with NHS Improvement's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality report.

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

By order of the board.

Date: 25 May 2018   
James J Potter  
Chairman

Date: 25 May 2018   
Sir David Dalton  
Chief Executive & Accounting Officer



# 4

## Appendices



# Appendix A

## Glossary of definitions

Term	Explanation
Acute Kidney Injury (AKI)	Acute kidney injury (AKI) is sudden damage to the kidneys that causes them to not work properly. It can range from minor loss of kidney function to complete kidney failure.
Allied Health professionals	Allied health professions are health care professions distinct from nursing, medicine, and pharmacy.
Always Events	Aspects of care that patients should always receive when they use our services.
Ambulatory Emergency Care (AEC)	Ambulatory emergency care (AEC) is a service that provides same day emergency care to patients in hospital.
Anticoagulation	Anticoagulants are medicines that help prevent blood clots.
Aseptic	If something is aseptic it is sterile, sanitized, or otherwise clean of infectious organisms.
Better Care Lower Cost (BCLC)	The programme office whose work focuses on efficiency savings within the Trust.
Blood Clots (VTE)	A condition where a blood clot forms in a vein.
Board Rounds	Board rounds are a summary discussion of the patient journey and what is required that day for it to progress.
Breakthrough Series Collaborative (BTS)	Quality Improvement method undertaken at Salford Royal.
Care Pathway	A multidisciplinary management tool based healthcare plan for a specific group of patients with a predictable clinical course.
Catheter	Catheters are medical devices that can be inserted in the body to treat diseases or perform a surgical procedure. Catheters are used for many reasons, for example, draining urine and in the process of haemodialysis.
Catheter associated urinary tract infection (CaUTI)	An infection which it is believed has been caused by a urinary catheter.
CCG	Clinical Commissioning Responsible for most healthcare services available within a specific geographical area.
Change Package	A group of changes or interventions developed to help tackle a particular problem.
Clinical Coding	The transformation of medical conditions, procedures or diagnoses into universal medical codes.
Clostridium difficile	A type of infection.
Co-design Approach	Is an approach to design that attempts to include all stakeholders.
Collaborative	Working together towards a shared purpose.
Community Assessment and Accreditation System (CAAS)	An assessment criteria that is used to assess the quality of care in the community.
Co-morbidity	The presence of one or more additional diseases or disorders co-occurring with a primary disease.
COPD	Chronic obstructive pulmonary disease. The name for a collection of lung diseases including chronic bronchitis, emphysema and chronic obstructive airways disease.
COSHH	Control of Substances Hazardous to Health legislation.
CQC	Care Quality Commission - The independent regulator of all health and social care services in England.
CQUIN	Commissioning for Quality and Innovation. This is a system introduced in 2009 to make a proportion of healthcare providers' income conditional on demonstrating improvements in quality and innovation in specified areas of care.

## Appendix A

### Glossary of definitions *(continued)*

Term	Explanation
Datix	Salford Royal's incident reporting system.
Deep vein thrombosis	A blood clot that forms in the deep veins within the body.
Delirium	State of mental confusion.
Dementia	A condition that includes symptoms such as memory loss and confusion.
Dementia United Transformation Programme	A programme designed to improved the lived experiences of people with dementia.
Diagnostics	A device or substance used for the analysis or detection of diseases or other medical conditions.
Dispensing	The provision of medications by the pharmacy.
EAU	Emergency Admissions Unit.
Electronic Patient Record (EPR)	The system used to store patient health record information.
Emergency village	A ward of the hospital which receives different types of patients into the hospital for example from the emergency department.
Enhanced Care Teams	A service that provides urgent care in an attempt to avoid hospital admissions.
FAIR	An assessment tool used to assist in a diagnosis of dementia.
Fit 2 Sit Campaign	A campaign that encourages staff to get patients out of bed into their own clothes.
Global Digital Exemplar (GDE)	A programme that provides additional resources to enhance digital services within the Trust.
GP Stream Service	A service that provides access to a GP in A&E to avoid inappropriate admissions.
Harm	An unwanted outcome of care intended to treat a patient.
HAT	A blood clot that forms while in hospital or as a consequence of treatment within hospital.
Health Economy	A reference to all healthcare providers across a region.
HIMSS	Healthcare Information and Management Systems Society.
INR Self Testing Kit	A self testing kit that reports on INR levels in blood.
Integrated Care Organisation (ICO)	Organisation within the Trust integrating hospital, community and social care.
Intermediate care units	Units which patients go to when they no longer require the acute care of the hospital but are not yet ready to go home.
Intervention	A treatment which is intended to improve a patient's condition.
MCA	The Mental Capacity Act.
MHA	The Mental Health Act.
Morbidity	Morbidity comes from the word morbid, which means "of or relating to disease".
Mortality	Mortality relates to death. In health care mortality rates means death rate.
Mortality surveillance Committee	An assurance committee to validate mortality data within the Trust.
Mortality reviews	A national initiative to review if a hospital could have prevented any deaths and the learning that can be shared from those.

## Appendix A

### Glossary of definitions *(continued)*

Term	Explanation
MRSA blood stream infection	Methicillin-resistant Staphylococcus aureus (MRSA) is a type of infection.
Multidisciplinary	Consisting of members of staff from different professional groups, for example doctors, nurses, physiotherapists and pharmacists.
Multiple Sclerosis	Multiple sclerosis (MS) is a neurological condition of the brain and spinal cord, affecting muscle control, vision, balance and causing fatigue, loss of sensation or numbness
Musculoskeletal	Relating to the musculature and skeleton together.
N3 Secure Network	The NHS' secure internet network.
NatSSIP'S	National Safety Standards for Invasive Procedures.
NCEPOD	The National Confidential Enquiry into Patient Outcome and Death reviews clinical practice following a patient death.
Never Event	Never Events are patient safety incidents that are preventable and should not occur because: <ul style="list-style-type: none"> <li>➤ there is guidance that explains what the care or treatment should be;</li> <li>➤ there is guidance to explain how risks and harm can be prevented;</li> <li>➤ There has been adequate notice and support to put systems in place to prevent them from happening.</li> </ul>
NEWS	A system to monitor deterioration in a patient's health while in hospital.
Northern Care Alliance	The name for the newly formed group that includes Salford Royal NHS Foundation Trust and Penne Acute Hospitals NHS Trust.
Nursing Assessment and Accreditation System (NAAS)	An assessment criteria that is used to assess the quality of care on inpatient wards.
Outpatients	A department in the hospital that treats patients that do not require an overnight stay.
Pathology	A service within the hospital that studies disease, it's cause and progression.
PDSA	Plan, Do, Study, Act cycle, a method for testing change within the Trust.
PJ Paralysis	A national campaign to encourage patients to get out of bed and wear their on clothes while in hospital.
Pulmonary Embolism (PE)	A blood clot which has become lodged in the lungs.
Quality Improvement Strategy	A document which outlines the aims and objectives of the Trust relating to patients safety and improving quality.
Rapid Improvement Event	A Rapid Improvement Event generally spans from 1 to 5 days and involves key participants focusing on solving a narrowly scoped process improvement opportunity.
Reliability science	The science relating to ensuring that all processes and procedures perform their intended function.
Root Cause Analysis (RCA)	A method of problem solving that tries to identify the root cause of issues or harms.
Run Charts	Run charts are graphs used to display data for quality improvement purposes. Run charts are easier for teams to work with than control charts, although they may be less statistically sensitive. Run charts helpful in monitoring performance and monitoring improvement work. If there is an active improvement effort going on, these tools can also be used to determine if an improvement has indeed been made.
Safety Thermometer	A point of care survey which is used to record the occurrence of four types of harm (pressure ulcers, falls, catheter associated urinary tract infection and venous thromboembolism)

## Appendix A

### Glossary of definitions *(continued)*

Term	Explanation
Salford Together Partnership	The Salford Together Partnership – an alliance formed by NHS Salford Clinical Commissioning Group, Salford City Council, Salford Royal NHS Foundation Trust and Greater Manchester West Mental Health NHS Foundation Trust. The Partnership aims to bring together home care, mental health and community nursing, hospital and out-of-hospital services together, ushering in a new era of joined-up care
SCAPE	This is awarded to wards who have achieved the criteria of delivering care that is Safe Clean and Personal every time.
Sepsis	Life threatening condition caused when the body is overcome by infection.
Social Prescribing	Is a means of enabling GPs, nurses and other primary care professionals to refer people to a range of local, non-clinical services.
SSI (Surgical Site Infection)	A healthcare-associated infection in which a wound infection occurs after an invasive (surgical) procedure.
Steering group	A committee that decides on the priorities or order of business of an organisation and manages the general course of its operations.
Step-down	A bed that is used to provide a lower level of care for a patient when their current level of care is no longer necessary.
Stranded Patients	A patient who's been in hospital for more than 7+ days.
Structured Judgement Review	An evidence based method of reviewing a patients records to understand if their death was preventable.
SUS+DQ	An organisation that provides advice on data quality reporting.
The Trust	Salford Royal Foundation Trust.
Thrombolysis	The dissolution of a blood clot.
Thrombosis	A condition where a blood clot forms in a vein.
WHO	World Health Organisation.
Work Stream	An area of activity or project within the Trust.

# 2

## Accountability Report



## Directors report

As described in the introduction to Salford Royal NHS Foundation Trust, with effect from 1 April 2017, Salford Royal Board of Directors and the Trust Board at Pennine approved the establishment of a Group Committees in Common (CiC) and delegated the exercise of their functions. The Group CiC has responsibility for effectively managing both Trusts. The Executive Directors of Salford Royal are also Group Chief Officers and voting members of the Group CiC. The Group CiC comprises the Chairman and six Non-Executive Directors along with six Executive Directors: Chief Executive, Chief Medical Officer, Chief Nursing Officer, Chief Financial Officer, Chief Strategy & Organisational Development Officer and Chief Delivery Officer. Care Organisation Chief Officers are also non-voting members of the Group CiC.

### Composition of the Board of Directors

#### Executive Directors (Group Chief Officers) and Non-Voting Members



#### **Sir David Dalton**

**Salford Royal Board of Directors: Chief Executive Officer.**

**Group Committees in Common: Group Chief Executive Officer**

Sir David has been a Chief Executive for over 20 years; he has a strong profile, both locally within Greater Manchester, and also nationally in the areas of quality improvement and patient safety. Under Sir David's leadership, Salford Royal set out its clear ambition to be the safest organisation in the NHS and has adopted a disciplined approach of applied 'improvement science' coupled with deep staff involvement. In addition to his role at Salford Royal, Sir David was appointed as the Chief Executive of Pennine on 1 April 2016, and Chief Executive Officer for the Group CiC in March 2017.



#### **Mr Chris Brookes**

**Salford Royal Board of Directors: Executive Medical Director.**

**Group Committees in Common: Chief Medical Officer**

Chris continues to practice as a Senior Consultant in A&E. Chris continues to focus efforts on reducing mortality and morbidity and on infection control, and through the contribution of all staff members in Salford Royal there has been significant progress made in ensuring that our patients receive care which is safe and does not expose them to harm. In March 2017, Chris was appointed Chief Medical Officer for the Group CiC in addition to his post as Executive Medical Director for Salford Royal.



#### **Mrs Elaine Inglesby-Burke CBE**

**Salford Royal Board of Directors: Executive Nurse Director.**

**Group Committees in Common: Chief Nursing Officer**

Elaine qualified as a Registered Nurse in 1980 at Warrington District General Hospital and specialised in critical care and general medicine, holding various clinical positions at Ward level and Nurse Specialist. Educated to postgraduate degree level, Elaine maintains her professional/clinical development through regular clinical shifts and Executive Safety Shifts with frontline staff and has a strong track record in professional nursing and operational management. In addition to her role at Salford Royal, Elaine was appointed as Executive Nurse Director of Pennine on 1 August 2016 and Chief Nursing Officer for the Group CiC in March 2017.

## Executive Directors (Group Chief Officers) and Non-Voting Members *continued*



### **Mr Ian Moston**

**Executive Director of Finance**

**Group Committees in Common: Chief Financial Officer**

Ian began his NHS career in 1991 as a Regional Financial Management Trainee and has held Finance Director positions in Primary Care, Acute, and Intermediate Tier organisations since 2005. During this time he has worked on a number of large scale transactions, including the development of a new national service for cancer treatment and the development of a joint venture company to deliver benefits to the NHS. In addition to his role at Salford Royal, Ian was appointed as Chief Financial Officer for the Group CiC in March 2017.



### **Mrs Judith (Jude) Adams**

**Salford Royal Board of Directors: Executive Director of Group Delivery**

**Group Committees in Common: Chief Delivery Officer**

Jude has over 30 years experience in the NHS, starting her career as a Registered Nurse in the North West region and then working in London based hospitals, before moving into operational management. Jude has been involved in a number of major change programmes, including the development and move to the new Alder Hey Children's Hospital in 2015, where she held the position of Chief Operating Officer. In addition to her role at Salford Royal, Jude was appointed as Chief Delivery Officer for the Group CiC in March 2017.



### **Mr Raj Jain**

**Salford Royal Board of Directors: Executive Director of Corporate Strategy and Business Development/Deputy Chief Executive**

**Group Committees in Common: Chief Strategy & Organisational Development Officer**

Raj spent the early part of his career in the oil and gas industry. He is an economist by training and a Human Resources and Organisational Development professional. Raj has held senior roles in a number of NHS Trusts, including Chief Executive, and Managing Director of the Greater Manchester Academic Health Science Network, bringing together healthcare and academic organisations in partnership with industry, local authorities and other agencies to improve health and economic wealth through the spread of innovation. In addition to his role at Salford Royal, Raj was appointed as Chief Strategy and Organisational Development Officer for the Group CiC in March 2017.



### **Mr James Sumner**

**SRFT Board of Directors: Director of Performance and Improvement**

*(Non-voting member of the Board of Directors)*

**Group Committees in Common: Chief Officer Salford Care Organisation**

James began his NHS career in primary care and has held a number of roles in commissioning, provider and regional health organisations. James brings years of experience in operational management in Board Level Executive roles and, for the last two years, was Deputy Chief Executive at a nearby NHS Foundation Trust. In March 2017 James was appointed as the Chief Officer for Salford Care Organisation, assuming full responsibility for all matters relating to the Salford site and its community services, and is a non-voting member of the Group CiC.



## Executive Directors (Group Chief Officers) and Non-Voting Members *continued*



### Mr Jack Sharp

SRFT Board of Directors: Director of Service Strategy and Development  
(Non-voting member of the Board of Directors)

Group Committees in Common: N/A

Jack started his career in the NHS as graduate management trainee and has held a wide range of general management posts during his career. Jack has led the development of a number of large scale change programmes, including the transfer and integration of community services within the Trust and the development of Salford's strategy to integrate health and social care services for older people.



### Dr Peter Turkington

SRFT Board of Directors: Medical Director Standards and Performance  
(Non-voting member of the Board of Directors)

Group Committees in Common: N/A

Pete completed his medical training in Yorkshire before moving to Salford Royal in 2003 to take up his Consultant Post in Respiratory Medicine. His main subspecialty interests are Obstructive Sleep Apnoea, Ventilatory Failure and Non-Invasive Ventilation (NIV). Pete was Clinical Director of Respiratory Medicine between 2007 and 2010 and Chair of the Division of Salford Healthcare between 2010 and 2013, during which time he led the development of the Emergency Village and seven day working for acute medicine. Pete is the Medical Director of Salford Care Organisation.



### Mr Paul Renshaw

SRFT Board of Directors: Director of Organisational Development and Corporate Affairs (until 31 May 2017)

(Non-voting member of the Board of Directors)

Group Committees in Common: N/A

Paul joined Salford Royal from the management team at the National Nuclear Laboratory, with more than 20 years' experience of Human Resource strategy development and service delivery, including leading significant change management initiatives. He started his career with Marks and Spencer in 1988 and also worked for Matalan, BUPA and Serco Technical Assurance Services. Paul left Salford Royal in May 2017.

## Non-Executive Directors



### Mr James (Jim) Potter

SRFT Board of Directors: Chairman

Group Committees in Common: Chairman

Jim spent most of his working life in electrical engineering, initially as an engineer before moving into management. In 1990 Jim was made Managing Director of a packaging company based in Salford, a position he held until July 2016. In addition to his role at Salford Royal, Jim was appointed as Chairman of Pennine on 1 April 2016.



### Mr John Willis CBE

SRFT Board of Directors: Non-Executive Director/Vice-Chairman/Chairman of Audit Committee

Group Committees in Common: Non-Executive Director/Vice-Chairman/Chairman of Audit Committee

John is a qualified accountant and was Chief Executive of Salford City Council from 1992 until his retirement in 2006. John led the team that secured funding for The Lowry and oversaw much of the regeneration of Salford. In addition to his role at Salford Royal, John was appointed as a Non-Executive Director at Pennine on 1 August 2016.



### Mrs Diane Brown

SRFT Board of Directors: Non-Executive Director/Senior Independent Director

Group Committees in Common: Non-Executive Director

Diane has over 30 years' experience as a HR Director, Talent Director and Global Business Partner. Diane has worked with Senior Global Leaders in FTSE 100 companies including AstraZeneca Pharmaceuticals, M&S Money and Marks and Spencer PLC. Diane is a Fellow of the Chartered Institute of Personnel and Development. In addition to her role at Salford Royal, Diane was appointed as a Non-Executive Director at Pennine on 1 October 2016.



### Mrs Rowena Burns *(stood down 31 July 2017)*

SRFT Board of Directors: Non-Executive Director

Group Committees in Common: Non-Executive Director

Rowena's early career was spent with Greater Manchester Passenger Transport Authority and Manchester City Council working in a variety of transport and economic development roles, including the first phase of Manchester's Metrolink system. Rowena has had a number of roles with Manchester Airport Group, Bruntwood and Manchester Science Parks with a brief for acquisition, economic regulation and overall business strategy. Rowena stood down as a Non-Executive Director at the end of July 2017.

**Non-Executive Directors** *continued***Professor Chris Reilly**

SRFT Board of Directors: Non-Executive Director

Group Committees in Common: Non-Executive Director

Chris is a scientist and business leader with over 30 years' experience in medical research, life science consultancy and venture capital in the UK, USA and Sweden. Chris has a Ph.D in Biochemistry from the University of Georgia and performed his postdoctoral work in the Massachusetts Institute of Technology.

**Dr Hamish Stedman**

SRFT Board of Directors: Non-Executive Director

Group Committees in Common: Non-Executive Director

Hamish was educated at St Andrews and Victoria Universities, qualifying as a Doctor in 1978. He has worked in most of Salford's hospitals and has recently retired from his role as a General Practitioner in Swinton, and Chair of Salford CCG and the Association of Greater Manchester CCGs. Hamish continues as a part time Medical Officer at St Ann's Hospice in Little Hulton and Neighbourhood Primary Care Lead for Salford Primary Care Together.

**Mrs Christine Mayer CBE**

SRFT Board of Directors: Non-Executive Director

Group Committees in Common: Non-Executive Director

Christine was Chief Executive of Her Majesty's Court Service, accountable for the day to day operation of 550 court centres across England and Wales until 2010. Christine is a consultant in leadership and executive coaching and is an associate with Fiona Macneill Associates. Christine has also been a Non-Executive Director at Pennine since 2011.

**Mr Kieran Charleson** (*commenced 1 December 2017*)

SRFT Board of Directors: Non-Executive Director

Group Committees in Common: Non-Executive Director

Kieran is the North West Regional Director for BT Group and represents BT's interests from broadband to broadcast in the region. He has held UK and international leadership roles in the digital sector with IBM and BT over a 30 year period and has extensive experience in developing and leading strategic partnerships. He leads BT's UK engagement with the Federation of Small Businesses and the Institute of Directors.

## Executive Directors

Name	Responsibilities	Appointment date		Group Committees in Common Attendance	Board of Directors Attendance
		From	To		
Sir David Dalton	Chief Executive/Group Chief Executive Officer	2001	Present	9/9	3/3
Mr Chris Brookes	Executive Medical Director/Chief Medical Officer	2010	Present	8/9	3/3
Mrs Elaine Inglesby-Burke CBE	Executive Nurse Director/Chief Nursing Officer	2004	Present	7/9	2/3
Mr Ian Moston	Executive Director of Finance/Chief Finance Officer	2014	Present	9/9	3/3
Mr Raj Jain	Executive Director of Corporate Strategy and Business Development/Chief Strategy & Organisational Development Officer	2015	Present	8/9	2/3
Mrs Judith Adams	Executive Director of Group Delivery/ Chief Delivery Officer	2017	Present	8/9	3/3
Mr James Sumner	Director of Performance and Improvement/Chief Officer Salford Care Organisation	2016	Present	8/9	3/3
Mr Steve Taylor	Chief Officer Bury & Rochdale Care Organisation	2017	Present	7/9	N/A
Donna McLaughlin	Chief Officer Oldham Care Organisation	2017	Mar 2018	6/9	N/A
Mrs Nicola Firth	Interim Chief Officer Oldham Care Organisation	2018	Present	1/1	N/A
Mr Damien Finn	Chief Officer North Manchester Care Organisation	2017	Present	8/9	N/A
Mr Jack Sharp	Director of Service Strategy and Development	2014	Present	N/A	3/3
Mr Paul Renshaw	Director of Organisational Development and Corporate Affairs	2013	May 2017	N/A	N/A
Dr Peter Turkington	Medical Director Standards and Performance/Salford Medical Director	2014	Present	N/A	3/3

## Non-Executive Directors

Name	Responsibilities	Appointment	Group Committees in Common Attendance	Board of Directors attendance
Mr James Potter	Chairman	In post as Vice-Chairman when Salford Royal became a Foundation Trust in August 2006. Appointed as Chairman on 1.7.08. Re-appointed from 1.7.12 until 30.6.15. Re-appointed from 1.7.15 until 2017 AMM. Tenure extended until 30.06.18. Re-appointed from 30.06.18 until 30.06.19. Jim is now in his 12th year.	9/9	3/3
Mr John Willis CBE	Vice-Chairman Chairman of Audit / Charitable Funds Committees	Appointed 1.1.08 to 31.12.11. Re-appointed 1.1.12 to 31.12.13. Re-appointed 1.1.14 to 31.12.14. Re-appointed 1.1.15 to 31.12.15. Re-appointed 1.1.16 to 31.12.16. Re-appointed 1.1.17 to 31.12.17. Tenure extended until 31.03.19. John is now in his 11th year.	8/9	3/3
Mrs Diane Brown	Non-Executive Director/ Senior Independent Director	Appointed 1.1.09. Re-appointed 1.1.12 to 31.12.14. Re-appointed 1.1.15 to 31.12.16. Re-appointed 1.1.17 to 31.12.17. Tenure extended until 31.03.19. Diane is now in her 10th year.	8/9	3/3
Mrs Rowena Burns	Non-Executive Director	Appointed 1.07.13 until 30.06.16. Re-appointed 1.07.16 to 30.06.17. Re-appointed 1.07.17 to 30.06.20. Rowena stood down in July 2017.	3/4	1/1
Professor Chris Reilly	Non-Executive Director	Appointed 1.10.14 to 30.9.17. Re-appointed 1.10.17 to 30.09.20. Chris is in his 4th year.	9/9	3/3
Dr Hamish Stedman	Non-Executive Director	Appointed 1.09.16 to 31.08.19. Hamish is in his 2nd year.	8/9	3/3
Mrs Christine Mayer CBE	Non-Executive Director	Appointed 1.04.17 to 31.05.20. Chris is in her 2nd year.	9/9	3/3
Mr Kieran Charleson	Non-Executive Director	Appointed 1.12.17 to 30.11.20. Kieran is in his 1st year.	1/2	1/1

## Declaration of interests of the Board of Directors

The Group CiC, including all members of the Board of Directors, undertakes an annual review of its Register of Declared Interests and its compliance with the Fit and Proper Persons Requirements as applicable to all members of Group CiC, the Board of Directors and Care Organisation Leadership Teams. At each meeting of the Group CiC and the Board of Directors, a standing agenda item requires all members to make known any interest in relation to the agenda or other matters, and any changes to their declared interests.

The Register of Declared Interests is made available to the public via the Group CiC papers and within the Declarations of Interests Register available on Salford Royal's website. Members of the public can also gain access by contacting the Group Secretary:

Mrs Jane Burns  
 Director of Corporate Services  
 Group Secretary  
 3rd Floor, Mayo Building  
 Salford Royal NHS Foundation Trust  
 Stott Lane  
 Salford  
 M6 8HD.

Tel: **0161 206 5185**

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

## Statutory statements required within the Directors Report

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

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

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

All Directors of Salford Royal have undertaken to abide by the provisions of the Code of Conduct for Board Level Directors, this includes ensuring that, at the time that this Annual Report is approved:

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

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

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

## NHS Improvement's Well Led Framework

During 2016/17 the Salford Royal Board of Directors commissioned an independent review, delivered by Mersey Internal Audit Agency (MIAA), in partnership with Advancing Quality Alliance (AQuA), of governance arrangements in accordance with NHSI, formerly Monitor's, publication, 'Well-led framework for governance reviews: Guidance for NHS Foundation Trust's Updated April 2015'. The report from this independent review was received by the Salford Royal Board of Directors at the end of March 2017.

Alert to the transitional leadership and governance arrangements being put in place as Salford Royal started to work more closely with Pennine, the board recognised the value of an independent review attuned to this array of change.

The overall conclusion from the review was that Salford Royal was 'exceptionally well-led' and 'above all, an organisation that sets itself apart in terms of its sustained focus upon safety and quality led by the Board.' The review determined that 'it is a Board that is open to the necessity for transformation and a Board that has the clearest of commitments to quality; safety; patient experience; improvement; and robust risk management and governance processes'.

The tables below describe the risk rating definitions and the outcome from Salford Royal's assessment in 2016/17:

Table 1: Scoring criteria

Risk rating	Definition	Evidence
Green	Meets or exceeds expectations	Many elements of good practice and no major omissions
Amber-Green	Partially meets expectations, but confident in management's capacity to deliver green performance within a reasonable timeframe	Some elements of good practice, some minor omissions and robust action plans to address perceived gaps with proven track record of delivery
Amber-Red	Partially meets expectations, but with some concerns on capacity to deliver within a reasonable timeframe	Some elements of good practice, has no major omissions. Action plans to address perceived gaps are in early stage development with limited evidence of track record of delivery
Red	Does not meet expectations	Major omission in governance identified. Significant volume of action plans required with concerns regarding management's capacity to deliver

Table 2: Salford Royal risk rating assessment

	Strategy and planning		Capability and culture		Process and structures			Measurement	
Detailed criterion	Credible strategy and robust plan -high quality/sustainable	Aware of risks to the quality, sustainability and delivery of current /future services	Skills and capability to lead the organisation	Shape an open, transparent, quality focused culture	Roles and accountability quality governance	Escalating and resolving issues and managing performance	Stakeholders engaged on quality, financial and operational performance	Appropriate information on performance is analysed and challenged	Robustness of information
Review Rating									

The Well Led Review provided a ‘green’ rating in all but one area; ‘Capability and Culture: Skills and capability to lead the organisation’, where an amber/green rating was assigned, reflective of the stretch on capacity, at that time, to manage the pace and scale of transition to Group governance arrangements. Stepping into 2018/19, and aware of the new guidance for NHS trusts and NHS Foundation Trusts regarding ‘Developmental reviews of leadership and governance using the well led framework’, in November 2017 each Care Organisation conducted a self-assessment of their developing leadership and governance arrangements. Following this, MIAA - in partnership with AQuA - led a series of ‘Confirm and Challenge’ workshops, providing: early opportunity to explore integrated quality, operational and financial governance arrangements within each Care Organisation; interface with the Group CiC; and consideration of further evidence to support the developmental self-assessments.

The Annual Governance Statement describes, in further detail, Salford Royal’s approach to ensuring services are well led.

The Quality Report from page 35 describes quality improvements and quality governance in more detail.

## Remuneration report

### Annual statement from the Chairman of the Northern Care Alliance's Remuneration Committees

I am pleased to present the Directors' Remuneration Report for the financial year 2017/18 on behalf of the two remuneration committees that were re-established at the beginning of the year as part of the Northern Care Alliance's (NCA) governance arrangements.

The Nominations, Remuneration and Terms of Service (NRTS) Committee was re-established by the Group Committees in Common, as delegated by the Salford Royal NHS Foundation Trust's Board of Directors, with primary regard to Executive Directors.

The Nominations, Remuneration and Terms of Office (NRTO) Committee was re-established by Group Council of Governors and has regard to Non-Executive Directors.

In accordance with the requirements of the HM Treasury Financial Reporting Manual (FRM) and NHS Improvement, we have divided this Remuneration Report into the following parts:

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

### Major decisions on remuneration

During 2017, the NRTS Committee applied a 1% increase to the basic salaries of Executive Directors and Senior Leaders for 2017/18, effective from 1 October 2017, where personal contribution has been assessed as 'successful' or above for the 2016/17 financial year. No bonus payments were awarded.

The NRTO Committee reviewed the remuneration levels of the Chairman and Non-Executive Directors in March 2018. This review was focussed on ensuring remuneration levels were commensurate with the scale and complexity of the NCA, and where the Chairman of Salford Royal was also appointed as the Chairman of Pennine and three of the Salford Royal Non-Executive Directors were also appointed as Non-Executive Directors of Pennine.

It had previously been appropriate to ensure, where individuals were appointed to two boards, they that they receive remuneration for both roles. In the NCA development, this recognised the initial complexity of bringing two organisations together. However, as NCA wide governance arrangements are now in place and a Group CiC has been formally established, it was considered appropriate that previous arrangements ceased and a single remuneration was set.

*continued next page*



The NRTO Committee reviewed the context and current arrangements, advice received from the Independent Regulator, national benchmarking data/analyses of rates paid by comparable organisations and an independent review of remuneration levels set by comparable organisations, and subsequently made a recommendation to the Council of Governors to bring the remuneration level of Non-Executive Directors, including the Chairman, into the top quartile in comparison with similar organisations.

The NRTO Committee recommended that individuals appointed to both the SRFT and PAHT Board should receive a single remuneration, based upon the responsibility that all Non-Executive Directors now hold, including the Chairman, for the strategic direction and performance of both organisations via their appointments to Group CiC, and that remuneration increases incrementally from appointment, in accordance with performance. These recommendations were approved by the Council of Governors, to apply from 1 April 2018.

As described earlier in this year's Annual Report, Salford Royal has continued throughout 2018/19 to implement the agreement in place with NHS Improvement to manage Pennine. The Chief Executive and Executive Nurse Director/Deputy Chief Executive have held formal executive responsibility at both organisations. To reflect these arrangements the salaries of the Chief Executive and Executive Nurse Director have been split and paid equitably by Salford Royal and Pennine.

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

Signed:   
Date: 25 May 2018

Mr James Potter  
*Group Chairman and Chairman of the Northern  
Care Alliance's Remuneration Committees*

## Senior managers' remuneration policy

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

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

### Future policy table

Element of Pay	Purpose and Link to Company's Strategy	How Operated in Practice	Maximum Opportunity	Description of Performance Metrics	Changes to 2017/18 Remuneration Policy from the Previous Year
<b>Base salary</b>	<p>To help promote the long term success of SRFT, as part of the Northern Care Alliance NHS Group (NCA) and to attract and retain high-calibre Executive Directors to implement the NCA's strategy.</p> <p>To provide a competitive salary relative to comparable healthcare organisations in terms of size and complexity.</p>	<p>As determined by salary bands.</p> <p>Increments reviewed annually and approval based upon successful performance. The highest point of bands are only reached for sustained high performance and pay at this level can cease in light of poor personal performance</p> <p>The Committee considers:</p> <ul style="list-style-type: none"> <li>➤ individual responsibilities, skills, experience and performance;</li> <li>➤ salary levels for similar positions in other Foundation Trusts;</li> <li>➤ the level of pay increases awarded across the NCA (with the exception of promotions);</li> <li>➤ economic and market conditions; and</li> <li>➤ the performance of the NCA.</li> </ul> <p>The Committee retains the right to approve a higher increase in exceptional cases, such as major changes to the Executive Director's role/duties or internal promotions to the position of Director. In these circumstances a full explanation of the increases awarded will be provided in the Annual Report on Remuneration.</p> <p>Salaries are paid monthly in arrears.</p> <p>The NRTS Committee would ensure particularly rigorous review of any proposal to pay a senior manager more than £150,000, in order to satisfy itself that the proposed remuneration level is reasonable.</p>	<p>There is no prescribed maximum annual increase.</p> <p>The Committee on occasions may need to recognise changes in the role and/or duties of a Director; movement in comparator salaries; and salary progression for newly appointed directors</p>	N/A	No change
<b>Benefits (taxable)</b>	<p>To help promote the long term success of Salford Royal, as part of the NCA, and to attract and retain high-calibre Executive Directors and to remain competitive in the market place.</p>	<p>Benefits for Executive Directors include:</p> <ul style="list-style-type: none"> <li>➤ lease car or personal car allowance.</li> <li>➤ Pension related benefits - annual increase in NHS pension entitlement</li> </ul> <p>Non-Executive Directors do not receive benefits</p>	<p>There is no formal maximum.</p>	N/A	No change
<b>Pension</b>	<p>To help promote the long term success of Salford Royal, as part of the NCA, and the NHS. To attract and retain high-calibre Executive Directors and to remain competitive in the market place.</p>	<p>Salford Royal operates the standard NHS pension scheme without any exceptions.</p>	<p>As per standard NHS pension scheme</p>	N/A	No change

*continued next page*

Future policy table *continued*

Element of Pay	Purpose and Link to Company's Strategy	How Operated in Practice	Maximum Opportunity	Description of Performance Metrics	Changes to 2017/18 Remuneration Policy from the Previous Year
<b>Annual Bonus</b>	<p>To motivate and reward Executive Directors for the achievement of demanding financial objectives and key strategic measures over the financial year.</p> <p>The performance targets set are stretching whilst having regard to the nature and risk profile of Salford Royal, as part of the NCA.</p> <p>Variable remuneration allows Salford Royal, as part of the NCA, to manage its cost base by giving it the flexibility to react to changes in the health economy and any unforeseen events.</p>	<p>The Committee reviews individual performance as measured at the end of the financial year and the level of bonus payable is calculated at that point.</p> <p>Possible bonus payments remain between 0-10% of base salary, dependent upon organisational and individual performance and paid in cash.</p> <p>Annual bonus is not pensionable.</p>	Maximum earning potential of up to 10% of base salary.	As defined by Salford Royal's Contribution Framework	No change
<b>Non-Executive Directors' fees (including the Chairman)</b>	To attract and retain high quality and experienced Non-Executive Directors (including the Chairman).	<p>The remuneration of the Non-Executive Directors, including the Chairman, is set by the Council of Governors on the recommendation of a NRTO Committee having regard to the time commitment and responsibilities associated with the role.</p> <p>The remuneration of the Chairman and the Non-Executive Directors is reviewed annually taking into account the fees paid by other Foundation Trusts.</p> <p>Non-Executive Director fees are paid in cash. The Non-Executive Directors do not participate in any performance related schemes (e.g. annual bonus or incentive schemes) nor do they receive any pension or private medical insurance or taxable benefits.</p> <p>No additional fees are payable for membership of Board Committees however, additional fees are paid to the Chairman of the Audit, Committee and the Senior Independent Director.</p>	Non-Executive Director fees take into account fees paid by other Foundation Trusts.	N/A	No change

## Bonus scheme

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

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

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

A revised annual reward scheme was introduced in 2015/16, which formally describes a structure for determining overall Trust performance across a number of measures aligned to the Annual Plan.

In accordance with this policy and given the financial constraints faced by the organisation during 2017/18, it was confirmed by NRTS Committee that the formal reward scheme would not run for this year, irrespective of performance in the other domains.

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

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

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

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

## Remuneration for the year to 31st March 2018

The Chief Executive has determined, for the purpose of the Annual Report and Accounts, those officers who have authority and/or responsibility for directing or controlling the major activities of the Trust, i.e. who influence decisions of the Trust as a whole rather than individual Care Organisations or divisions. These officers include all members of the Board of Directors and Group Committees in Common (voting and non-voting).

### Executive Directors and non-voting members:

Status	Name	Role	Remuneration Proportion
Voting SRFT	Sir David Dalton	Chief Executive	50%
Voting SRFT	Mrs E. Inglesby-Burke CBE	Executive Director of Nursing	50%
Voting SRFT	Mr C. Brookes	Executive Medical Director	100%
Voting SRFT	Mr R. Jain	Executive Director of Corporate Strategy & Business Development / Deputy CEO	100%
Voting SRFT	Mr I. Moston	Executive Director of Finance	100%
Voting SRFT	Mrs J. Adams	Executive Director of Group Delivery	100%
Non-Voting SRFT	Mr P. Renshaw	Director of Organisational Development & Corporate Affairs (left 31.05.17)	100%
Non-Voting SRFT	Mr J. Sharp	Director of Service Strategy & Development	100%
Non-Voting SRFT	Dr P. Turkington	Medical Director Standards and Performance/Salford Medical Director	100%
Non-Voting SRFT	Mr J. Sumner	Director Performance & Improvement (commence 01.12.16) / Chief Officer, Salford Care Organisation	100%

### Chairman and Non-Executive Directors

Voting SRFT	Mr J. Potter	Chairman	-
Voting SRFT	Mrs D. Brown	Senior Independent Director	-
Voting SRFT	Mrs R. Burns	Non Executive Director (resigned 31.07.17)	-
Voting SRFT	Prof C. Reilly	Non Executive Director	-
Voting SRFT	Mr J. Willis CBE	Vice Chairman & Non Executive Director	-
Voting SRFT	Dr H. Stedman	Non Executive Director	-
Voting SRFT	Mrs C. Mayer CBE	Non Executive Director (commenced 01.04.17)	-
Voting SRFT	Mr K. Charleson	Non Executive Director (commenced 01.12.17)	-

**Footnote 1:** The delegation of the Board of Directors' powers to Group Committees in Common is described in this Annual Report. The Group Committees in Common comprises all voting members of the Salford Royal NHS Foundation Trust Board of Directors. The Care Organisation Chief Officers are also member of the Group Committees in Common (as follows):

Mr J. Sumner	Chief Officer, Salford Care Organisation	100%
Mrs S. Taylor	Chief Officer, Bury & Rochdale Care Organisation	100%
D. McLaughlin	Chief Officer, Oldham Care Organisation	100%
Mr D. Finn	Chief Officer, North Manchester Care Organisation	100%

**Footnote 2:** Mr S. Taylor, D. McLaughlin and Mr D. Finn received 100% of their remuneration from PAHT (as detailed within PAHT's annual report)

**Footnote 3:** Sir David Dalton receives 50% of his remuneration from SRFT (as detailed above) and 50% of his remuneration from PAHT (as detailed within PAHT's annual report). In total the Pay remuneration for Sir David Dalton for the 2017/18 financial year is £235,386.

**Footnote 4:** Mrs E. Inglesby-Burke CBE receives 50% of her remuneration from SRFT (as detailed above) and 50% of her remuneration from PAHT (as detailed within PAHT's annual report). In total the Pay remuneration for Mrs E. Inglesby-Burke CBE for the 2017/18 financial year is £146,768.

The following table, which is subject to external audit, shows the Directors remuneration for the year. Taxable benefits in column B were for lease car or personal car allowances.

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

### Salaries 2017/18

Executive Directors	Note	Salary bands of £5000 £000	Taxable benefits (lease car or car allowance) rounded to nearest £100 £000	Annual performance-related bonuses bands of £5000 £000	Long-term performance-related bonuses £000	Pension related benefits - annual increase in NHS pension entitlement bands of £2500 £000	Total salary bands of £5000 £000
Sir David Dalton Chief Executive	1	115-120	1,000	0	0	27.5-30	145-150
E. Inglesby-Burke CBE Executive Director of Nursing	2	70-75	2,800	0	0	20-22.5	95-100
C. Brookes Executive Medical Director	7	205-210	0	0	0	0	205-210
R. Jain Executive Director of Corporate Strategy & Business Development/Deputy CEO		170-175	5,200	0	0	97.5-100	275-280
I. Moston Executive Director of Finance		145-150	5,600	0	0	165-167.5	320-325
J. Adams Executive Director of Group Delivery		145-150	600	0	0	0	145-150
P. Renshaw Director of Organisational Development and Corporate Affairs (left 31.5.17)	3	105-110	1,000	0	0	17.5-20	125-130
J. Sharp Director of Service Strategy and Development		120-125	5,600	0	0	37.5-40	165-170
P. Turkington Medical Director Standards and Performance/Salford Medical Director	7	190-195	0	0	0	32.5-35	225-230
J. Sumner Director of Performance & Improvement / Chief Officer Salford Care Organisation		140-145	0	0	0	87.5-900	230-235
<b>Chairman and Non-Executive Directors</b>							
J. Potter Chairman		55-60	0	0	0	N/A	55-60
D. Brown Senior Independent Director		15-20	0	0	0	N/A	15-20
R. Burns Non-Executive Director	4	15-20	0	0	0	N/A	15-20
C. Reilly Non-Executive Director		15-20	0	0	0	N/A	15-20
J. Willis CBE Vice Chairman / Non-Executive Director		15-20	0	0	0	N/A	15-20
H. Stedman Non-Executive Director	5	15-20	0	0	0	N/A	15-20
C. Mayer CBE Non-Executive Director	5	15-20	0	0	0	N/A	15-20
K. Charleson Non-Executive Director	6	5-10	0	0	0	N/A	5-10

#### Notes

- Sir David Dalton is represented in this statement for the proportion of time attributable to Salford Royal NHS Foundation Trust (50% for Salary bands and Taxable Benefits. Full Pension related benefits are included in this statement). During 2017/18 Sir David Dalton also held the role of Chief Executive for Pennine Acute Hospitals NHS Trust and is represented in their accounts accordingly (50%).
- Mrs E Inglesby-Burke CBE is represented in this statement for the proportion of time attributable to Salford Royal Foundation Trust (50% for Salary bands and Taxable Benefits. Full Pension related benefits are included in this statement). From 1 August 2016 Mrs E Inglesby-Burke CBE also held the role of Executive Nurse Director for Pennine Acute Hospitals NHS Trust and is represented in their accounts accordingly (50%).
- Ceased to be a Board member at Salford Royal NHS Foundation Trust on 31 May 2017
- Ceased to be a Non-Executive Director 31 July 2016
- Commenced 1 April 2017
- Commenced 1 December 2017
- Included in the salary figure is the amount received by Dr C. Brookes and Dr P. Turkington for their clinical duties (£76k and £68k respectively)

The following table, which is subject to external audit, shows the Directors remuneration for the year. Taxable benefits in column B were for lease car or personal car allowances.

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

### Salaries 2016/17

Executive and Advisory Board-level Directors	Note	Salary bands of £5000 £000	Taxable benefits (lease car or car allowance) rounded to nearest £100 £000	Annual performance-related bonuses bands of £5000 £000	Long-term performance-related bonuses £000	Pension related benefits - annual increase in NHS pension entitlement bands of £2500 £000	Total salary bands of £5000 £000
Sir David Dalton Chief Executive	1	130-135	1,600	0	0	27.5-30	165-170
E. Inglesby-Burke CBE Deputy Chief Executive and Executive Nurse Director	2	90-95	3,400	0	0	27.5-30	120-125
C. Brookes Executive Medical Director	8	205-210	0	0	0	0	205-210
I. Moston Executive Director of Finance		130-140	5,600	0	0	27.5-30	170-175
S. Gibson Interim Director Performance and Improvement	4	80-85	0	0	0	52.5-55	135-140
R. Jain Executive Director of Corporate Strategy		160-165	4,300	0	0	30-32.5	195-200
D. Morrison Salford Director of Finance (interim)		90-95	0	0	0	40-42.5	130-135
P. Murphy Salford Director of Nursing (interim)		95-100	0	0	0	37.5-40	130-135
P. Renshaw Director of Organisational Development and Corporate Affairs		115-120	5,600	0	0	25-27.5	145-150
J. Sharp Director of Service Strategy and Development		115-120	5,600	0	0	47.5-45	165-170
J. Sumner Director of Performance and Improvement	3	45-50	0	0	0	25-27.5	70-75
P. Turkington Medical Director of Standards and Performance	8	185-190	0	0	0	32.5-35	220-225
<b>Chairman and Non-Executive Directors</b>							
J. Potter Chairman		45-50	0	0	0	N/A	45-50
J. Bibby Non-Executive Director	5	10-15	0	0	0	N/A	10-15
D. Brown Non-Executive Director		10-15	0	0	0	N/A	10-15
R. Burns Non-Executive Director		10-15	0	0	0	N/A	10-15
C. Reilly Non-Executive Director		10-15	0	0	0	N/A	10-15
H. Stedman Non-Executive Director	7	5-10	0	0	0	N/A	5-10
A. Williams CBE Non-Executive Director	6	0-5	0	0	0	N/A	0-5
J. Willis CBE Vice Chairman / Non-Executive Director		15-20	0	0	0	N/A	15-20

#### Note

- Sir David Dalton is represented in this statement for the proportion of time attributable to Salford Royal NHS Foundation Trust (60%). During 2016/17 Sir David Dalton also held the role of Chief Executive for Pennine Acute Hospitals NHS Trust and is represented in their accounts accordingly (40%)
- Mrs E Inglesby-Burke CBE is represented in this statement for the proportion of time attributable to Salford Royal Foundation Trust (100% until 31 July 2016 and 40% from 1st August 2016). From 1 August 2016 Mrs E Inglesby-Burke CBE also held the role of Executive Nurse Director for Pennine Acute Hospitals NHS Trust and is represented in their accounts accordingly (60% from 1 August 2016)

3 Commenced in role 1 December 2016

4 Ceased to be a Board member at Salford Royal NHS Foundation Trust on 31 December 2016

5 Ceased to be a Non-Executive Director 31 March 2017

6 Ceased to be a Non-Executive Director 31 July 2016

7 Commenced in role 1 September 2016

8 Included in the salary figure is the amount received by Mr C Brookes and Dr P Turkington for their clinical duties (£71k and £67k respectively)

Footnote: Mrs D. Morrison & Mr P. Murphy were included in last years reported accounts in the roles as interim Directors. It has been decided in year that the Board responsibility will remain with Mr I. Moston and Mrs E. Inglesby-Burke CBE.

## Pension benefits for the year to 31 March 2018

<b>Executive and Advisory Board-level Directors</b>	<b>Note</b>	<b>Real increase in pension at pension age (Bands of £2500) £000</b>	<b>Real increase in pension lump sum at pension age (Bands of £2500) £000</b>	<b>Total accrued pension at age 60 at 31 March 2016 (Bands of £5000) £000</b>	<b>Lump sum at age 60 related to accrued pension as at 31 March 2016 (Bands of £5000) £000</b>	<b>Cash equivalent transfer value at 1 April 2016 £000</b>	<b>Real increase in cash equivalent transfer value £000</b>	<b>Cash equivalent transfer value at 31 March 2017 £000</b>
Sir David Dalton Chief Executive	1	2.5-5	7.5-10	100-105	305-310	2,058	163	2,241
E. Inglesby-Burke CBE Executive Director of Nursing		0-2.5	5-7.5	70-75	220-225	1,534	114	1,664
C. Brookes Executive Medical Director	2	-	-	50-55	160-165	1,133	-	1,144
R. Jain Executive Director of Corporate Strategy and Business Development & Deputy CEO		5-7.5	15-17.5	50-55	160-165	1,001	135	1,146
I. Moston Executive Director of Finance		7.5-10	15-17.5	50-55	135-140	724	178	909
J. Adams Executive Director of Group Delivery		-	-	-	-	-	-	-
P. Renshaw Director of Organisational Development and Corporate Affairs	3	0-2.5	-	5-10	-	81	13	95
J. Sharp Director of Service Strategy and Development		2.5-5	0-2.5	30-35	70-75	374	57	435
P. Turkington Medical Director of Standards & Performance		2.5-5	0-2.5	40-45	100-105	579	67	651
J. Sumner Director of Performance and Improvement	3	5-7.5	5-7.5	30-35	80-85	367	86	456

### Notes

- 1 The pension values shown relate to the individual for period ending 31 March 2018 and have not been apportioned for duties outside of Salford Royal NHS Foundation Trust at Pennine Acute Hospitals NHS Trust
  - 2 The pension values shown relate to the individual for period ending 31 March 2018 and have not been apportioned for duties outside of Salford Royal NHS Foundation Trust at Pennine Acute Hospitals NHS Trust
  - 3 Left the Trust on 31 May 2017
- \* Please note pension figures relate to the full year entitlements for each Board Member



## Pension benefits for the year to 31 March 2017

Executive and Advisory Board-level Directors	Note	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at age 60 at 31 March 2016	Lump sum at age 60 related to accrued pension as at 31 March 2016	Cash equivalent transfer value at 1 April 2015	Real increased in cash equivalent transfer value	Cash equivalent transfer value at 31 March 2016
		(Bands of £2500) £000	(Bands of £2500) £000	(Bands of £5000) £000	(Bands of £5000) £000	£000	£000	£000
Sir David Dalton Chief Executive	1	2.5-5	7.5-10	95-100	295-300	1,945	113	2,058
E. Inglesby-Burke CBE Deputy Chief Executive and Executive Lead for Nursing	2	0-2.5	5-7.5	70-75	215-220	1,444	90	1,534
C. Brookes Executive Medical Director		-	-	50-55	160-165	1,133	-	1,133
I. Moston Executive Director of Finance		0-2.5	-	40-45	115-120	679	45	724
S. Gibson Interim Director of Performance and Improvement	4	2.5-5	10-12.5	45-50	140-145	893	80	999
R. Jain Executive Director of Corporate Strategy and Business Development		2.5-5	7.5-10	45-50	145-150	893	107	1,001
D. Morrison Salford Director of Finance		2.5-5	0-2.5	30-35	85-90	515	26	541
P. Murphy Salford Director of Nursing		0-2.5	5-7.5	30-35	95-100	503	30	533
P. Renshaw Director of Organisational Development and Corporate Affairs		0-2.5	-	5-10	-	59	22	81
J. Sharp Executive Director of Service Strategy and Development		2.5-5	2.5-5	25-30	70-75	333	41	374
J. Sumner Executive Director of Performance and Improvement	3	0-2.5	0-2.5	25-30	70-75	309	19	367
P. Turkington Salford Medical Director		2.5-5	0-2.5	35-40	100-105	538	41	579

### Notes

- 1 The pension values shown relate to the individual for period ending 31 March 2017 and have not been apportioned for duties outside of Salford Royal NHS Foundation Trust at Pennine Acute Hospitals NHS Trust
  - 2 The pension values shown relate to the individual for period ending 31 March 2017 and have not been apportioned for duties outside of Salford Royal NHS Foundation Trust at Pennine Acute Hospitals NHS Trust
  - 3 Commenced in role 1 December 2016. Pension value shown relate to the individual for the full year ending 31 March 2017
  - 4 Ceased to be a Board member at Salford Royal Foundation Trust on 31 December 2016. Pension value shown relate to the individual for the full year ending 31 March 2017
- \* Please note pension figures relate to the full year entitlements for each Board Member

This Remuneration Report confirms that where Salford Royal has released an Executive Director, for example to serve as a Non-Executive Director elsewhere, and payment is provided to Salford Royal, the Director does not retain such earnings with the exception of the below:

- Dr Chris Brookes is released as the Principal Medical Advisor to the GM Health and Social Care Partnership with specific responsibilities as the Clinical Lead for Theme 3 (Standardisation of Acute and Specialist Care). The Trust is reimbursed 2 Programmed Activities (PAs) for this position, 1 of which is retained by Dr Chris Brookes.

## Fair pay multiples

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce. Where there is a sharing arrangement, it is cost to the entity of an individual that identifies them as "highest paid" and not the total of that individual's remuneration.

The mid-point banded remuneration of the highest paid director in Salford Royal NHS Foundation Trust in the financial year 2017-18 was £207.5k\* (2016-17, £207.5k). This was 7.2 times (2016-17, 7.3) the median remuneration of the workforce, which was £28.7k (2016-17, £28.5k).

In 2017-18, 1 (2016-17, 0) employee received remuneration in excess of the highest-paid director, in addition the Trust paid a higher rate on a full time equivalent basis to a number of locum medical staff during the year. Remuneration paid to employees ranged from £15k to £225k (2016-17, £15k-£219k).

\* The highest paid director in 2017/18 includes payment for clinical duties of £76k

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

The calculation is based on full-time equivalent staff employed as at 31 March paid via the Trust's own payroll, and also includes costs of staff recharged from other NHS or university organisations and the costs of bank and agency nursing staff and locum medical staff as at 31 March 2018, multiplied by 12 to estimate an annualised total pay cost per full-time equivalent.

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

## Expenses

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

	Total eligible	Total received	2017/18 expenses rounded to the nearest £100	2016/17 expenses rounded to the nearest £100
Total expenses paid to Executive Directors who served during the financial year	10	9	4.7	4.2
Total expenses paid to Non-Executive Directors who served during the financial year	8	3	2.1	3.5
TOTAL	18	12	6.8	7.7

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

	Total eligible	Total received	2017/18 expenses rounded to the nearest £100	2016/17 expenses rounded to the nearest £100
Total expenses paid to Governors who served during the financial year	14	9	500	600

### Service contract obligations

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

### Policy on payment for loss of office

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

### Statement of consideration of employment conditions elsewhere in the Foundation Trust

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

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



## Annual report on remuneration

### Service contracts

As described above, all senior manager contracts contain a notice period of six months. Open-ended (permanent) contracts are issued to senior managers.

Non-Executive Directors serve terms of three years, up until six years have been served. The Council of Governors will consider and set terms of office for Non-Executive Directors beyond that point that meet the needs of the organisation, taking into account NHS Improvement's guidance that terms beyond that point should be set on an annual basis. Further details about the terms of office of each individual Non-Executive Director can be found in the Directors' Report within this Annual Report and Accounts.

### Further information about the Remuneration Committees

#### Nominations, Remuneration and Terms of Service (NRTS) Committee

The Nominations, Remuneration and Terms of Service (NRTS) Committee was re-established by the Group Committees in Common, as delegated by the Salford Royal NHS Foundation Trust's Board of Directors.

Its responsibilities include consideration of matters pertinent to the nomination, remuneration and associated terms of service for Executive Directors (including the Chief Executive), matters associated with the nomination of Non-Executive Directors and remuneration of senior managers/clinical leaders.

The Committee comprises Salford Royal's Chairman and all Non-Executive Directors of Salford Royal.

Attendance during 2017/18 was as follows:

Mr James Potter	4/4
Mrs Diane Brown	4/4
Mrs Rowena Burns	1/2
Mr Kieran Charleson	1/1
Mrs Christine Mayer CBE	3/4
Professor Chris Reilly	4/4
Dr Hamish Stedman	3/4
Mr John Willis CBE	3/4

The Chief Executive attends the Committee in relation to discussions about Board composition, succession planning, remuneration and performance of Executive Directors. The Chief Executive is not present during discussions relating to his own performance, remuneration and terms of service. The Chief Strategy and Organisational Development Officer provides employment advice and guidance, and withdraws from the meeting when discussions about his/her own performance, remuneration and terms of service are held.

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

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

## Nominations, Remuneration and Terms of Office (NRTO) Committee

The NRTO Committee comprises: the Chairman of the NCA, or the Vice-Chairman when matters associated with the Chair's nomination are being considered; the Lead Governor; one other elected Governor; and one appointed Governor. Further to approval at the Council of Governors meeting in December 2017, the membership was extended to also include an elected shadow governor. All elected governors, both public and staff, are invited to express an interest in taking one place on the Committee.

All appointed governors are invited to express an interest in taking one further place on the Committee. In the event of more than one elected, or more than one appointed governor expressing an interest, the Council of Governors has directed that the Lead Governor decide which elected governor and/or which appointed governor will attend on a fair and rotational basis. Governors are only eligible for membership, when considering the appointment of Non-Executive Directors, including the Chairman, if they have successfully completed Salford Royal's recruitment training and/or have relevant experience regarding recruitment practice.

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

Only members of the Committee are entitled to attend Committee meetings. However, the Committee can invite members of the Group Committees in Common to attend, in particular the Chief Executive and Chief Strategy and Organisational Development (OD) Officer. The Group Secretary, acting as Committee Secretary, will normally be in attendance.

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

The NRTO Committee has taken into account available benchmarking information and specialist reports with respect to the remuneration of Non-Executive Directors and Chairman in similar organisations, including benchmarking information collated by NHS Providers and Deloitte.

The Council of Governors, through the Nominations, Remuneration and Terms of Office Committee, ensured appropriate oversight and decision relating to:

- 2016/17 performance appraisal of the Chairman
- 2016/17 performance appraisals of Non-Executive Directors
- Appointment of a Non-Executive Director with expertise in digital technologies and stakeholder engagement.
- Extension of the Chairman's tenure to support the acquisition transaction process
- Remuneration of all Non-Executive Directors, including the Chairman

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**Attendance during 2017/18 was as follows:**

Date	Items	Attendees
7 August 2017	<ul style="list-style-type: none"> <li>● Shortlisting for the appointment of Non-Executive Director with expertise in digital technologies and stakeholder engagement.</li> </ul>	Chairman Lead Governor Public Governor Out of Salford (Angela Railton) Appointed Governor (Paul Longshaw) Chief Executive Officer Chief Strategy and Organisational Development Officer Director of Corporate Services/Group Secretary Deputy Group Secretary
2 October 2017	<ul style="list-style-type: none"> <li>● Interviews for the appointment of Non-Executive Director with expertise in digital technologies and stakeholder engagement.</li> </ul>	Chairman Lead Governor Public Governor Out of Salford (Angela Railton) Appointed Governor (Brian Boag) Chief Executive Officer Chief Strategy and Organisational Development Officer Director of Corporate Services/Group Secretary Chairman of The Christie NHS Foundation Trust, Independent Assessor
17 November 2017	<ul style="list-style-type: none"> <li>● Review of Chairman's Performance 2016/17</li> <li>● Review of Non-Executive Directors Performance 2016/17</li> </ul>	Chairman Lead Governor Public Governor Salford (Jim Collins) Shadow Public Governor (Shaun Furlong) Senior Independent Director Director of Corporate Services/Group Secretary
13 February 2018	<ul style="list-style-type: none"> <li>● Appointment Review of the Chairman</li> </ul>	Lead Governor Public Governor Salford (Gill Collins) Shadow Public Governor (Shaun Furlong) Shadow Appointed Governor (Brian Boag) Chief Executive Officer Chief Strategy and Organisational Development Officer Director of Corporate Services/Group Secretary Senior Independent Director Vice Chairman Deputy Group Secretary Chairman (invited to attend for 'Discussion with Chairman' item) Apologies received from Appointed Governor (Nick Grey)
19 March 2018	<ul style="list-style-type: none"> <li>● Review of Remuneration of Non-Executive Directors including the Chairman</li> </ul>	Lead Governor (Chairman) Public Governor Salford (Chris Mullen) Shadow Appointed Governor (Brian Boag) Chief Strategy and Organisational Development Officer Director of Corporate Services/Group Secretary Deputy Group Secretary Apologies received from Appointed Governor (Nick Grey)

Signed:



Date: 25 May 2018

Sir David Dalton  
 Chief Executive

## Staff Report

At the end of 2017/18 Salford Royal NHS Foundation Trust employed 7948 people. Details of our workforce are provided below. This table has been subject to external audit.

### Average number of people employed by the Foundation Trust (WTE basis)

	2017/18			2016/17		
	Total (FTE)	Permanently employed (FTE)	Other (headcount)	Total (FTE)	Permanently employed (FTE)	Other (headcount)
Medical and dental	627.08	446.93	0	577.21	426.46	0
Administration and estates	2130.34	2004.97	0	2041.48	1878.93	0
Healthcare assistants and other support staff	2093.4	2025.44	0	1971.47	1888.17	0
Nursing, midwifery and health visiting staff	1858.92	1841.57	0	1839.84	1817.60	0
Scientific, therapeutic and technical staff	422.88	392.57	0	361.22	340.89	0
Bank staff	0	0	96	0	0	71
Agency staff	0	0	0	0	0	0
Other	8	4	4	10	5	10
<b>TOTAL</b>	<b>7140.62</b>	<b>6715.48</b>	<b>96</b>	<b>6801.22</b>	<b>6357.05</b>	<b>81</b>



## Inclusion and equality

Salford Royal firmly recognises that delivering on inclusion and equality is a key driver to achieving the Trust's ambition to be the safest organisation in the NHS. Inclusion and equality is embedded within its governance processes, so that issues can be discussed at the appropriate place through escalation, and delegation and legislative and statutory duties continue to be delivered.

An area of priority during 2017/18 was embedding Equality Impact Assessments into the governance framework of Salford Royal, ensuring papers submitted to a range of committees, and the Group CiC, are prompted to include any identified equality impacts and risks, and action undertaken to address these. The Group Council of Governors has received training to support this and seek assurance that required action has been completed.

The Executive lead for inclusion and equality across the NCA is the Chief Strategy & Organisational Development Officer (Salford Royal Deputy Chief Executive). We continue to engage our staff in this ongoing work, and ensure they have the necessary skills and confidence to understand inequalities in both health and their workplace.

We continue to achieve a high rate of compliance within the mandatory inclusion and equality e-learning. Where staff members, interns and volunteers are unable to access the e-learning package, face-to-face training has been delivered to ensure they are exposed to the same messages and understand our legal requirements.

We continuously work towards developing a workforce that is reflective of, and responsive to, our diverse communities within Salford. Our annual workforce report provides an overview of the workforce demographics and more granular analysis of data where it is available.

We also report the ways in which Salford Royal continues to meet its commitments under the Equality Act 2010, and the Public Sector Equality Duty and Action Plan and or Single Equality Scheme, which can be found on our website.

## In year achievements

### Equality Impact Assessments

Work has taken place throughout the Salford Together Partnership to embed the use of Equality Impact Assessments, in the developmental work of the Integrated Care Organisation. A multi-agency, community-led Equality Advisory Panel has been created, in partnership with Salford CCG and Salford Health Watch, to hold this body to account and advise on the way in which the duty is discharged.

Training has been delivered to over 20 members of staff and the community, developing a shared understanding of, and approach to, paying due regard to our duties under the Equality Act. Equality Impact Assessments across the three major service design teams have been completed and submitted to the Equality Advisory Panel, with smaller project work being submitted 'as and when' for advice.

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### Accessible information standard

Salford Royal has made good progress on delivering against the Accessible Information Standard. Following extensive consultation with the third party letter supplier and members of the community, the Trust intends to go live in May 2018 with an automated letter solution to meet patient's needs. This represents a more cost-effective and sustainable solution than the existing manual method. Salford Royal has successfully asked over 165,000 patients and service users, and recorded communication needs against over 5,000 of these.

### Workforce Equality Standards

Research has demonstrated that the treatment and experience of Black and Minority Ethnic (BME) staff within the NHS is significantly worse than that of white staff. The publication of 'The Snowy White Peaks of the NHS' (2014) demonstrated that BME staff were absent from the leadership of many organisations, even those which had substantial numbers of BME staff and where the organisation provided services to communities with large numbers of BME patients. The report also showed that BME staff were treated less favourably in relation to promotion, grading, discipline, bullying and access to non-mandatory training.

Links between how NHS staff are treated and the quality of care to patients has also been well evidenced.

In April 2015 NHS England introduced the Workforce Race Equality Standard (WRES). The Standard consists of 9 indicators and requires NHS organisations to close the gap between the BME and white staff experience for those indicators.

The WRES directly supports the Equality Delivery System (EDS2) goals 3 and 4: representative workforce and inclusive leadership including the Board, and indirectly supports EDS2 Goals 1 and 2: Better Health Outcomes and Improved patient access and experience. The Trust is already working towards implementing the EDS2.

The Care Quality Commission also consider the WRES in their assessments of how "well-led" NHS providers, as of April 2016.

The standard will, for the first time, require organisations to demonstrate progress against a number of indicators of workforce race equality, including a specific indicator to address the low levels of BME Board representation. There are nine indicators. Four of the indicators are specifically on workforce data, four are based on data from the national staff survey indicators, and one considers Board composition. The standard highlights any differences between the experience and treatment of White staff and BME staff in the NHS with a view to closing those metrics. Indicator 9 requires organisations to ensure their Boards are broadly representative of the communities they serve.

Salford Royal continues to put in place actions to address the findings from the Workforce Race Equality Standard (WRES), and in late 2017 established its first BME network. The network has identified 'Recruitment, Retention and Reward' as their key areas of focus and are working towards the development of an action plan to support BME employees. In order to engage with staff and local stakeholders on this agenda Salford held its first conference which was well received by all.

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The main themes from this day have been collated and formed into an implementation plan. The main themes now are the key area of focus for the BME staff network - Recruitment, Retention and Reward.

We have continued to promote leadership development opportunities for BME staff internally and externally through the leadership academy, such as the Stepping Up and Ready Now programmes, and the Equality, Diversity and Inclusion team, with the Organisational Development team, an internal leadership programme which will commence in 2018.

Group Executive Directors and the Senior Leadership Teams are committed to ensuring that the Race Equality Standard is fully embedded into the everyday business of the Trust.

We are in the process of developing a roadmap for inclusion which will illustrate our vision to be a Centre of Excellence for Inclusion, reflecting and incorporating our values of providing respect for our staff and patients through empowering them through engagement and involvement.

Amended Workforce Disability Equality Standard (WDES) metrics were piloted nationally in late 2017. The NCA is in the process of providing a baseline for all Care organisations, in advance of first reporting requirements commencing in 2019.

### **Training and development**

Targeted awareness raising sessions have taken place and have included: Trans awareness; Disability awareness, with specific focus on sensory impairments and neurodevelopmental disorders such as autism; and Basic British Sign Language (BSL), to support front line staff in communicating with patients and service users who are BSL speakers. Work is ongoing to align the mandatory inclusion and equality training delivered across the NCA, and to ensure this continues to meet the Core Skills Framework for Greater Manchester.

### **Future priorities and targets**

Through active engagement and data analysis, Salford Royal has developed a comprehensive Inclusion and Equality Performance Report and Action Plan. The plan is continually reviewed and updated through regular engagement with key stakeholder groups, and current priorities are:

- Work with existing staff inclusion networks to identify and address underlying causes of disparities in formal HR processes (e.g. recruitment, disciplinary) as identified by the WRES and similar metrics
- Develop a mentoring scheme for staff, targeting groups who are underrepresented at a senior level
- Improve the demographics collected from service users
- Continue to work with local partners, and partners across Greater Manchester, to develop an umbrella 'Trans Service User Policy' to ensure consistency of approach for members of this community across health and social care

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Performance and monitoring of these targets will be undertaken by the Inclusion and Equality Group and key stakeholders through various engagement forums and the Equality Delivery System (EDS2).

Age band	2017/18		2016/17	
	Headcount	%	Headcount	%
16-19	49	0.76%	26	0.43%
20-29	1,544	22.89%	1,317	20.77%
30-59	5,877	70.65%	5,703	72.28%
60-74	474	5.64%	521	6.48%
Over 75	4	0.06%	3	0.04%
<b>TOTAL</b>	<b>7,948</b>	<b>100%</b>	<b>7,570</b>	<b>100%</b>
<b>Ethnic group</b>				
White - British & Irish	6,422	79.95%	6,184	80.93%
Asian	654	8.13%	597	7.75%
White - Other	295	4.09%	258	3.77%
Black	231	3.25%	219	3.27%
Mixed	118	1.59%	100	1.40%
Any other Ethnic Group	101	1.20%	103	1.28%
Not Specified	93	1.33%	80	1.22%
Chinese	34	0.45%	29	0.38%
<b>TOTAL</b>	<b>7,948</b>	<b>100%</b>	<b>7,570</b>	<b>100%</b>
<b>Gender</b>				
Female	6,120	76.57%	5,847	76.86%
Male	1,828	23.43%	1,723	23.14%
<b>TOTAL</b>	<b>7,948</b>	<b>100%</b>	<b>7,570</b>	<b>100%</b>
<b>Disabled</b>				
No	6,035	81.58%	5,604	80.14%
Not Declared	1,564	13.89%	163	15.29%
Yes	349	4.53%	336	4.57%
<b>TOTAL</b>	<b>7,948</b>	<b>100%</b>	<b>7,570</b>	<b>100%</b>

	Male	Female
Board level Directors and Group Committees in Common	12	4
Senior Managers (excluding hosted services)	15	18
Other Employees	1,802	6,097
<b>TOTAL</b>	<b>1,828</b>	<b>6,120</b>

## Sickness absence

It is our aim to reduce sickness to a target level of 3.6%. During 2017/18 absence levels were 4.33% compared to the previous year's level of 4.28%. Within this figure, 1.83% related to short term absence whilst long term absence accounts for 2.50%. In total, almost 41% of our staff recorded no sickness absence.

Salford Royal performs well in comparison with other North West Trusts and our absence rates have remained stable where others have deteriorated. However national data suggests that absence rates are higher than average in the North West region.

Salford Royal has procedures in place to manage short term and long term sickness absence. For frequent short term absence, trigger points (3 absences or 8 days in a 12 month period) have been set and managers are required to review absence and set a target for improvement. For long term absence where there is a single underlying cause, staff are referred to Occupational Health and absence is reviewed on a regular basis, providing support and giving due consideration to redeployment, reasonable adjustments (in the case of a disability) and phased return to work.

Salford Royal operates an Employee Assistance Programme which offers confidential support to staff both online and via the telephone. This service is available 24/7 and complements the existing counselling service.

Staff may be offered the option to consult an external counsellor particularly where there is an urgent need. Furthermore, staff may be referred to the Occupational Health Physiotherapy Service where they suffer from a musculoskeletal issue and referral would support a return to work.

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Salford Royal produces a HR Dashboard which details absence data by ward /department. This includes the number of episodes of sickness absence, length, and cause of absence, enabling managers to identify those areas and individual employees requiring additional intervention and support. Absence data is shared on a regular basis with Staff-Side organisations. Approximately 78% of frontline staff took advantage of the flu vaccination programme in 2017/18.

Staff sickness absence	2017/18	2016/17	2015/16	2014/15
Days lost - long term	91,005	84,317	79,630	81,986
Days lost - short term	35,656	32,836	30,450	31,898
<b>Total days lost</b>	<b>126,661</b>	<b>117,153</b>	<b>110,080</b>	<b>113,884</b>
<b>Total staff years</b>	<b>7,819</b>	<b>7,335</b>	<b>6,943</b>	<b>6,885</b>
Average working days lost	16.2	16.0	15.9	16.5
Total staff employed in period (headcount)	7,948	7,574	6,974	6,994
Total staff employed In period with no absence (headcount)	3,216	2,126	2,091	2,827
Percentage staff with no sick leave	40.46%	27.66%	29.98%	40.42%

	2017/18	2016/17	2015/16	2014/15	2013/14
01 April	3.91%	3.89%	4.27%	4.35%	3.83%
02 May	3.94%	3.85%	3.89%	3.94%	3.73%
03 June	4.14%	3.77%	3.85%	4.06%	3.85%
04 July	4.31%	3.84%	3.88%	4.22%	4.01%
05 August	4.20%	4.07%	4.13%	4.07%	3.68%
06 September	4.10%	4.14%	4.31%	4.26%	4.02%
07 October	4.47%	4.53%	4.38%	4.46%	4.16%
08 November	4.54%	4.52%	4.55%	4.83%	4.28%
09 December	4.75%	4.90%	4.59%	5.28%	4.31%
10 January	5.16%	5.01%	4.76%	4.98%	4.64%
11 February	4.44%	4.71%	4.39%	4.32%	4.26%
12 March	3.97%	4.03%	4.03%	4.53%	4.09%
<b>Overall percentage</b>	<b>4.33%</b>	<b>4.28%</b>	<b>4.25%</b>	<b>4.40%</b>	<b>4.07%</b>

## Engaging with our people

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

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

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

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In addition, Salford Royal has an agreed Organisational Change Policy with trade union colleagues which sets out a framework to consult and manage organisational change within Salford Royal. Formal consultations have taken place on a number of service changes in the past year, including changes to ward rotas due to the introduction of Trendcare, changes within corporate services and the transfer of a number of hosted services out of Salford Royal.

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

The Clinical Advisory Board brings together senior managers and clinical leaders from across the organisation to ensure the views of Trust staff are taken into account in the development of Salford Royal's strategic direction.

### Trade Union Facility Time

From 1 April 2017 public sector organisations are required to report on trade union facility time. Facility time is paid time off for union representatives to carry out trade union activities.

**Table 1**  
Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full time equivalent employee number
26	22.7

**Table 2**  
Percentage of time spent on facility time

Percentage of time	Number of employees
0%	7
1%-50%	18
51%-99%	1
100%	0

**Table 3**  
Percentage of pay bill spent on facility time

First column	Figures (£)
Provide the total cost of facility time	48,074
Provide the total pay bill	341.425m
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time/ total pay bill) x100	0.014%

**Table 4**  
Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period/total paid facility time hours) x 100	0%
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## Contribution framework

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

## Apprenticeships

The Government has pledged to deliver 3 million apprenticeship starts by 2020. The key to achieving this target was the introduction of the Apprenticeship Levy and the Public Sector targets. Apprenticeships are delivered internally by the People Development Team within the Learning and Organisational Development Department, and are externally sourced from expert providers including Higher Education Institutions.

The Apprenticeship Levy came into force in May 2017. On an annual basis, Salford Royal pays approximately £1.3m into an account which can be used to pay for apprenticeship training. In addition to this the Government contributes a 10% top up on a monthly basis. The levy is being used to fund a variety of apprenticeships from level 2 Business Administration/ healthcare to degree level management apprenticeships. This levy will also be used to fund the new Trainee Nurse Associate programmes.

The Enterprise Act (2016) states that 2.3% of the workforce should be apprenticeship starts (based on headcount). The figures will be based upon a 3 year average between 2017 and 2020.

Based upon the current headcount, Salford Royal would need 519 apprenticeship starts over this 3 year period, or 173 new apprenticeship starts each year. At the end of year one Salford Royal figures achieved 87 new apprenticeship starts. 216 starts in years 2 and 3 will be needed for the Public Sector target to be met.

## Helping our people stay healthy and safe

Salford Royal's Health and Safety Committee and Security Committee meet regularly to provide a forum for managers and trade unions to work together to promote health and safety and improve the working environment to aid a reduction in the number of serious incidents per year.

The below table describes the top 5 Health and Safety incidents reported during 2017/18.

Category	Total
Abuse verbal	259
Assault physical	238
Sharps/needlestick	158
Fall, slip or trip	96
Moving and handling	65

## Countering fraud

Salford Royal has an established Anti-Fraud Service provided by Mersey Internal Audit Agency (MIAA), with a nominated Anti-Fraud Specialist (AFS) who undertakes a variety of activities in accordance with the Standards for Providers for Fraud, Bribery and Corruption. Salford Royal is committed in embedding an anti-crime culture throughout the organisation and this is supported in full by the Group CiC and monitored on a regular basis by the Audit Committee. Salford Royal's commitment to protecting valuable public funds from the risks of fraud, bribery and corruption is unwavering and we continue to invest significantly in our efforts to proactively counter criminal activity.

A number of key tasks were undertaken this year to combat fraud, bribery and corruption in accordance with the agreed Anti-Fraud Work Plan, including: ongoing awareness through presentations, articles, newsletters and joint events with Greater Manchester Police; local and national proactive exercises aimed at identifying potential or apparent risks of fraud, bribery and corruption; review of policies and procedures to ensure that appropriate counter fraud, bribery and corruption measures are included; and investigations carried out where suspected or apparent fraudulent activity has been identified and redress of monies sought where appropriate.

A key part of Salford Royal's vision and values is accountability and we assure you that we will do everything in our power to protect the public funds with which we have been entrusted.

## Staff survey

Salford Royal's approach to staff engagement is described throughout the Annual Report. Specific mechanisms are in place to monitor and learn from staff feedback, which includes participation in the national NHS Staff Survey. The 2017 staff survey was undertaken between October and December 2017 with the results being published by NHS England on 7 March 2017.

Salford Royal used the mixed mode method, providing most staff with the opportunity to complete the survey online, with paper surveys provided where access to emails was limited. The survey was sent to all staff and 3,209 staff completed; a response rate of 42%, which is a reduction on the rate of 52% who responded in 2016.

From the 2015 national staff survey onwards, the comparator group for Salford Royal was changed from Acute Trusts to Combined Acute and Community Trusts, reflecting the integrated nature of Salford Royal. The staff engagement score reported for Salford Royal was within the average band for those comparator Trusts, with performance across Salford Royal being relatively uniform. Whilst a top 10% comparator is not given for this group of organisations, it is accepted that the engagement levels reported remain lower than desired by Salford Royal's own very high standards, with the overall engagement score remaining broadly unchanged from 2015 at 3.78 out of 5. The Care Organisation Directors acknowledge the unprecedented operational demand and national staff shortages and note how this may impact on the engagement score. A series of formal and informal communication and engagement activities were implemented in 2016/17 with respect to Salford Royal's transformational vision and the opportunities this brings for the organisation and its people, and more work will be undertaken in the coming year.

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In response to the 2017 National Staff Survey, an action plan is in development and actions will be diligently monitored throughout 2018/19. Salford Royal also undertakes an extended quarterly Family and Friends survey to reduce reliance on the National Staff Survey and monitor staff satisfaction across the course of the year.

### National Staff Survey results

	2016/17		2017/18		Trust improvement / deterioration
	Trust	National average (medical)	Trust	National average (medical)	
Response Rate	52%	44%	42%	43%	Deterioration

Top ranking scores	2016/17		2017/18		Trust improvement / deterioration
	Trust	National average	Trust	National average	
<b>KF23</b> % experiencing physical violence from staff in last 12 months	1%	2%	2%	2%	Deterioration
<b>KF18</b> % attending work in last 3 months despite feeling unwell because they felt pressure from their manager, colleagues or themselves	53%	55%	53%	53%	Same
<b>KF15</b> % satisfied with the opportunities for flexible working patterns	54%	51%	54%	51%	Same
<b>KF6</b> % reporting good communication between senior management and staff	34%	32%	33%	33%	Deterioration
<b>KF1</b> Staff recommendation of the organisation as a place to work or receive treatment	3.79	3.71	3.78	3.75	Same

Bottom ranking scores	2016/17		2017/18		Trust improvement / deterioration
	Trust	National average	Trust	National average	
<b>KF3</b> % of staff agreeing that their role makes a difference to patients / service users	88%	91%	88%	90%	Same
<b>KF2</b> Staff satisfaction with the quality of work and care they are able to deliver	3.85	3.92	3.83	3.90	Same
<b>KF17</b> % of staff feeling unwell due to work related stress in the last 12 months	40%	36%	40%	38%	Same
<b>KF9</b> Effective team working	3.72	3.78	3.72	3.74	Same
<b>KF12</b> Quality of appraisals	3.02	3.11	3.01	3.11	Same

### Expenditure on consultancy

Expenditure on consultancy during 2017/18 was £1.51m. This related to our global digital excellence exemplar programme and costs to support transformation of health and social care through our integrated care organisation and transaction programmes. Consultancy costs incurred by Salford Royal's hosted services were £3.31m.

### Off-payroll engagements

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

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For all off-payroll engagements as of 31 March 2018, for more than £245 per day and that last for longer than six months:

No. of existing engagements as of 31 March 2018	36
<b>Of which:</b>	
No. that have existed for less than one year at time of reporting	27
No. that have existed for between one and two years at time of reporting	9
No. that have existed for between two and three years at time of reporting	0
No. that have existed for between three and four years at time of reporting	0
No. that have existed for four or more years at time of reporting.	0

All new off-payroll engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018, for more than £245 per day and that last for longer than six months:

No. of new engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018	52
<b>Of which:</b>	52
Number assessed as within the scope of IR35	
Number assessed as not within the scope of IR35	
Number engaged directly (via PSC contracted to Trust) and are on the Trust's payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

Off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2017 and 31 March 2018:

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Number of individuals that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year. This figure must include both off-payroll and on-payroll engagements.	12

## Exit packages

During 2017/18, Salford Royal agreed the following exit packages. Of the severance packages made, all represented contractual entitlements. 8 of the redundancies related to additional business taken on by ELFS which resulted in staff from elsewhere in the country being TUPE'd across to the Trust and subsequently being made redundant as services were no longer provided in their former locality.

2 of the redundancies were as a consequence of the reorganisation of services following the Corporate Services review and the management contract for Pennine.

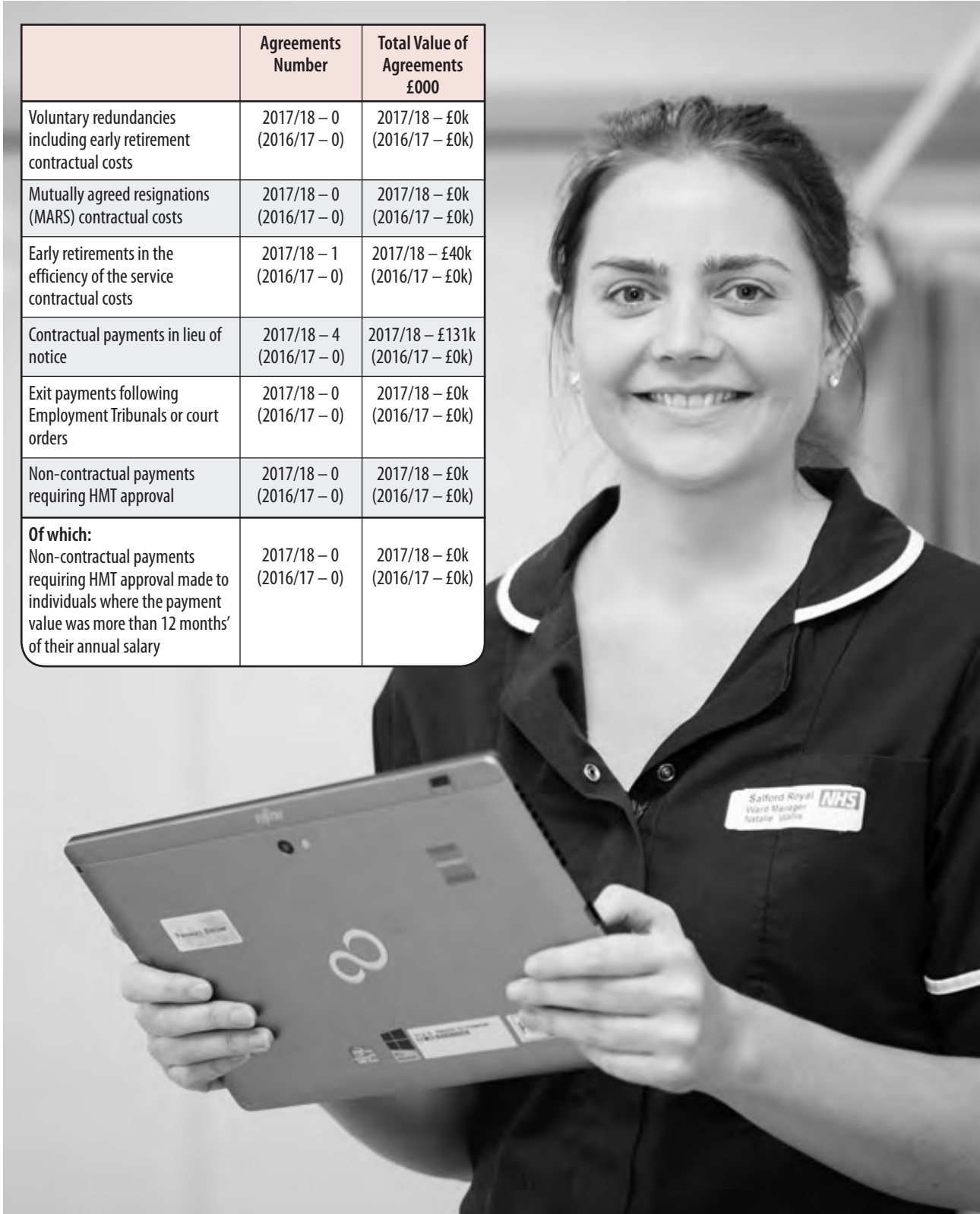
2 were as a consequence of reorganisations within Haelo and Health Innovation Manchester with the remaining 2 cases being related to management changes in Salford Royal.

The following tables have been subject to external audit.

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	2	0	2
£10,000-£25,000	4	1	5
£25,001-£50,000	2	1	3
£50,001-£100,000	2	2	4
£100,000-£150,000	0	0	0
£150,001-£200,000	0	0	0
Total number of exit packages by type	10	4	14
<b>Total resource cost</b>	<b>£307,463</b>	<b>£170,157</b>	<b>£477,620</b>

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	Agreements Number	Total Value of Agreements £000
Voluntary redundancies including early retirement contractual costs	2017/18 – 0 (2016/17 – 0)	2017/18 – £0k (2016/17 – £0k)
Mutually agreed resignations (MARS) contractual costs	2017/18 – 0 (2016/17 – 0)	2017/18 – £0k (2016/17 – £0k)
Early retirements in the efficiency of the service contractual costs	2017/18 – 1 (2016/17 – 0)	2017/18 – £40k (2016/17 – £0k)
Contractual payments in lieu of notice	2017/18 – 4 (2016/17 – 0)	2017/18 – £131k (2016/17 – £0k)
Exit payments following Employment Tribunals or court orders	2017/18 – 0 (2016/17 – 0)	2017/18 – £0k (2016/17 – £0k)
Non-contractual payments requiring HMT approval	2017/18 – 0 (2016/17 – 0)	2017/18 – £0k (2016/17 – £0k)
<b>Of which:</b> Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	2017/18 – 0 (2016/17 – 0)	2017/18 – £0k (2016/17 – £0k)



## Compliance with NHS Foundation Trust Code of Governance

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

The Group CiC has established governance policies and processes that reflect the principles of the NHS Foundation Trust Code of Governance, and these include:

- Salford Royal Service Development Strategy (a Group Service Development Strategy is in development) and Operational Plan
- Group Governance Framework Manual - Incorporating the Standing Orders of the Board of Directors, Standards of Business Conduct Policy, Group Committees in Common Terms of Reference, Standing Orders of the Council of Governors, Shadow Group Council of Governors Terms of Reference, Scheme of Reservation and Delegation of Powers, and Standing Financial Instructions
- Established role of Senior Independent Director
- Agreed recruitment process for Non-Executive Directors
- Formal induction programme for Non-Executive and Executive Directors
- Regular private meeting between the Chair and the Non-Executive Directors
- Robust performance appraisal process for all Non-Executive Directors, including the Chairman, developed and approved by the Council of Governors
- Board evaluation and development plan
- Attendance records for Directors and Governors at key meetings
- Comprehensive Induction Programme and continuing Training and Development Programme for Governors
- Council of Governors Policy for Raising Serious Concerns and Resolving Disagreements between the Council of Governors and Board of Directors
- Established roles of Lead and Deputy-Lead Governor
- Private meetings between the Chair and Governors to discuss matters reviewed at the Group CiC meetings
- Comprehensive Performance Dashboard and assurance reports requested by the Council of Governors and provided to all meetings of the Council of Governors
- Effective Council of Governors subgroup structure
- Council of Governors' agenda setting process involving Chairman, Lead and Deputy Lead Governor, Vice-Chairman and Senior Independent Director
- Collective regular performance evaluation mechanism for the Council of Governors
- Membership and Public Engagement Strategy, Annual Implementation Plan and Key Performance Indicators
- Council of Governors' presentation of performance and achievement at Annual Members Meeting
- Nominations, Remuneration and Terms of Service Committee of the Board of Directors
- Nominations, Remuneration and Terms of Office Committee of the Council of Governors

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- Well Led Governance Review conducted in 2016/17, with Care Organisation developmental self-assessments against the Well-Led Framework in November 2017
- Publicly available Register of Interests for Directors, Governors and Senior Staff
- Annual Fit and Proper Persons Declarations and Checks Proforma to ensure compliance with Fit and Proper Persons Requirement for Directors
- Code of Conduct for Board-level Directors
- Annual review of Non-Executive Directors' independence
- Code of Conduct for Council of Governors
- Robust Audit Committee arrangements
- Governor-led appointment process for External Auditor
- Whistle-blowing Policy and Counter Fraud Policy and Plan
- Going Concern Report

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

The Group CiC has confirmed that, with the exception of the following provisions, Salford Royal complies with the provisions of the NHS Foundation Trust Code of Governance issued by NHS Improvement (formerly Monitor) and updated in July 2014.

Salford Royal departed from the following provisions of the Code during 2017/18:

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

In March 2017, the Council of Governors extended the tenure of the Chairman until 30 June 2018, at which point he will have served 10 years, recognising the Chairman's outstanding contribution and performance, exceptional circumstances and importance of stability during the transition of Salford Royal and Pennine to a new Group model and subsequent acquisition. In February 2018, the Council of Governors conducted a formal, rigorous and transparent process to review the reappointment of the current Chairman, and in March 2018, approved the reappointment of the Chairman for a further term of 12 months, expiring on 30 June 2019.

The Council of Governors considered it critically important that the stability of the Group CiC, and therefore the Salford Royal (and Pennine) Board, was secured during the forthcoming 12 months and that, as the significant transaction process was underway, the breadth of knowledge and wisdom of such an experienced and successful Chairman was retained. The Council of Governors also acknowledged that NHSI had requested the Chairman be reappointed as the Chairman of Pennine for a further term of office, to finish on 30 June 2019.

In March 2017, the Council of Governors extended the tenure of the two Non-Executive Directors until 31 March 2019 (extending their current term of office to two years and three months). At 31 March 2019, one of the Non-Executive Directors will have served eleven years and three months and the other, ten years and three months. Again, governors recognised the exceptional circumstances and the importance of stability during Group transitional arrangements, and the significant experience and expertise of these particular Non-Executive Directors.

## Governance and organisational arrangements

The basic governance structure of all NHS Foundation Trusts includes:

- Public and staff membership
- A Council of Governors
- A Board of Directors.

This structure is well developed at Salford Royal, and is set out in Salford Royal's Constitution that is published at [www.srft.nhs.uk](http://www.srft.nhs.uk) and in the NHS Foundation Trust directory on NHS's website:

<https://www.gov.uk/government/groups/salford-royal-nhs-foundation-trust>

### Membership

Membership is a key vehicle through which Salford Royal embraces patient and public engagement and provides opportunity for members and the public to share their experiences of Salford Royal's services and influence service improvement and redesign. Engaging with members and the public ensures that the views of local people and those further afield help improve the experience for patients, visitors and staff and that their views are taken into consideration when making plans for the year ahead.

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

### Public members

We have two public member constituencies: Salford and the Rest of England and Wales. All members of the public who are 14 years old or over, living in one of the constituencies can become a member.

### Staff members

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

During 2017-18 Salford Royal endeavoured to maintain its significant membership base, in addition to improving its representation of the community of Salford.

### How many members do we have?

The table below highlights Salford Royal's actual and target membership figures for 2017.

Constituency	Actual 31 March 2018	Target 31 March 2018
Public - Salford	9,703	9,700
Public - Rest of England & Wales	6,037	5,850
Staff	7,557	7,575
<b>TOTAL</b>	<b>23,297</b>	<b>23,125</b>

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

Staff constituency breakdown	Actual 31 March 2018
Clinical Support Services and Tertiary Medicine	1,803
Corporate and General Services	1,499
Salford Health and Social Care	2,104
Surgery and Neurosciences	2,151
<b>TOTAL</b>	<b>7,557</b>

Public constituency	Number of members 31 March 2018	Eligible membership
<b>Age (years)</b>		
0-16	55	52,804
17-21	306	16,081
22+	13,890	182,449
Unknown	1,489	0
<b>Ethnicity</b>		
White	12,983	210,862
Mixed	204	4,589
Asian or Asian British	980	9,429
Black or Black British	703	5,941
Other	129	3,910
Unknown	741	0
<b>Socio-economic grouping</b>		
AB	3,504	13,468
C1	4,404	26,201
C2	3,458	15,230
DE	4,374	25,298
Unknown	0	0
<b>Gender</b>		
Male	5,762	124,064
Female	9,114	124,269
Non-Binary/Third Gendered	0	0
Unknown	864	0

During 2017/18, Salford Royal communicated regularly with members, patients and the public using a range of communication channels and feedback mechanisms. These include:

- Members Newsletter - The Loop
- E-Communications
- Salford Royal's Website
- Medicine for Members Seminars
- Patient Focus Groups
- Online Surveys including Annual Membership Survey
- Open Day and Annual Members Meeting 2017
- Social Media – Twitter and Facebook
- Partner communications, including Salford CCG, Salford Healthwatch and Salford City Council.

Governors, supported by the Membership Team, utilised a number of opportunities to listen to the view of members and the public. In January 2018, Salford Royal hosted the 'Celebrating Patient, Family and Carer Collaborative Open Event' where staff and members of the public were able to take a look at some of the fantastic changes in response to patient feedback. There was also the chance for patients to tell us 'what matters most' to them and share thoughts on if our 'Always Events' were fit for purpose.

In October 2017, Salford Royal hosted its Open Day and Annual Members Meeting, with over 25 different services showcasing the innovative work of Salford Royal. At the Annual Members Meeting, members received an update on key developments and had a chance to ask questions of the Executive team.

Our series of popular Medicine for Members seminars continued, with professionals from both hospital and community teams providing thought provoking and stimulating discussions on a range of topics, including Innovation in Medical Education, Sleep Hygiene, 24 Hours in Salford Royal's A&E and Salford Primary Care Together.

In December 2017 we conducted our Annual Membership Survey, this year gathering information to develop a NCA Membership and Public Engagement Strategy. With over 300 responses the results have helped us to target communications and engagement with members.

As Salford Royal embarked on its journey to build a new 'Acute Receiving Centre' for major trauma patients, we asked our members and the public what they would like to see within the family and carers areas.

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Key themes and recommendations emerging from the engagement activity included the inclusion of Relatives Rooms, and the importance of people being able to access information such as the nearest cash machine, where they could get a cup of tea, or paying for parking.

Feedback highlighted that when a loved one has been through a major trauma there are always people trying to keep in touch with them, and suggested phone charging stations/lockers, food and drink facilities and adequate parking facilities. This feedback has been provided to the Project Team to support the design of the building.

We also work closely with partner organisations such as Salford CCG, Salford HealthWatch and Salford City Council, to ensure that the local community have the chance to get involved and share their views.

Members who wish to communicate with the Council of Governors can do so online:

Website: **[www.srft.nhs.uk/for-members](http://www.srft.nhs.uk/for-members)**

Alternatively, you can get in contact via the Membership Team:

Telephone: **0161 2063133**

Email: **[foundation@srft.nhs.uk](mailto:foundation@srft.nhs.uk)**



## Council of Governors

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

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

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

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

The powers of Salford Royal's Council of Governors are established under statute. The Council of Governors may not delegate any of its powers to a committee or sub-committee; however it may appoint a committee to assist in carrying out its functions.

### Group Council of Governors

In March 2017 Salford Royal's Council of Governors approved bold changes to its own composition, and agreed to establish a subcommittee of the Salford Royal Council of Governors; the Shadow Group Council of Governors. Bearing resemblance to the establishment of the Group CiC to which the Boards of Salford Royal and Pennine delegated their functions, the Shadow Group Council of Governors, (known as the Group Council of Governors) would include both Salford Royal Governors and Shadow Pennine Governors, and would assist the Council of Governors by carrying out those functions set out in the Salford Royal Scheme of Reservation and Delegation of Powers.

Between August 2017 - October 2017 Salford Royal held elections for Governors and Shadow Governors across the Northern Care Alliance NHS Group (NCA) footprint.

Constituency	Number of positions available	Number of nominations received
<b>Public</b>		
Salford	5	15
Bury and Rochdale (Shadow)	5	15
Oldham (Shadow)	3	6
North Manchester (Shadow)	2	2
<b>Staff</b>		
Salford - Clinical Support Services & Tertiary Medicine	5	15
Salford - Surgery and Neurosciences	5	15
Bury and Rochdale (Shadow)	3	6
Oldham (Shadow)	2	2
North Manchester (Shadow)	2	2



The composition of the Council of Governors from 1 April 2017 to 3 October 2017 was as follows:

Name	Constituency / organisation	Term of office (end of the annual members meeting)
<b>Public elected governors</b>		
James Collins	Claremont, Weaste & Seedley	3 years (2019)
Ann-Marie Pickup	East Salford	3 years (2019)
Michelle Watson	Eccles	3 years (2019)
David Pike (Lead Governor)	Irlam & Cadishead	3 years (2017)
Albert Rooms	Swinton	3 years (2017)
Vacant	Ordsall & Langworthy	3 years (2019)
Vacant	Worsley & Boothstown	3 years (2017)
Steven North <sup>1</sup>	Little Hulton & Walkden	3 years (2017)
Sandra Breen	Out of Salford	3 years (2019)
Janet Booth	Out of Salford	3 years (2017)
Angela Railton	Out of Salford	3 years (2017)
David Trenbath	Out of Salford	3 years (2019)
<b>Staff elected governors</b>		
David Hill	Clinical Support & Tertiary Services	3 years (2017)
Nicola Kent	Corporate & General Services	3 years (2019)
Agnes Leopold-James	Salford Healthcare	3 years (2019)
Joanne Hubert	Surgery	3 years (2017)
Sheila Tose	Neurosciences & Renal	3 years (2017)
<b>Appointed governors</b>		
Brian Boag	University of Salford	3 years (2019)
Nick Grey	Manchester	3 years (2019)
Deji Adeyeye	General Medical Practitioner	3 years (2019)
Paul Longshaw <sup>2</sup>	Salford City Council	3 years (2019)

- 1 Mr Steven North resigned in April 2017
- 2 Cllr Paul Longshaw passed away in September 2017

- 1 Mr David Trenbath resigned in October 2017. The next highest polling candidate was Jeredine Benjamin
- 2 Ivy Ashworth-Crees resigned in December 2017. The next highest polling candidate was Fabiha Chowdhury
- 3 Margaret Sweetmore resigned in March 2018
- 4 Cllr Richard Critchley was appointed in February 2018

The composition of the Group Council of Governors from 3 October 2017 to 31 March 2018 was as follows:

Name	Constituency / organisation	Term of office (end of the annual members meeting)
<b>Public elected governors</b>		
James Collins	Salford	3 years (2020)
David Pike (Lead Governor)	Salford	3 years (2020)
Chris Mullen	Salford	3 years (2020)
Gill Collins	Salford	3 years (2019)
Charlotte Layton	Salford	3 years (2019)
Sandra Breen	Rest of England & Wales	3 years (2019)
Jeredine Benjamin <sup>1</sup>	Rest of England & Wales	3 years (2019)
<b>Shadow public elected governors</b>		
Sylvia Edney	Bury and Rochdale	3 years (2020)
Marie Douglas	Bury and Rochdale	3 years (2020)
Terri Evans	Bury and Rochdale	3 years (2020)
Shaun Furlong	Bury and Rochdale	3 years (2019)
Luise Fitzwalter	Bury and Rochdale	3 years (2019)
Robert Scott	Oldham	3 years (2020)
Ivy Ashworth-Crees <sup>2</sup>	Oldham	3 years (2020)
Fabiha Chowdhury	Oldham	3 years (2020)
Maurice Gorton	Oldham	3 years (2019)
Kevin Thomas	North Manchester	3 years (2020)
Mohammad Shafiq	North Manchester	3 years (2020)
<b>Staff elected governors</b>		
Deborah Seddon	Clinical Support & Tertiary Services	3 years (2020)
Nicola Kent	Corporate & General Services	3 years (2019)
Agnes Leopold-James	Salford Healthcare	3 years (2019)
Sheila Tose	Surgery & Neurosciences	3 years (2020)
<b>Shadow staff elected governors</b>		
Margaret Sweetmore <sup>3</sup>	Bury and Rochdale	3 years (2020)
Amanda Chesney	Bury and Rochdale	3 years (2019)
Julia Riley	Oldham	3 years (2020)
Georges Ng Man Kwong	Oldham	3 years (2019)
Mireia Cassou	North Manchester	3 years (2020)
Philippa Jones	North Manchester	3 years (2019)
<b>Appointed governors</b>		
Nick Grey	University of Manchester	3 years (2019)
Cllr Richard Critchley <sup>4</sup>	Salford City Council	3 years (2020)
<b>Shadow appointed governors</b>		
Brian Boag	Salford University	3 years (2020)
Vacant	Local Authority Governor	3 years (2020)
Vacant	Local Authority Governor	3 years (2020)

The following table summarises governor attendance at Council of Governor Meetings from 1 April 2017 to 3 October 2017:

Name	Consituency / organisation	Meetings Attended
<b>Public elected governors</b>		
James Collins	Claremont, Weaste and Seedley	2/2
Anne-Marie Pickup	East Salford	0/2
Michelle Watson	Eccles	1/2
David Pike (Lead Governor)	Irlam & Cadishead	2/2
Albert Rooms	Swinton	1/2
Steven North	Little Hulton & Walkden	0/0
Sandra Breen	Out of Salford	0/2
Janet Booth	Out of Salford	2/2
Angela Railton	Out of Salford	1/2
David Trenbath	Out of Salford	2/2
<b>Staff elected governors</b>		
David Hill	Clinical Support & Tertiary Medicine	1/2
Nicola Kent	Corporate & General Services	1/2
Agnes Leopold-James	Salford Healthcare	1/2
Joanne Hubert	Surgery	1/2
Sheila Tose	Neurosciences & Renal	2/2
<b>Appointed governors</b>		
Brian Boag	University of Salford	0/2
Nick Grey	University of Manchester	0/2
Deli Adeyeye	General Medical Practitioner	0/2
CLr Paul Longshaw	Salford City Council	0/1

The following table summarises governor attendance at Council of Governor Meetings from 3 October 2017 to 31 March 2018:

Name	Consituency / organisation	Meetings Attended
<b>Public elected governors</b>		
James Collins	Salford	3/3
David Pike (Lead Governor)	Salford	3/3
Chris Mullen	Salford	3/3
Gill Collins	Salford	3/3
Charlotte Layton	Salford	0/3
Sandra Breen	Out of Area	2/3
Jeredine Benjamin	Out of Area	2/3
<b>Shadow public elected governors</b>		
Sylvia Edney	Bury and Rochdale	2/3
Marie Douglas	Bury and Rochdale	1/3
Terri Evans	Bury and Rochdale	3/3
Shaun Furlong	Bury and Rochdale	3/3
Luise Fitzwalter	Bury and Rochdale	2/3
Robert Scott	Oldham	3/3
Ivy Ashworth-Crees	Oldham	1/1
Fabiha Chowdhury	Oldham	1/1
Maurice Gorton	Oldham	0/3
Kevin Thomas	North Manchester	3/3
Mohammad Shafiq	North Manchester	2/3
<b>Staff elected governors</b>		
Deborah Seddon	Clinical Support & Tertiary Services	3/3
Nicola Kent	Corporate & General Services	0/3
Agnes Leopold-James	Salford Healthcare	3/3
Sheila Tose	Surgery & Neurosciences	2/3
<b>Shadow staff elected governors</b>		
Margaret Sweetmore	Bury and Rochdale	2/3
Amanda Chesney	Bury and Rochdale	3/3
Julia Riley	Oldham	0/3
Georges Ng Man Kwong	Oldham	1/3
Mireia Cassou	North Manchester	3/3
Philippa Jones	North Manchester	2/3
<b>Appointed governors</b>		
Nick Grey	University of Manchester	0/5
CLr Richard Critchley	Salford City Council	1/1
<b>Shadow appointed governors</b>		
Brian Boag	Salford University	3/3
Vacant	Local Authority Governor	0/0
Vacant	Local Authority Governor	0/0

Mrs Chris Mullen was nominated as Deputy Lead Governor at the Council of Governors meeting in March 2018 with a term of office ending in June 2019.

Mr David Pike was nominated as Lead Governor at the Council of Governors meeting in June 2016 for a period of two years, ending in June 2018.

### Council of Governors' register of interests

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

Trust Headquarters  
Salford Royal NHS Foundation Trust  
Stott Lane  
Salford  
M6 8HD

Tel: **0161 206 3133**

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

### Council of Governors' Subgroups

The Group Council of Governors have established a Nominations, Remuneration and Term of Office (NRTO) Committee that meets to discuss the formal aspects of the Non-Executive Directors' role; this includes pay, period of employment and their annual performance evaluation. Membership comprises the lead governor, one Salford Royal elected governor, one Salford Royal appointed governor and one shadow governor, as well as the Chairman and advisory Trust Officers. More information on the work of the committee is described within the Remuneration Report.

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

The Engagement Subgroup is responsible for monitoring the progress of Salford Royal's Membership and Public Engagement Strategy. The subgroup does this by creating an annual implementation plan with key performance indicators. During 2017/18, the Engagement Subgroup helped with the design of the Annual Membership Survey 2017, ran the Governor Led Engagement Project around Always Events and gave comment on the Group Communications Strategy.

The Quality Subgroup meets across all Care Organisations, and is responsible for reviewing patient experience and identifying themes, further to seeking assurance from relevant senior managers that these experiences are acted upon. Governors also received information on:

- Car Parking
- Patient-Led Assessment of the Care Environment Outcome
- Feedback from Non-Medical Students
- Oldham Maternity Services
- Selection of the Quality Indicator for the year

The Strategic Direction Subgroup is responsible for making sure the views of members and the public are considered in plans for the year ahead, as well receiving assurance on key strategic programmes. During 2017/18 Governors received update and assurance regarding the development of the Group Service Development Strategy, North West Sector and Healthier Together Programme, Salford Royal's proposed transaction to acquire elements of Pennine, and Annual Planning for 2018/19.

## Training and development for Governors

A full list of training and development opportunities provided is below; the training was delivered by internal and external trainers.

Event
Induction for new Governors (Part 1)
Induction for new Governors (Part 2)
Holding to Account
Patient Experience
Introduction to NHS Finance & Quality Improvement
Equality, Inclusion and Engagement
Understanding the Dashboard

## Communicating with Governors

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

Email: [foundation@srft.nhs.uk](mailto:foundation@srft.nhs.uk)

Tel: **0161 206 3133**

Website: [www.srft.nhs.uk/for-members/council-of-governors/contact-your-governor](http://www.srft.nhs.uk/for-members/council-of-governors/contact-your-governor)

Write to your Governor at:

Membership Department  
Group Headquarters  
Salford Royal NHS Foundation Trust  
Stott Lane, Salford, M6 8HD

## The Board of Directors and Group Committees in Common relationship with the Council of Governors and Members

The Group CiC and Group Council of Governors seek to work together effectively in their respective roles and avoid unconstructive adversarial interaction. To this effect the Group CiC and Council of Governors have established a clear policy detailing how disagreements will be resolved.

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

Governors and Group CiC members interact at the Group Council of Governors' subgroups, as relevant Non-Executive Director and Executive Director (or their deputies) are members.

The following table summarises Group CiC attendance at Group Council of Governors

Name	Title	Attendance
Mr Jim Potter	Chairman	5/5
Sir David Dalton	Chief Executive Officer	3/5
Mrs Elaine Inglesby-Burke CBE	Chief Nursing Officer	3/5
Dr Chris Brookes	Chief Medical Officer	3/5
Mr Ian Moston	Chief Finance Officer	2/5
Mr Raj Jain	Deputy Chief Executive/ Chief Strategy and Organisation Development Officer	5/5
Mrs Judith Adams	Chief Delivery Officer	2/5
Mr John Willis CBE	Vice Chairman/Non-Executive Director/Chairman of the Audit Committee	3/5
Prof Chris Reilly	Non-Executive Director	4/5
Mrs Diane Brown	Non-Executive Director/Senior Independent Director	3/5
Mrs Rowena Burns	Non-Executive Director	0/1
Dr Hamish Stedman	Non-Executive Director	4/5
Mrs Christine Mayer CBE	Non-Executive Director	5/5
Mr Kieran Charleson	Non-Executive Director	2/2

Salford Royal's Governors are encouraged to attend the public Group CiC meetings to gain a broader understanding of discussion taking place at Board level and observation of the decision making processes and challenge from Non-Executive Directors.

## Board of Directors

The Board of Directors operates according to the highest corporate governance standards. It is a unitary board with collective responsibility for all aspects of the performance of the Salford Royal and as the most senior managers of the operations of Group, including financial performance, clinical and service quality, management and governance. Key responsibilities include:

- Setting the Trust's vision and governing objectives, with due regard to the ultimate intention of Salford Royal to establish a Group operation;
- Setting the Group and Trust's strategic direction (having taken into account the Council of Governors' views) and providing direction to the Care Organisations;
- Leading the development of the Trust's workforce and delivering the Trust's Workforce and Talent Management Strategy in conjunction with Care Organisations;
- Ensuring that adequate systems and processes are maintained to deliver Salford Royal's Annual Plan;
- Setting Group-wide processes and standards (clinical and non-clinical) applicable across Trusts and all Care Organisations;
- Ensuring effective processes are in place for regular audit of clinical standards and patient experience to support performance data provided by the Care Organisations;
- Ensuring robust governance arrangements are in place, underpinned by an effective assurance framework that supports sound systems of internal control;
- Ensuring effective arrangements are in place for holding the Care Organisations to account for the performance of the business;
- Leading capability development and providing scale for improvement in Care Organisations;
- Ensuring that Salford Royal, at all times, is compliant with its Licence, as issued by the sector regulator NHS Improvement (formerly Monitor);
- Exercising the powers of Salford Royal established under statute, as described within Salford Royal's Constitution available at [www.srft.nhs.uk](http://www.srft.nhs.uk)



The Group CiC is also responsible for establishing the values and standards of conduct for Salford Royal and its staff in accordance with NHS values and accepted standards of behaviour in public life, including selflessness, integrity, objectivity, accountability, openness, honesty and leadership (The Nolan Principles). This is clearly set out within the Group Governance Framework Manual, publicly available on the website.

The Group CiC and Board of Directors has resolved that certain powers and decisions may only be exercised or made by the Group CiC or Board of Directors in formal session. These powers and decisions, and those of Salford Royal's Council of Governors, are set out in the Reservation of Powers and Scheme of Delegation within the Group Governance Framework Manual.

The Group CiC met in formal session on nine occasions during 2017/18. Each session was held in public, apart from where the Group CiC resolved to meet in private session due to the confidential nature of business. The Salford Royal Board of Directors met in formal session on three occasions during 2017/18. Each session was held in public, apart from where the Salford Royal Board of Directors resolved to meet in private session due to the confidential nature of business.

The Group CiC (which comprises all members of Salford Royal Board of Directors) is of sufficient size and the balance of skills and experience is appropriate for the requirements of the business and the future direction of Salford and the NCA. Arrangements are in place to enable appropriate review of the Group CiC's balance, completeness and appropriateness to the requirements of Salford Royal and establishment of a Group operation. All Executive and Non-Executive Directors undergo annual performance evaluation and appraisal.

The outcomes of the Executive Director appraisals are provided to Non-Executive Directors at a meeting of the Nominations, Remuneration and Terms of Service Committee. The outcomes of Non-Executive Director appraisals are provided to the Council of Governors' Nominations, Remuneration and Terms of Office Committee in detail, and in summary to the general meeting of the Council of Governors.

### Independence of Non-Executive Directors

The Group CiC undertakes an annual review of the independence of its Non-Executive Directors. The Group CiC determines whether each director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgement. At its meeting in April 2018, the Group CiC acknowledged that some Non-Executive Directors had served terms of more than six years at Salford Royal, however uniquely; Non-Executive Directors at Salford Royal are members only of the Group CiC, Board of Directors and statutory committees.

They are not formal members of the Trust's management or assurance committees, although they retain the right to attend any such meeting. The Group CiC determined that these arrangements enable Non-Executive Directors to retain significant independence from the operational management of the Trust.

The Group CiC confirmed that it considers all Non-Executive Directors to be independent, namely:

- Mr James Potter
- Mr John Willis CBE
- Mrs Diane Brown
- Professor Chris Reilly
- Dr Hamish Stedman
- Mrs Christine Mayer CBE
- Mr Kieran Charleson

## Committees of the Salford Royal Board of Directors and Group Committees in Common

The Salford Royal Board of Directors has established the following committees:

- Group Committees in Common
- Salford Royal Acquisition Committee

The Group Committees in Common has established the following committees:

- Audit Committee
- Nominations, Remuneration and Terms of Service (NRTS) Committee
- Charitable Funds Committee
- Strategy and Investment Committee
- Group Executive Risk and Assurance Committee
- Group Executive Development Committee

### Salford Royal Acquisition Committee

The Salford Royal Acquisition Committee has been established as an interim committee of the Salford Royal Board of Directors. It has been established to provide strategic direction, programme oversight and stakeholder management in relation to the acquisition of Pennine. The committee has responsibility for ensuring that any transaction undertaken is robust, has sound financial underpinnings and meets the strategy and compliance requirements of the Trust.

## Audit Committee

The Group CiC has established an Audit Committees in Common for Salford Royal and Pennine, known as the Audit Committee. Audit Committee plays a key role in supporting the Group CiC by critically reviewing and reporting on the adequacy and effectiveness of systems of integrated governance, risk management, and internal control that supports the achievement of Group objectives and its constituent Care Organisations.

In carrying out this work, the Audit Committee primarily utilises the work of internal and external audit, and established committees within the NCA Assurance Framework; specifically the Group Risk and Assurance Committee. Audit Committee also receives assurance from the views of other external agencies such as the Care Quality Commission.

Salford Royal's Non-Executive Directors (with the exception of the Chairman) are members of Audit Committee. Attendance during 2017/18 was as follows:

Mr John Willis CBE	6/6
Mrs Diane Brown	3/6
Mrs Rowena Burns	0/3
Professor Chris Reilly	6/6
Dr Hamish Stedman	2/6
Mrs Christine Mayer CBE	4/6
Mr Kieran Charleson	0/1

Support for the committee was provided by the Group Secretariat and meetings were attended by the Chief Finance Officer, Deputy Chief Finance Officer, Chief Medical Officer, Chief Nursing Officer, Group Secretary and Internal and External Audit Teams.

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During 2017/18, the Trust's Internal Audit function was carried out by Mersey Internal Audit (MIAA). Internal Audit provides an independent assurance service to the Group CiC, Audit Committee and management, focused on reviewing the effectiveness and extent of compliance with the governance, risk management and control processes that the Group and Salford Royal has put in place. Audit Committee approved the Internal Audit and Anti-Fraud Work Plans for 2017/18 and received regular progress updates with respect to the work and findings of the respective plans.

Salford Royal's External Auditors regularly attend Audit Committee, providing an opportunity for the committee to assess their effectiveness. The Audit Plan for Salford Royal was presented to Audit Committee in January 2018, confirming that the audit would be conducted with an understanding of the key challenges and opportunities Salford Royal was facing. The Audit Committee received assurance that the audit would consider the impact of key developments in the sector, take account of national audit requirements, and ensure compliance with International Standards on Auditing (ISAs). In addition, the Audit Plan highlighted steps taken to safeguard and ensure compliance with ethical standards on independence, specifically in relation to the External Audit team with direct involvement in the audit of the Trust's accounts. There were no other significant facts or matters that may impact on the External Auditor's independence drawn to Audit Committee's attention during 2017/18.

At its meeting in April 2017, the Audit Committee reviewed the first draft of the Annual Report, including the Annual Governance Statement, Quality Report and unaudited Accounts 2016/17. This was followed by further review and approval, prior to submission to NHS Improvement, at the meeting in May 2017. Audit Committee also received the External Auditor's Findings Report (ISA 260) in May 2017.

As the year began, Audit Committee reviewed the opening Salford Royal and Pennine Board Assurance Frameworks and confirmed that the strategic and operational risks identified were fully aligned to the Annual Plans submitted to NHSI. As Audit Committee's relationship with the Group Risk and Assurance Committee (GRAC) developed during the year, a number of matters were referred to and from committee meetings. Audit Committee emphasised the importance of high quality medical job planning, appraisals and control processes for annual and study leave to support the delivery of the Care Organisation and NCA objectives and requested escalation of this matter to the GRAC.

Further to comprehensive review and discussion at GRAC, arrangements were made for Chief Officers to report progress to the Group CiC in January 2018, and provide assurance regarding this matter within the Statements of Assurance from April 2018.

In the review of internal audit and management assurance reports, Audit Committee identified significant and cross cutting issues with respect to the fragility of the IM&T infrastructure across the Pennine Care Organisations, alongside opportunity for further digital technology solutions, specifically to support clinical audit, at Salford Royal. Further to this, the Group Strategy and Investment Committee, comprising the Chairman, all Non-Executive Directors and Executive Directors, reviewed and supported a priority investment case to Stabilise and Transform IM&T Infrastructure for the North East Sector Care Organisations prior to request for approval by Group CiC.

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The Audit Committee is authorised by the Group CiC to investigate any activity within its terms of reference and to seek any information it requires from staff. Senior managers from the Trust (including the Care Organisation Medical Directors, Chief Strategy & Organisational Development Officer, Director of Workforce, Head of Clinically Coded Data and Standards Assurance, Director of People & Organisational Development, Group Procurement Director) attended meetings during 2017/18 to provide a deeper level of insight into key issues within their respective areas of expertise.

In addition to reviewing key finance related matters, including losses and special payments reports and reviewing and approving write-off of non-NHS debtors, Audit Committee undertook a detailed mid-year financial review for Salford Royal in the form of an updated Going Concern Report, providing the financial outlook until March 2019.

In October 2017, Non-Executive Directors embarked on a site visit programme across all services, wards and departments of the NCA; this allows Non-Executive Directors to triangulate information gathered during the site visits with that presented to the Group CiC and Audit Committee, for the purpose of gaining assurance and obtaining feedback from staff and patients.

The visits enabled NEDs to further understand how the organisation works and the impact of Board-level decisions on clinical services. The following Salford Royal services were visited during 2017/18: Urgent & Emergency, Diagnostics & Outpatients, Medical Care, Clinical & Non-Clinical Support Services, Surgery & Neurosciences, and Salford Integrated Care Organisation.

During 2016, Salford Royal and Pennine aligned their selection processes for an External Auditor, awarding two organisational contracts to a single External Auditor firm.

In December 2016, the Council of Governors approved the appointment of Grant Thornton as the External Auditor for Salford Royal for a period of three years (conducting the 2017/18, 2018/19 and 2019/20 audits), with an option for this to be extended by a further 1 year subject to mutual agreement. The annual cost to Salford Royal would be £51,575, £50,000 and £48,425 (net of VAT) respectively.

In January 2018, Audit Committee reviewed and refreshed the robust policy in place for the engagement of the External Auditor for Non-Audit Work.

### **Nominations, Remuneration and Terms of Service (NRTS) Committee**

The Group CiC has established a Nominations, Remuneration and Terms of Service Committees in Common for Salford Royal and Pennine, known as the Nominations, Remuneration and Terms of Service (NRTS) Committee, to consider matters pertinent to the nomination, remuneration and associated terms of service for Executive Directors (including the Chief Executive), matters associated with the nomination of Non-Executive Directors, and remuneration of senior managers/clinical leaders. Further information regarding the NRTS Committee can be found in the Remuneration Report.

### **Charitable Funds Committee**

A Charitable Funds Committees in Common for Salford Royal and Pennine has been established, with responsibility for the on-going management of charitable funds on behalf of the Corporate Trustees. The membership of the Charitable Funds Committee comprises all Non-Executive Directors.

### Strategy and Investment Committee

The Strategy and Investment Committee provides independent and objective review of, and assurances in relation to, major strategic initiatives, including investments/divestments of activities which significantly broaden, diversify or reduce the Group activity base, and ensures their alignment with the Group CiC approved strategy and risk framework.

### Group Executive Risk and Assurance Committee

The Group Risk and Assurance Committee has responsibility for providing assurance on the control of risk, including: monitoring of all group level risks via the Board Assurance Framework; and overseeing the Group's Single Oversight Framework, which includes receiving the Care Organisation Statements of Assurance and reviewing Care Organisation Assurance Frameworks/Risk Registers.

### Group Executive Development Committee

The Group Executive Development Committee oversees the development and delivery of Group's strategic ambitions, and takes appropriate action to mitigate risk.

### Standing Committee Reporting Arrangements

The Group CiC receives report on the work of each of its standing committees following each meeting. A comprehensive reporting cycle has been established for the Group CiC and its subcommittees to ensure timely review of an appropriate range of matters.

### NHS Improvement's Single Oversight Framework

NHS Improvement's (NHSI) Single Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at five themes:

- Quality of care
- Finance and use of resources
- Operational performance
- Strategic change
- Leadership and improvement capability (well-led)

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy. A Foundation Trust will only be in segments 3 or 4 where it has been found to be in breach, or suspected breach, of its licence.

The Single Oversight Framework applied from Quarter 3 of 2016/17. Prior to this, Monitor's Risk Assessment Framework (RAF) was in place. Information for the prior year and first two quarters relating to the RAF has not been presented as the basis of accountability was different. This is in line with NHSI's guidance for annual reports.

**Segmentation**

NHSI classifies Trusts in one of four segments where Trusts in segment one have the maximum autonomy and those in segment four are classified as being in special measures. Salford Royal is currently placed in segment two, defined by NHS Improvement as:

*“Providers offered targeted support: there are concerns in relation to one or more of the themes. We’ve identified targeted support that the provider can access to address these concerns, but which they are not obliged to take up. For some providers in segment two, more evidence may need to be gathered to identify appropriate support.”*

This segmentation information is Salford Royal’s position as at April 2018. Current segmentation information for NHS Trusts and Foundation Trusts is published on NHSI’s website.

**Finance and use of resources**

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

Area	Metric	2017/18 Scores				2016/17	
		Q4	Q3	Q2	Q1	Q4	Q3
Financial sustainability	Capital service capacity	1	4	4	4	2	3
	Liquidity	1	2	2	2	2	2
Financial efficiency	I&E margin	1	3	4	4	2	3
Financial controls	Distance from financial plan	1	1	1	1	1	1
	Agency spend	2	2	2	2	2	2
<b>Overall scoring</b>		1	3	3	3	3	2



Signed: 

Date: 25 May 2018

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

## Statement of the Chief Executive's responsibilities as the Accounting Officer of Salford Royal NHS Foundation Trust

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

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

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

- Observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis

- State whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements
- Ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance and
- Prepare the financial statements on a going concern basis.

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

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

Signed:



Date: 25 May 2018

Sir David Dalton  
Chief Executive

## Annual Governance statement

### Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Foundation Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS Foundation Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the *NHS Foundation Trust Accounting Officer Memorandum*.

### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed: to identify and prioritise the risks to the achievement of the policies, aims and objectives of Salford Royal NHS Foundation Trust; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically. The system of internal control has been in place in Salford Royal NHS Foundation Trust for the year ended 31 March 2018 and up to the date of approval of the annual report and accounts.

### Capacity to handle risk

Salford Royal NHS Foundation Trust (Salford Royal) has established an alliance with the Pennine Acute Hospitals NHS Trust (Pennine). The Northern Care Alliance NHS Group (NCA) was launched on 1 April 2017. Whilst Salford Royal and Pennine remain statutory bodies, the Boards of both organisations have delegated the exercise of significant functions to the Group Committees in Common (Group CiC). Group CiC comprises all members of the Salford Royal Board of Directors and the Chief Officers of the NCA's four care organisations: Salford, Oldham, Bury & Rochdale and North Manchester.

As the Chief Executive, I am responsible for overseeing risk management across all organisational, financial and clinical activities. I am the chairman of the Group Risk and Assurance Committee, which reports directly to Group CiC and has overarching responsibility for risk management, including: the development and implementation of the Group's Assurance Framework and Risk Management Strategy; monitoring of all Group-level risks; overseeing the Group's Single Oversight Framework; and reviewing Care Organisation Assurance Framework/Risk Registers. An important enabler to fulfilling this responsibility has been the development of purposeful interaction between the Group Risk and Assurance Committee and the Group's Audit Committee. Audit Committee provides a key forum through which the Group's Non-Executive Directors bring independent judgement to bear on issues of risk management and performance. The constructive interface between Audit Committee and Group Risk and Assurance Committee supports the effectiveness of the Group's systems of internal control.

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Each of the NCA's Care Organisations has a Chief Officer with responsibility for the effective and efficient use of resources, including the proactive identification and mitigation of risks to the delivery of the annual business plans.

The Chief Officers each chair their Care Organisation's Assurance and Risk Committees (COARCs), which have responsibility for providing leadership to, and ensuring appropriate oversight of, the achievement of the Care Organisations principal objectives through the effective mitigation of risk and review of relevant assurance. The Salford Care Organisation has all of the above arrangements in place.

Salford Royal and Pennine have complementary risk management strategies in place, which are implemented via Group and Care Organisation governance structures. Salford Royal's Risk Management Strategy provides the framework for managing risk across the Salford Care Organisation and at all levels within the Group. It is consistent with best practice and Department of Health guidance.

The Strategy provides a clear, systematic approach to the management of risks to ensure that risk assessment is an integral part of all clinical, managerial and financial processes. Risk management is supported in the following ways: a central NCA Risk Management Team led by the Group Head of Patient Safety; a centralised Health and Safety Team with support from Health and Safety Advisors, and an Associate Director of Governance in place within each Care Organisation, supported by Governance Managers for each clinical division.

Salford Royal's capacity to handle risk was evidenced via the independent Well-led Governance Review (March 2017) which concluded that Salford Royal is "exceptionally well-led... with robust risk management and governance processes" and that "the processes underpinning risk identification, understanding, monitoring and management are well-designed, operating effectively and owned at all levels. Dynamic risk registers and a Board Assurance Framework are in place." These robust processes have remained the foundation of the risk management and governance processes in place across the NCA.

The NCA has developed a Training Needs Analysis which is implemented by the Salford Care Organisation and focuses training programmes against highest risk activities across the organisation. Training is provided for risk assessment and incident investigation and delivered at appropriate levels in relation to job role and duties.

The NCA Learning Framework ensures good practice is identified and shared via organisational and divisional governance systems and newsletters. Patient stories are received at all levels of committees. Salford Royal has effective mechanisms in place to receive and act upon alerts and recommendations issued by all relevant central bodies.

The Group CiC receives assurances from the Group Risk and Assurance Committee relating to the management of all serious untoward incidents, including Never Events. Learning from Experience and Patient Responsiveness reports are also reported routinely to the Group Risk and Assurance Committee.

## The risk and control framework

Risk management requires participation, commitment and collaboration from all staff. The process starts with the systematic identification of risks via structured risk assessments. Identified risks are documented on risk registers.

These risks are then analysed in order to determine their relative importance using a risk scoring matrix. Low scoring risks are managed by the area in which they are found whilst higher scoring risks are managed at progressively higher levels within the organisation.

Achieving control of the higher scoring risks is given priority over lower scoring risks. Risk control measures are identified and implemented to reduce the potential for harm.

The potential consequence and likelihood of the risk occurring are scored along with the effectiveness of existing control measures. It is the sum of these scores which determine the level in the organisation at which the risk is reported and monitored to ensure effective mitigation.

Each Care Organisation within the NCA has in place a Board Assurance Framework/Corporate Risk Register (BAF/CRR), which is overseen by each Care Organisations' COARC. It directs management focus to the mitigation of significant risks. The Salford Care Organisation BAF/CRR and specific group-related risks inform the SRFT BAF/CRR, which is managed by the Group Risk and Assurance Committee.

Salford Royal seeks to reduce risk as far as possible; however it is understood that delivering healthcare carries inherent risks that cannot be eradicated completely. Salford Royal therefore pursues assurance that controls continue to be operated for risks that cannot be reduced any further. On this basis, risks are tolerated in line with an organisational risk appetite.

The NCA's Group Assurance Framework, is based on six key elements:

- Clearly defined principal objectives agreed with stakeholders together with clear lines of responsibility and accountability;
- Clearly defined principal risks to the achievement of these objectives together with assessment of their potential impact and likelihood;
- Key controls by which these risks can be managed - this includes involvement of stakeholders in agreeing controls where risks impact on them;
- Management and independent assurances that risks are being managed effectively;
- Board level reports identifying that risks are being reasonably managed and objectives being met, together with gaps in assurances and gaps in risk control;
- Board level action plans which ensure the delivery of objectives, control of risk and improvements in assurances.

The workplan of committees within the NCA's Assurance Framework is linked so that the Group CiC is assured that there is an aligned independent and executive focus on strategic risk and assurance. Routine referral of issues exists between committees, ensuring a respective understanding of risk and assurance concerns. The Internal Audit Assurance Framework Review 2017/18 confirmed that 'the organisation's Assurance Framework is structured to meet the NHS requirements, is visibly used by the Board and clearly reflects the risks discussed by the Board.' Furthermore, the Group CiC has established and operates an oversight framework for each of its Care Organisations, called the Group Single Oversight Framework (Group SOF).

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The Group SOF provides assurance on delivery of the Care Organisation Annual Plan objectives and supports quality and performance improvement. The five themes of the Group SOF reflect those of the NHS Improvement Framework:

- Quality of care
- Finance and use of resources
- Operational performance
- Strategic change
- Leadership and improvement capability (well-led)

The Group SOF segments Care Organisations according to the scale of issues faced, and enables the Group CiC to determine the extent of support required by each Care Organisation. The Group SOF utilises an integrated reporting approach, including performance dashboards, board assurance frameworks, and statements of assurance, annual plan reviews, well led reviews and CQC improvement plans.

Salford Royal has strong quality governance arrangements in place, which include a quality improvement strategy with ambitious Trust-wide quality goals. A quarterly Quality Improvement Progress Report, including Care Organisation Quality Improvement Dashboard, is reviewed by the Group CiC. At Care Organisation level, the Salford Care Organisation Quality and Patient Experience (QPE) Governance Committee, reporting directly to the COARC, reviews a suite of Quality Dashboards that track: performance against key quality indicators; standardised risk assessment (Quality and Safety Impact Assessment) of all productivity improvement workstreams, as part of the Better Care at Lower Cost Programme; and robust arrangements for staff, patients and members of the public to raise concerns with respect to the quality of care.

The NCA has a Freedom to Speak Up (FTSU) Guardian to act in a genuinely independent and impartial capacity in order to support staff who raise concerns, and will have access to the Chief Executive and the Trust's nominated non-executive director for 'Freedom to Speak Up'. This individual is supported by FTSU Care Organisation Guardians, to ensure staff have easy access to practical support. The Board has nominated the Senior Independent Director (SID) as Salford Royal and the NCA's nominated non-executive director for 'Freedom to Speak Up'. A quarterly report of all concerns raised and their themes is produced for the Salford Care Organisation QPE Governance Committee; summary information is provided for the Care Organisation Assurance and Risk Committee and escalated to the Group Risk and Assurance Committee via the Care Organisation Statement of Assurance. The Salford Care Organisation's FTSU Guardian attends the QPE Governance Committee meeting to discuss all concerns raised and the NCA FTSU Guardian engages with the nominated non-executive director on a quarterly basis.

The independent Well-Led Governance review, conducted towards the end of 2016/17, reported "There is a confident understanding at Board level of how services are performing in relation to quality. QI [Quality Improvement] is notable in terms of the breadth and depth of its embeddedness across the Trust." Potential improvement themes identified were shared with the Care Organisations, and in September 2017, MIAA - in partnership with AQuA - were commissioned to undertake developmental work with all Care Organisations. This included all Care Organisations completing a developmental self-assessment against the Well-Led Framework published by NHS Improvement and the Care Quality Commission, followed by a workshop to provide access to external challenge and insight.

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The outcome of this work was reported to the Group Risk and Assurance Committee in April 2018. The Quality Report, within this year's Annual Report and Accounts, describes our quality improvements and quality governance in more detail.

The Trust is fully compliant with the registration requirements of the Care Quality Commission (CQC) and systems exist to ensure continued compliance with the registration requirements. Each ward/service area across the organisation is required to undertake an annual self-assessment, and during 2017/18 the self-assessment tool was redesigned to align with the CQC's Key Lines of Enquiry. The programme of self-assessment is co-ordinated through a network of Divisional Governance Managers and the outcomes of the assessments are reviewed by the Divisional Nursing Teams and via the Corporate Governance Committees. Any areas of concern are risk assessed, acted upon, or added to the local and corporate risk registers if necessary.

All regulations have an identified lead within the organisation and it is their responsibility to provide compliance evidence to the relevant Care Organisation Governance Committee on an annual basis. An organisation-wide internal CQC mock assessment was undertaken by a team of multidisciplinary staff in March 2018 to allow assessment against the CQC's Key Lines of Enquiry, focusing in particular on Safe. A number of smaller unannounced CQC Assessments have taken place across the care organisation to target areas where concerns have been identified in relation to any of the Key Lines of Enquiry or wider regulations.

In addition, the Audit Committee monitors the outcome of the CQC mock assessment programme in-year, and commissions specific reviews by the Trust's internal auditors. A summary report that collates assurance from each of these controls is presented to the Salford Care Organisation Assurance and Risk Committee at the end of each financial year, and escalated to the Group Risk and Assurance Committee as required.

Dedicated Data Quality Teams pro-actively manage data quality within 'source' systems and provide appropriate training and guidance to the Care Organisation teams. Independent assurance regarding data quality is provided by regular, and independent, external audits and by the Information Governance Toolkit self-assessment review by internal audit and independent auditors, (for example MIAA and Capita), who review the Trust's data and data systems. Risks to data quality and data security are continuously assessed and added to the IM&T risk register, which is reviewed by the Group Executive Risk and Assurance Committee.

During 2017/18, the Group CiC ensured on-going assessment of all of the following in-year and future significant risks:

- Planned income levels and the effectiveness of financial control system;
- Delivery of the cost improvement programme;
- Compliance with access standards;
- Provision of vascular and non-vascular radiology services;
- Cellular pathology UKAS and JAG accreditation;
- Development of neuro-rehabilitation pathways;
- Impact of trauma admissions on theatre capacity and supporting paediatric emergencies and trauma;
- Clinical staffing establishments;
- Compliance with capped agency rates;
- Capital solutions for major strategic programmes;
- Estate strategy for future service developments and sufficient operational estates capacity;
- Development of an Integrated Care Organisation IM&T strategy;
- Access to transformation funding.

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The Group CiC oversees the management of all major risks, which are actively addressed by the Group Executive Risk and Assurance Committee. Key controls and assurances, and any identified gaps, are continually reviewed and action plans developed and progressed accordingly. Outcomes are confirmed via this process and reported routinely to the Group CiC, via the Group CiC's Integrated Performance Dashboard. Audit Committee reviews the Board Assurance Framework/Corporate Risk Register and commissions additional reviews where appropriate in order to provide necessary assurance to the Group CiC.

Significantly, the Foundation Trust has developed a Productivity Improvement Programme titled 'Better Care at Lower Cost', with robust project management arrangements via a central project management office (PMO) and oversight via the Productivity and Efficiency Board, chaired by the Chief Financial Officer and reported each month in detail to the Group CiC. This programme is fully aligned to the objectives of Salford Royal's financial and operational plan.

The Foundation Trust has assessed compliance with the NHS Foundation Trust condition 4 (FT governance). Audit Committee reviewed the assessment in detail at its meeting on 24 May 2018 and confirmed that no material risks had been identified.

The Trust believes that effective systems and processes are in place to maintain and monitor the following conditions:

- The effectiveness of governance structures
- The responsibilities of Directors and subcommittees
- Reporting lines and accountabilities between the board, its subcommittees and the executive team;
- The submission of timely and accurate information to assess risks to compliance with the Trust's licence; and
- The degree and rigour of oversight the board has over the Foundation Trust's performance

These conditions are detailed within the Corporate Governance Statement, the validity of which is assured via the Audit Committee.

Risk management is embedded in the activity of the organisation. The risk management systems are fully incorporated within the NCA's assurance framework. Salford Royal's Corporate Risk Register is integrated with the Board Assurance Framework, thereby ensuring that risks are managed and communicated efficiently, and that the management of them is embedded in practice.

Salford Care Organisation proactively identifies risks through a programme of risk assessments which are recorded on the Care Organisation's BAF/CRR. Risk is also retrospectively identified through adverse incident reporting, receipt and response to complaints and claims, patient and staff surveys and feedback and concerns raised by the coroner.

Public stakeholders are involved in managing risks which impact on them. Serious incidents investigations include engagement with those who were affected. The Salford Clinical Commissioning Group (CCG) receives a copy of the completed Serious Incident Investigation report and a member of the CCG attends the Trust's Serious Incident Assessment and Review Committee (SIARC) meetings, to ensure there is opportunity for public oversight of the investigation and learning process following serious patient safety incidents.

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As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

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

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

The financial plan is approved by the Group CiC and the Salford Royal Board of Directors. It is subsequently submitted to NHS Improvement. The plan, including forward projections, is monitored on a monthly basis by the Salford Care Organisation Finance, Information and Capital Governance Committee.

Salford Care Organisation provides a monthly Statement of Assurance to the Group Risk and Assurance Committee which confirms the sufficiency of plans for the effective use of resources. Key performance indicators and financial sustainability metrics are also reviewed monthly by the Group CiC.

Salford Royal's resources are managed within the framework set by the Group Governance Framework Manual, which includes Standing Financial Instructions. Financial governance arrangements are supported by internal and external audit to ensure economic, efficient and effective use of resources, and monitored through Audit Committee.

### **Information Governance**

Information governance risks are managed as part of the processes described above and assessed using the Information Governance Tool kit. The IM&T risk register includes current information risks. In line with national requirements, the Trust information risks are assessed using the HSCIC IG SIRI's (Information Governance Serious Incidents Requiring Investigation) assessment criteria and reported through to the Department of Health via the Information Governance (IG) Incident Reporting Tool.

During 2017/18, there were no serious incidents formally investigated and reported by the organisation to the Information Commissioners Office. Salford Royal is working within time constraints to have all systems and processes functioning at the correct level to support the General Data Protection Regulations which will become law on 25 May 2018.

## Annual Quality Report

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

The Annual Quality Report 2017/18 has been developed in line with relevant national guidance and is supported internally through the Board Assurance Framework. All data and information within the Quality Report is reviewed via the Salford Care Organisation QPE Governance Committee and supported through a comprehensive documented three year Quality Improvement Strategy. The Group CiC regularly reviews the Quality Improvement Dashboard and progress against identified projects.

The NCA has an identified Quality Improvement Department with relevantly skilled individuals to support the execution of the Quality Improvement Strategy across the organisation. Capability building in Quality Improvement techniques and skills has been and remains a key objective of the organisation. Staff at all levels are exposed to either collaborative working, clinical micro-systems or specific quality improvement educational programmes both internally and externally to ensure skills are developed and maintained.

The Quality Report 2017/18 has been reviewed through both internal and external audit processes, and comments have been provided by local stakeholders including commissioners, patients and the local authority.

Salford Royal assures the quality and accuracy of elective waiting time data, and the associated risks. Performance is continually assessed through key governance committees to ensure mandated standards are adhered to.

Each Division operates a weekly Access & Performance meeting where Patient Tracking Lists are scrutinised in detail by the service team and the Divisional Managing Director. The Patient Tracking Lists include all patients currently part of a Referral To Treatment (RTT) pathway.

The Divisions have processes that validate patient pathways prior to any monthly performance information being produced and/or submitted externally. This validation is reviewed and signed off by a Divisional Managing Director and subsequently by a member of the Salford Care Organisation Director Leadership Team. Any issues that are highlighted within the data are reported by the Service Team through to the Data Quality Team for investigation and are acted on appropriately.

### Review of effectiveness

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

*continued next page*

The Group's Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. Internal Audit provides me with an opinion about the effectiveness of the assurance framework and the internal controls reviewed as part of the internal audit plan.

The Director of Internal Audit opinion for 2017/18 gave substantial assurance on the system of internal control in place during the year. Work undertaken by internal audit is reviewed by the Assurance Framework's Committees and the Audit Committee.

Where internal audit issued a limited assurance report the relevant Chief Officer and/or Lead for Group/Care Organisation attended the Audit Committee to discuss the report and actions taken.

The Board Assurance Framework/Corporate Risk Register is presented to the Care Organisation Assurance and Risk Committee and Group Executive Risk and Assurance Committee on a quarterly basis and all significant risks are detailed within the monthly Group Integrated Performance Dashboard presented to the Group CiC.

This provides me and the Group CiC with evidence of the effectiveness of controls in place to manage risks to achieve the organisations' principal objectives.

My review is also informed by External Audit opinion, inspections carried out by the Care Quality Commission and other external inspections, accreditations and reviews.

The processes outlined below are well established and ensure the effectiveness of the systems of internal control through:

- Group Executive Risk and Assurance Committee review of the Board Assurance Framework, including risk registers and action plans;
- Group CiC oversight of all significant risks;
- Audit Committee scrutiny of controls in place;
- Review of serious untoward incidents and learning by the Assurance Framework committees, including those for risk management and clinical effectiveness;
- Review of progress in meeting the Care Quality Commission's Key Lines of Enquiry by the Corporate Governance Committees;
- Internal audits of effectiveness of systems of internal control.

### Conclusion

This Annual Governance Statement requires me to consider whether there are any significant internal control issues facing the Trust.

The Group CiC has extensive and effective governance assurance systems in operation. These systems enable the identification and control of risks reported through the Board Assurance Framework and Corporate Risk Register. Internal and external reviews, audits and inspections provide sufficient evidence to state that no significant internal control issues have been identified during 2017/18, and that these control systems are fit for purpose.

Signed:



Date: 25 May 2018

Sir David Dalton  
Chief Executive

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## Independent Auditor's report



# Independent Auditor's Report to the Council of Governors of Salford Royal NHS Foundation Trust

## Report on the Audit of the Financial Statements

### Our opinion on the financial statements is unmodified

We have audited the financial statements of Salford Royal NHS Foundation Trust (the 'Trust') and its subsidiary (the 'group') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income (Group only), the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the NHS Foundation Trust annual reporting manual 2017/18.

In our opinion the financial statements:

- Give a true and fair view of the financial position of the group and of the Trust as at 31 March 2018 and of the group's expenditure and income and the Trust's expenditure and income for the year then ended; *and*
- Have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, as interpreted and adapted by the NHS Foundation Trust annual reporting manual 2017/2018; *and*
- Have been prepared in accordance with the requirements of the National Health Service Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Who we are reporting to

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

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

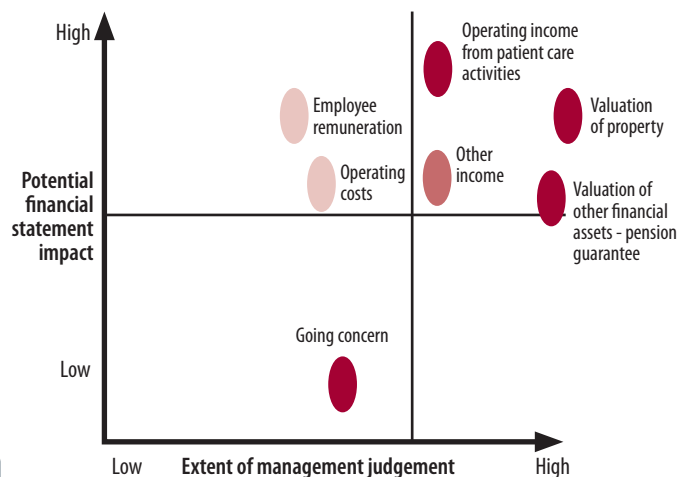
- The Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Accounting Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Overview of our audit approach**

- Overall materiality: £10,886,000, which represents 1.5% of the group's gross operating expenses;
- Key audit matters were identified as:
  - Valuation of property
  - Valuation of other financial assets - pension guarantee
  - Operating income from patient care activities
- We performed a full scope audit of Salford Royal NHS Foundation Trust and analytical procedures on Salford Royal NHS Foundation Trust General Charitable Fund (the Charity)

**Key audit matters**

The graph below depicts the audit risks identified and their relative significance based on the extent of the financial statement impact and the extent of management judgement.



Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matter - Group	How the matter was addressed in the audit – Group
<p><b>Valuation of property</b></p> <p>The Trust revalues its land and buildings to ensure the carrying value in the Trust and group financial statements is not materially different from fair value at the financial statements date.</p> <p>This valuation is on an alternative site basis and represents a significant estimate by management in the financial statements.</p> <p>We therefore identified valuation of property as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> <li>➤ Evaluating management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work</li> <li>➤ Evaluating the competence, capabilities and objectivity of the valuation expert</li> <li>➤ Challenging the information and assumptions used by the valuer to assess completeness and consistency with our understanding</li> <li>➤ Assessing the overall reasonableness of the valuation movement</li> <li>➤ Testing revaluations made during the year to see if they had been input correctly into the Trust's asset register</li> </ul> <p>The group's accounting policy on valuation of property is shown in note 1.7 to the financial statements and related disclosures are included in note 16.</p> <p><b>Key observations</b></p> <p>We obtained sufficient audit assurance to conclude that:</p> <ul style="list-style-type: none"> <li>➤ The basis of the valuation was appropriate and the assumptions and processes used by management in determining the estimate were reasonable;</li> <li>➤ The valuation of property disclosed in the financial statements is reasonable.</li> </ul>
<p><b>Valuation of other financial assets – pension guarantee</b></p> <p>The Trust has revalued the guarantee it has received from Salford City Council (the Council) in relation to pension liabilities of employees transferred from the Council to the Trust in 2016/17. This has resulted in a restatement of the estimated value in the 2016/17 accounts.</p> <p>We therefore identified the valuation of other assets as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> <li>➤ Evaluating management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work</li> <li>➤ Evaluating the competence, capabilities and objectivity of the valuation expert</li> <li>➤ Discussing with the valuer the basis on which the valuation was carried out</li> <li>➤ Challenging the information and assumptions used by the valuer to assess completeness and consistency with our understanding</li> <li>➤ Assessing the overall reasonableness of the valuation movement</li> <li>➤ Testing the restatement of the prior year figures to see if the amendment has been made appropriately</li> </ul> <p>The group's accounting policy on other financial assets is shown in note 1.12 to the financial statements and related disclosures are included at the foot of the Statement of Financial Position and the Statement of Changes in Equity, and note 23.</p> <p><b>Key observations</b></p> <p>We obtained sufficient audit assurance to conclude that:</p> <ul style="list-style-type: none"> <li>➤ The basis of the valuation of other was appropriate and the assumptions and processes used by management in determining the estimate were reasonable;</li> <li>➤ The valuation of other assets disclosed in the financial statements is reasonable.</li> </ul>
<p><b>Operating income from patient care activities</b></p> <p>£630,583,000 (86%) of the group's income is operating income from patient care activities. This includes £40,094,082 from contract variations.</p> <p>Contract variations are subject to verification and agreement by the Trust's commissioners.</p> <p>We therefore identified the occurrence, valuation and accuracy of activity based contract income and non-contract activity income as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> <li>➤ Evaluating the group's accounting policy for recognition of operating income for compliance with the DHSC Group Accounting Manual 2017/18</li> <li>➤ Gaining an understanding of the group's system for accounting for operating income from patient care activities and evaluating the design of the associated controls</li> <li>➤ Agreeing a sample of contract variations to supporting evidence and testing that it has been accounted for in accordance with the stated policy.</li> </ul> <p>The group's accounting policy on income is shown in note 1.4 to the financial statements and related disclosures are included in note 3.</p> <p><b>Key observations</b></p> <p>We obtained sufficient audit assurance to conclude that:</p> <ul style="list-style-type: none"> <li>➤ The Trust's accounting policy for recognition of operating income from patient care activities complies with the DHSC Group Accounting Manual 2017/18 and has been properly applied; and</li> <li>➤ Operating income from patient care activities is not materially misstated</li> </ul>

### Our application of materiality

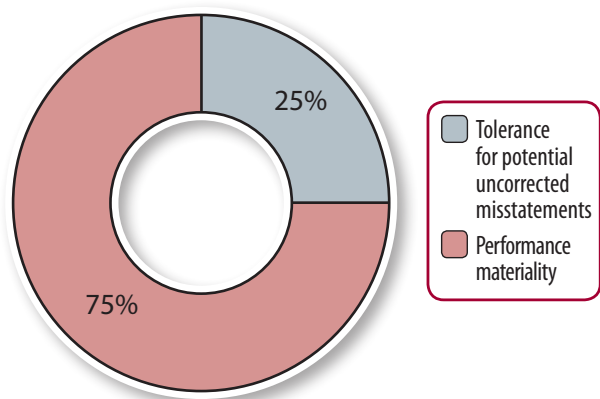
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

Materiality was determined as follows:

Materiality Measure	Group	Trust
Financial statements as a whole	£10,886,000 which is 1.5% of the group's gross operating expenses. This benchmark is considered the most appropriate because we consider users of the financial statements to be most interested in how it has expended its revenue and other funding. Materiality for the current year is at the same percentage level of gross operating costs as we determined for the year ended 31 March 2017 as we did not identify any significant changes in the group or the environment in which it operates.	£10,777,000 is based on 1.5% of the Trust's gross operating expenses but capped at 98% of the group materiality. This benchmark is considered the most appropriate because we consider users of the financial statements to be most interested in how it has expended its revenue and other funding. Materiality for the current year is at the same percentage level of gross operating costs as we determined for the year ended 31 March 2017 as we did not identify any significant changes in the Trust or the environment in which it operates.
Performance materiality used to drive the extent of our testing	75% of financial statement materiality.	75% of financial statement materiality.
Specific materiality		Disclosures of senior manager remuneration in the Remuneration Report £24,000 based on 1.5% of the mid point total salary.
Communication of misstatements to the Audit Committee	£300,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£300,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph opposite illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

### Overall materiality - Group and Trust



### An overview of the scope of our audit

Our audit approach was a risk-based approach founded on a thorough understanding of the group's business, its environment and risk profile and in particular included:

- Evaluation by the group audit team of identified components to assess the significance of that component and to determine the planned audit response based on a measure of materiality and significance as a percentage of the group's total assets, revenues and profit before taxation. A full scope or analytical approach was taken for each component based on their relative materiality to the group and our assessment of audit risk;
- Gaining an understanding of and evaluating the Trust's internal controls environment including its financial and IT systems and controls;
- Full scope audit procedures on Salford Royal NHS Foundation Trust. The Trust's transactions represent over 99% of the group's income and expenditure and over 96% of its total net assets;
- Performing analytical procedures on Salford Royal NHS Foundation Trust General Charitable Fund which represents less than 1% of the group's income and expenditure and less than 4% of the group's total asset.

### Other information

The Accounting Officer is responsible for the other information. The other information comprises the information included in the Annual Report set out on pages other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the

other information is materially inconsistent with the financial statements or our knowledge of the group and Trust obtained in the course of our work including that gained through work in relation to the Trust's arrangements for securing value for money through economy, efficiency and effectiveness in the use of its resources or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- Fair, balanced and understandable in accordance with provision C.1.1 of the NHS Foundation Trust Code of Governance - the statement given by the directors that they consider the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for patients, regulators and other stakeholders to assess the group and Trust's performance, business model and strategy, is materially inconsistent with our knowledge of the Trust obtained in the audit; *or*
- Audit committee reporting in accordance with provision C.3.9 of the NHS Foundation Trust Code of Governance - the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

### Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust annual reporting manual 2017/18. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

### Our opinion on other matters required by the Code of Audit Practice is unmodified

In our opinion:

- The parts of the Remuneration Report and the Staff Report to be audited have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the NHS Foundation Trust annual reporting manual 2017/18 and the requirements of the National Health Service Act 2006 *and*
- Based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust gained through our work in relation to the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources the other information published together with the financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

Under the Code of Audit Practice we are required to report to you if:

- We have reported a matter in the public interest under Schedule 10 (3) of the National Health Service Act 2006 in the course of, or at the conclusion of the audit; or
- We have referred a matter to the regulator under Schedule 10 (6) of the National Health Service Act 2006 because we had reason to believe that the Trust, or a director or officer of the Trust, was about to make, or had made, a decision which involved or would involve the incurring of expenditure that was unlawful, or was about to take, or had taken a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

We have nothing to report in respect of the above matters.

### Responsibilities of the Accounting Officer and Those Charged with Governance for the financial statements

As explained more fully in the Statement of Accounting Officer's responsibilities the Chief Executive, as Accounting Officer, is responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions included in the NHS Foundation Trust annual reporting manual 2017/18, for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, the Accounting Officer is responsible for assessing the group's and the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the group or the Trust lacks funding for its continued existence or when policy decisions have been made that affect the services provided by the group or the Trust.

The Audit Committee is Those Charged with Governance.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)  
This description forms part of our auditor's report.

### **Report on other legal and regulatory requirements - Conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources**

#### **Matter on which we are required to report by exception - Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources**

Under the Code of Audit Practice we are required to report to you if, in our opinion we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018.

We have nothing to report in respect of the above matter.

#### **Responsibilities of the Accounting Officer**

The Accounting Officer is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

#### **Auditor's responsibilities for the review of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources**

We are required under paragraph 1 of Schedule 10 of the National Health Service Act 2006 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

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We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, as to whether in all significant respects, the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018, and to report by exception where we are not satisfied.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to be satisfied that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

### **Report on other legal and regulatory requirements - Certificate**

We certify that we have completed the audit of the financial statements of Salford Royal NHS Foundation Trust in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

**Sarah Howard**

*Partner*

*for and on behalf of Grant Thornton UK LLP*

*4 Hardman Square*

*Spinningfields*

*Manchester*

*M3 3EB*

*25 May 2018*

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## Annual accounts



## Foreword to the accounts

### **Salford Royal NHS Foundation Trust**

These accounts, for the year ended 31 March 2018, have been prepared by Salford Royal NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.



Sir David Dalton  
Chief Executive

*Date: 25 May 2018*



## Consolidated statement of comprehensive income

	Note	Group	
		2017/18 £000	2016/17 Restated £000
Operating income from patient care activities	3	630,585	561,599
Other operating income	4	98,867	84,875
Operating expenses	5,6	(724,712)	(629,420)
<b>Operating surplus/(deficit) from continuing operations</b>		<b>4,738</b>	<b>17,054</b>
Finance income	9	291	270
Finance expenses	10	(7,787)	(7,644)
Public dividend dividends payable		(248)	(501)
<b>Net finance costs</b>		<b>(7,743)</b>	<b>(7,875)</b>
Gains / (losses) arising from transfers by absorption		-	(6,712)
<b>Surplus/(deficit) for the year from continuing operations</b>		<b>(3,006)</b>	<b>2,467</b>
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations	12	-	-
<b>Surplus/(deficit) for the year</b>		<b>(3,006)</b>	<b>2,467</b>
<b>Other comprehensive income</b>			
<b>Will not be reclassified to income and expenditure:</b>			
Impairments	6	-	(244)
Revaluations	14	9,809	14,100
Remeasurements of the net defined benefit pension scheme liability/asset	29	(3834)	(3834)
<b>May be reclassified to income and expenditure when certain conditions are met:</b>			
Fair value gains/(losses) on available-for-sale financial investments	11	38	589
<b>Total comprehensive income / (expense) for the period</b>		<b>12,816</b>	<b>10,611</b>
<b>Surplus/ (deficit) for the period attributable to:</b>			
Non-controlling interest, and Salford Royal NHS Foundation Trust		-	-
		(3,006)	2,467
<b>TOTAL</b>		<b>(3,006)</b>	<b>2,467</b>
<b>Total comprehensive income/ (expense) for the period attributable to:</b>			
Non-controlling interest, and Salford Royal NHS Foundation Trust		-	-
		9,810	13,079
<b>TOTAL</b>		<b>9,810</b>	<b>13,079</b>

### Consolidated statement of comprehensive income *continued*

The Trust (excluding the financial results of the Charitable Fund) has an underlying trading surplus of £17,821k in 2017/18 (surplus of £4,468k in 2016/17) made up as follows:

	2017/18 £000	2016/17 £000
<b>Group Surplus / (deficit) for the year</b>	<b>(3,006)</b>	2,467
Exclude charity (surplus)/ deficit	182	(141)
Trust surplus / (deficit) for the year	<b>(2,823)</b>	2,326
Prior period adjustment	0	0
	<b>(2,823)</b>	2,326
Net impairment charged to the Statement of Comprehensive Income	<b>18,698</b>	<b>(5,486)</b>
Deduct surpluses reported by hosted organisations	0	(3)
Add back impact of pension asset	0	7,631
Deduct impact of 1617 STF post accounts reallocation	<b>(419)</b>	0
Deduct non-cash element of on-SoFP local government pension costs	<b>2,365</b>	0
<b>Operating surplus / (deficit) for the year</b>	<b>17,821</b>	4,468

The group results including the Trust and Charitable Fund are from continuing operations and the results are wholly attributable to the parent organisation, Salford Royal NHS Foundation Trust.

The Trust is corporate trustee of the Salford Royal NHS Charitable Fund and has control over and benefits from the Charity which makes the Charitable Fund a subsidiary of the Trust. As such, the financial results for the Charity for the year ended have been consolidated into the Trust's financial statements for the same period. A summary statement of the Charity's statement of financial activities and statement of financial position are provided on pages 207 and 208.

The accounting policies and notes on the following pages form part of these accounts. The totals in the notes show the detail of the consolidated group position including both the Foundation Trust and the Charity financial results.

## Statement of financial position

	Note	Group		Trust	
		31 March 2018 £000	31 March 2017 Restated £000	31 March 2018 £000	31 March 2018 Restated £000
<b>Non-current assets</b>					
Intangible assets	13	3,712	4,034	3,712	4,034
Property, plant and equipment	14	230,133	234,006	230,133	234,006
Other investments / financial assets	15	4,321	4,302	-	-
Trade and other receivables	19	1,802	1,654	1,802	1,654
<b>Total non-current assets</b>		<b>239,968</b>	<b>243,996</b>	<b>235,647</b>	<b>239,694</b>
<b>Current assets</b>					
Inventories	18	3,993	4,308	3,993	49,542
Trade and other receivables	19	85,080	49,500	85,724	26,697
Cash and cash equivalents	21	55,128	58,750	53,884	57,886
<b>Total current assets</b>		<b>144,202</b>	<b>112,558</b>	<b>143,601</b>	<b>111,736</b>
<b>Current liabilities</b>					
Trade and other payables	22	(105,172)	(93,304)	(105,166)	(93,240)
Borrowings	24	(3,746)	(3,790)	(3,746)	(3,790)
Provisions	26	(9,182)	(5,707)	(9,182)	(5,707)
Other liabilities	23	(7,254)	(9,828)	(7,254)	(9,828)
<b>Total current liabilities</b>		<b>(125,354)</b>	<b>(112,629)</b>	<b>(125,348)</b>	<b>(112,565)</b>
<b>Total assets less current liabilities</b>		<b>258,815</b>	<b>243,925</b>	<b>253,900</b>	<b>238,865</b>
<b>Non-current liabilities</b>					
Trade and other payables	22	(760)	(699)	(760)	(699)
Borrowings	24	(105,973)	(109,719)	(105,973)	(109,719)
Provisions	26	(4,491)	(4,392)	(4,491)	(4,392)
Other liabilities	23	(20,339)	(20,144)	(20,339)	(20,144)
<b>Total non-current liabilities</b>		<b>(131,563)</b>	<b>(134,954)</b>	<b>(131,563)</b>	<b>(134,954)</b>
<b>Total assets employed</b>		<b>127,252</b>	<b>108,971</b>	<b>122,336</b>	<b>103,911</b>
<b>Financed by:</b>					
Public dividend capital		124,573	116,102	124,573	116,102
Revaluation reserve		49,149	39,340	49,149	39,340
Income and expenditure reserve		(51,385)	(51,531)	(51,385)	(51,531)
Charitable fund reserves	17	4,915	5,060	-	-
<b>Total taxpayers' equity and charitable funds</b>		<b>127,252</b>	<b>108,971</b>	<b>122,337</b>	<b>103,911</b>

The notes on pages 209 to 261 form part of these accounts.

On 1 July 2016, the Foundation Trust became the provider of Adult Social Care services for Salford. This was accounted for as a transfer by absorption. Whilst no assets or liabilities were actually transferred from Salford City Council to the Foundation Trust, the Foundation Trust was required to account for the pension fund assets and liabilities for the transferring staff applying IAS19 (Employee Benefits). This transferred £35,318k of pension fund assets and £42,030k of liabilities making a net opening liability of £6,712k on 1 July which was included in other non-current liabilities. Following further revaluations of the pension fund at 31 March 2017 and 31 March 2018, this liability has increased to £10,862k. In 2016/17, a non-current asset with an estimated fair opening value of £6,712k (subsequently increased to £10,546k as at 31 March 2017) was included to reflect the Foundation Trust's right to reimbursement of pension liabilities. The Trust has reconsidered the substance of the arrangement and determined that the financial statements should not include a reimbursement right asset. A prior period adjustment to correct this error has been made in these accounts reducing the value of the non-current asset to £nil.

The accounting policies and financial statements on pages 200 to 226 were approved by the Audit Committee with delegated authority from the Board of Directors on 30/04/2018 and signed on behalf of the Board of Directors by:



Sir David Dalton  
Chief Executive

Date: 25 May 2018

## Statement of changes in equity for the year ended 31 March 2018

Group	Public dividend capital £000	Revaluation reserve £000	Income & expenditure reserve £000	NHS charitable funds reserves £000	Total £000
<b>Taxpayers' and others' equity at 1 April 2017 - brought forward</b>	116,102	39,340	(51,531)	5,060	108,971
Surplus / (deficit) for the year	-	-	(2,892)	(113)	(3,006)
Impairments	-	-	-	-	-
Revaluations	-	9,809	-	-	9,809
Fair value gains/(losses) on available-for-sale financial investments	-	-	-	38	38
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	2,968	-	2,968
Public dividend capital received	8,471	-	-	-	8,471
<b>Taxpayers' and others' equity at 31 March 2018</b>	<b>124,573</b>	<b>49,149</b>	<b>(51,385)</b>	<b>4,915</b>	<b>127,252</b>

## Statement of changes in equity for the year ended 31 March 2017 - restated

Group	Public dividend capital £000	Revaluation reserve £000	Income & expenditure reserve £000	NHS charitable funds reserves £000	Total £000
<b>Taxpayers' and others' equity at 1 April 2016 - brought forward</b>	116,102	25,759	(50,299)	4,330	95,892
Surplus / (deficit) for the year	-	-	(2,248)	219	2,467
Other transfers between reserves	-	(276)	276	-	-
Impairments	-	(244)	-	-	(244)
Revaluations	-	14,100	-	-	14,100
Fair value gains/(losses) on available-for-sale financial investments	-	-	-	589	589
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	(3,834)	-	(3,834)
Other reserve movements	-	-	78	(78)	-
<b>Taxpayers' and others' equity at 31 March 2017</b>	<b>116,102</b>	<b>39,340</b>	<b>(51,531)</b>	<b>5,060</b>	<b>108,971</b>

The in-year remeasurement of Greater Manchester Pension Fund assets and liabilities reduced the net liability by £2,968k between 1 April 2017 and 31 March 2018 as shown above. The prior year Statement of Changes in Taxpayers' Equity has been restated to reflect the removal of the pension fund reimbursement right asset. This has the effect of reducing the prior year surplus by £7,631k and other reserve movements by £3,912k.

## Information on reserves

### Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to Trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the Trust, is payable to the Department of Health as the public dividend capital dividend.

### Revaluation reserve

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

### Available-for-sale investment reserve

This reserve comprises changes in the fair value of available-for-sale financial instruments. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure.

### Merger reserve

This reserve reflects balances formed on merger of NHS bodies.

### Income and expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the Trust.

### Charitable funds reserve

This reserve comprises the ring-fenced funds held by the NHS charitable funds consolidated within these financial statements. These reserves are classified as restricted or unrestricted; a breakdown is provided in note 1b.

## Statement of cash flows

	Note	Group		Trust	
		2017/18 £000	2016/17 Restated £000	2017/18 £000	2016/17 Restated £000
<b>Cash flows from operating activities</b>					
Operating surplus / (deficit)		4,738	17,054	5,021	17,973
<b>Non cash and income expense</b>					
Depreciation and amortisation	5	11,131	11,625	11,131	11,625
Net impairments	6	18,698	(5,486)	18,698	(5,486)
Income recognised in respect of capital donations	4	-	(43)	-	(43)
Non-cash movements in on-SoFP pension liability		2,365	919	2,365	919
(Increase)/decrease in receivables and other assets		(35,937)	(22,469)	(35,527)	(22,469)
(Increase)/decrease in inventories		314	(673)	-	(673)
Increase/(decrease) in payables and other liabilities		6,850	16,507	314	19,213
Increase/(decrease) in provisions		3,570	969	6,850	(1,737)
Movements in charitable fund working capital		(26)	33	-	-
Tax (paid)/received		-	-	3,570	0
Other movements in operating cashflow		-	(43)	-	(919)
<b>Net cash flows from / (used in) operating activities</b>		<b>11,702</b>	<b>18,393</b>	<b>11,422</b>	<b>18,404</b>
<b>Cash flows from investing activities</b>					
Interest received		191	161	191	161
Purchase of intangible assets		(750)	-	(750)	-
Purchase of property, plant, equipment and investment property		(11,736)	(9,028)	(11,736)	(9,028)
Net cash flows from charitable fund investing activities		100	109	-	-
<b>Net cash generated from/(used in) investing activities</b>		<b>(12,195)</b>	<b>(8,758)</b>	<b>(12,295)</b>	<b>(8,867)</b>
<b>Cash flows from financing activities</b>					
Public dividend capital repaid		8,471	-	8,471	-
Movement on loans from DHSC		(512)	(512)	(512)	(512)
Capital element of PFI, LIFT and other service concession payments		(3,289)	(3,179)	(3,289)	(3,179)
Interest paid on PFI, LIFT and other service concession obligations		(7,524)	(7,385)	(7,524)	(7,385)
Other interest paid		(259)	(237)	(259)	(237)
PDC dividend (paid) / refunded		(51)	(756)	(51)	(756)
<b>Net cash generated from/(used in) financing activities</b>		<b>(3,163)</b>	<b>(12,069)</b>	<b>(3,163)</b>	<b>(12,069)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>(3,656)</b>	<b>(2,434)</b>	<b>(4,036)</b>	<b>(2,532)</b>
<b>Cash and cash equivalents at 1 April</b>		<b>58,750</b>	<b>61,184</b>	<b>57,886</b>	<b>61,184</b>
Unrealised gains / (losses) on foreign exchange		34	-	34	-
<b>Cash and cash equivalents at 31 March</b>	<b>21.1</b>	<b>55,128</b>	<b>58,750</b>	<b>53,884</b>	<b>58,652</b>

### Consolidation of NHS Charitable Funds

Provided below is the Charitable Fund's statement of financial activities and statement of financial position before consolidation.

A reconciliation of the amounts included in the Charity's financial statements to those disclosed in these consolidated accounts is also provided below.

#### 1a Salford Royal NHS Foundation Trust Charitable Fund statement of financial activities for the year ended 31 March 2018

	Note	Unrestricted funds 2017/18 £000	Restricted funds 2017/18 £000	Endowment funds 2017/18 £000	Total funds 2017/18 £000	Total funds 2016/17 £000
<b>Incoming resources</b>						
Incoming resources from generated funds:						
Voluntary income: Donations and legacies		188	0	0	188	391
Income from investments		100	0	0	100	109
<b>Total voluntary income</b>		<b>288</b>	<b>0</b>	<b>0</b>	<b>288</b>	500
Other income		0	0	0	0	10
<b>Total income and endowments</b>		<b>288</b>	<b>0</b>	<b>0</b>	<b>288</b>	510
<b>Expenditure on:</b>						
Raising funds		(24)	0	0	(24)	(24)
Charitable activities		(447)	0	0	(447)	(345)
<b>Total expenditure</b>		<b>(471)</b>	<b>0</b>	<b>0</b>	<b>(471)</b>	(369)
Net gains/ (losses) on investments		38	0	0	38	589
<b>Net income / (expenditure)</b>		<b>(145)</b>	<b>0</b>	<b>0</b>	<b>(145)</b>	730
<b>Net movement in funds</b>		<b>(145)</b>	<b>0</b>	<b>0</b>	<b>(145)</b>	730
Funds brought forward		5,026	23	11	5,060	4,330
<b>Total funds carried forward</b>		<b>4,881</b>	<b>23</b>	<b>11</b>	<b>4,915</b>	5,060

### 1b Salford Royal NHS Foundation Trust Charitable Fund statement of financial position for the year ended 31 March 2018

	Note	Unrestricted funds 2017/18 £000	Restricted funds 2017/18 £000	Endowment funds 2017/18 £000	Total funds 2017/18 £000	Total funds 2016/17 £000
<b>Fixed assets</b>						
Investments		4,309	0	12	4,321	4,302
<b>Total fixed assets</b>		<b>4,309</b>	<b>0</b>	<b>12</b>	<b>4,321</b>	4,302
<b>Current assets</b>						
Debtors		20	0	0	20	32
Cash at bank and in hand		1,219	25	0	1,244	864
<b>Total current assets</b>		<b>1,239</b>	<b>25</b>	<b>0</b>	<b>1,264</b>	896
<b>Current liabilities</b>						
Creditors: Amounts falling due within one year		(671)	0	0	(671)	(138)
Provisions		0	0	0	0	0
<b>Net current assets</b>		<b>569</b>	<b>25</b>	<b>0</b>	<b>594</b>	758
<b>Total assets less current liabilities</b>		<b>4,878</b>	<b>25</b>	<b>12</b>	<b>4,915</b>	5,060
<b>Net assets</b>		<b>4,878</b>	<b>25</b>	<b>12</b>	<b>4,915</b>	5,060
<b>The funds of the Charity</b>						
Endowment Funds		0	0	12	12	12
Restricted		0	25	0	25	25
Unrestricted		4,878	0	0	4,878	5,023
<b>Total Funds</b>		<b>4,878</b>	<b>25</b>	<b>12</b>	<b>4,878</b>	5,060

### Reconciliation of the Charitable Fund financial statements to the amounts consolidated

	31 March 2018 £000	31 March 2017 £000
<b>Statement of financial activities</b>		
Total resources expended	471	369
Expended with Salford Royal NHS Foundation Trust	(70)	(78)
Disclosed in Consolidated Accounts	401	291

	31 March 2018 £000	31 March 2017 £000
<b>Statement of financial position</b>		
Creditors: amounts falling due within one year	671	138
Due to Salford Royal NHS Foundation Trust	(664)	(74)
Disclosed in Consolidated Accounts	7	64



## Notes to the accounts

### 1 Accounting policies and other information

#### 1.1 Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the Department of Health Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the DHSC Group Accounting Manual 2017-18, issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the DHSC Group Accounting Manual permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the NHS Foundation Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

##### 1.1.1 Accounting convention

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment, intangible assets, and certain financial assets and financial liabilities.

##### 1.1.2 Going concern

The Foundation Trust's annual report and accounts have been prepared on a going concern basis. Non-trading entities in the public sector are assumed to be going concerns where the continued provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents.

#### 1.2 Critical judgements in applying accounting policies

In the application of the Foundation Trust's accounting policies, management is required to make various judgements, estimates and assumptions. These are regularly reviewed.

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the Foundation Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

PFI and similar contracts are agreements to receive services where the responsibility for making available the property, plant and equipment needed to provide the services passes to the contractor. As the Foundation Trust is deemed to control the services that are provided under the contract and as ownership of the property, plant and equipment will pass to the Foundation Trust at the end of the contract for no additional charge, the Foundation Trust holds the property, plant and equipment used under the contracts on its Statement of Financial Position.

Other key judgements made in preparing these accounts include the application of the accounting policies set out on pages 210 to 226 of these accounting policies in the recognition of transactions, assets and liabilities for the purposes of preparing these accounts.

### 1.2.1 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

#### Valuation of Property, Plant and Equipment

As at 31 March 2018, the Valuation Office Agency provided a valuation of the Foundation Trust's land and building assets (estimated financial value and estimated remaining useful life) applying a modern equivalent asset method of valuation. The methodology employed to provide the valuation for 2017/18 has been on an alternative optimised site basis i.e. a valuation based on a modern equivalent asset provided on a suitable alternative site built to accommodate existing services. This valuation, based on estimates provided by a qualified professional, led to a decrease in the reported value of the Foundation Trust's land and building asset values. As a result, the carrying value of the Foundation Trust's land assets has increased by £3,000k and building assets reported with a net overall decrease of £11,890k. Future revaluations of the Foundation Trust's asset base may result in further material changes to the carrying value of non-current assets.

The Trust's PFI assets have been valued using the modern equivalent asset method at depreciated replacement cost excluding VAT. By excluding VAT the Trust is accurately reflecting the depreciated replacement cost as a replacement asset would also be funded by PFI and, by the nature of the contract, recover VAT.

Equipment assets are carried at current value, with depreciated historic cost used as a proxy for current value.

#### Valuation of Intangible Assets

Our accounting policy is to carry intangible assets at current value in existing use. The values reported for intangible assets in the financial statements use amortised historic cost as a reasonable proxy as these assets have short expected lives and as a result this basis of measurement is not expected to be materially different to depreciated replacement cost for a similar asset.

#### Provisions

The Foundation Trust makes financial provision for obligations of uncertain timing or amount at the reporting date. These are based on estimates using as much relevant information as is available at the time the accounts are prepared. They are reviewed to confirm that the values included in the financial statements best reflect the current relevant information. Where this is not the case, the value of the provision is amended. The current provisions are set out in note 26 of these accounts.

#### Partially Completed Spells

Income relating to in-patient care spells that are part-completed at the year-end are apportioned across the financial years on the basis of length of stay at the end of the reporting period compared to expected total length of stay. This is based on estimated length of stay data that applies to the types of clinical activity being undertaken on an in-patient basis as at the reporting date and totals £1,158k as at 31 March 2018 (£1,212k as at 31 March 2017). The estimated length of stay and the type of in-patient clinical activity may vary materially from one balance sheet date to another.

### Pension Costs

For the NHS Pension Scheme, the Foundation Trust reports, as operating expenditure, employer contributions to staff pensions. This employer contribution is based on an annual actuarial estimate of the required contribution to meet the scheme's liabilities. It is an expense that is subject to change. The current employer contribution is 14.3% of pensionable pay as set out in note 7.

For staff who are members of the Local Government Pension Fund scheme, the Foundation Trust reports, as operating expenditure, total service costs of staff pensions.

### Accruals of Income and Expenditure

At the end of the financial year, the Foundation Trust may have received goods and services which have not been invoiced at the balance sheet date. In these circumstances, an estimated value of the cost is included in the reported financial results. In some cases the estimated value is based on the quoted value provided by the supplier when the goods were ordered; in other cases, the charge may be estimated based on methods such as the number of hours of service provided or the last price paid for the same goods or service.

The Foundation Trust has a financial liability for any annual leave earned by staff but not taken by 31 March to the extent that staff are able to carry forward untaken leave into the next financial year. The estimated cost of untaken annual leave at 31 March 2018 including annual leave entitlement for staff on maternity leave is £1,050k (£1,055k at 31 March 2017).

The Foundation Trust has two investments at the reporting date. The first is the value of the investment portfolio of the charitable fund which is included in the consolidated accounts of the Foundation Trust at market value.

The second is the Foundation Trust's 40% shareholding in North West e Health Limited (NWEH) which was established on 1 November 2016 with a combination of ordinary share capital and preference share capital (where the preference shares have preference on a return of capital but no rights to dividends or voting rights). The Foundation Trust has voting rights in NWEH of 33%. In recognition that the Foundation Trust has significant influence over NWEH and has a responsibility for the return on the investment in the entity, the equity method of accounting has been adopted where the investment is initially recorded at cost and is subsequently adjusted to reflect the Foundation Trust's share of the net assets and profit or loss of NWEH.

The Foundation Trust's assessment is that the current value of the realisable net assets of NWEH at the reporting date is nil. In addition, the entity has reported a deficit in its profit and loss account of £912k to 31 March 2018 which the Foundation Trust has not recognised in these accounts as there is no legal or constructive obligation on the Foundation Trust to do so.

### 1.3 Consolidation

#### Subsidiaries

Entities over which the Foundation Trust has the power to exercise control are classified as subsidiaries and are consolidated. The Foundation Trust has control when it has the ability to affect the variable returns from the other entity through its power to direct relevant activities. The income, expenses, assets, liabilities, equity and reserves of the subsidiary are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to non-controlling interests are included as a separate item in the Statement of Financial Position. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the Foundation Trust or where the subsidiary's accounting date is not coterminous.

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

The NHS Foundation Trust is the corporate trustee to Salford Royal NHS charitable fund. The Foundation Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Foundation Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102.

On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- Recognise and measure them in accordance with the Foundation Trust's accounting policies *and*
- Eliminate intra-group transactions, balances, gains and losses.

#### Associates

Entities over which the Foundation Trust has the power to exercise significant influence so as to obtain economic or other benefits are classified as associates and are recognised in these financial statements using the equity method. The investment is recognised initially at cost and is adjusted subsequently to reflect the Foundation Trust's share of the associate's profit or loss and other gains or losses. It is also reduced when any distribution is received by the Foundation Trust from the associate.

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

The Foundation Trust has an associate entity in North West e Health Limited. The company was established on 1 November 2016 and the Foundation Trust has a 40% shareholding with the remaining shares owned by the University of Manchester (40%) and Salford Clinical Commissioning Group (20%).

## Joint Arrangements

Arrangements over which the Foundation Trust has joint control with one or more other entities are classified as joint arrangements. Joint control is the contractually agreed sharing of control of an arrangement. A joint arrangement is either a joint operation or a joint venture.

A joint operation exists where the parties that have joint control have rights to the assets and obligations for the liabilities relating to the arrangement. Where the Foundation Trust is a joint operator it recognises its share of, assets, liabilities, income and expenses in its own accounts.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint ventures are recognised as an investment and accounted for using the equity method.

For projects hosted by the Foundation Trust where the arrangement involves other NHS organisations e.g. where the main source of income or cost for the joint arrangement or hosted service is from the NHS then transactions are accounted for on a gross basis. This is consistent with accounting treatment used in previous years.

Where the arrangement does not involve other NHS organisations and the Foundation Trust is acting solely as an agent then transactions are accounted for on a net basis.

### 1.4 Income

The main source of revenue for the Foundation Trust is contracts with commissioners in respect of healthcare services. Revenue 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. At the year end, the Foundation Trust accrues income relating to activity delivered in that year.

Where a patient care spell is incomplete at the year end, revenue relating to the partially complete spell is accrued and agreed with the commissioner.

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

The Foundation Trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Foundation Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts.

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.

### Revenue grants and other contributions to expenditure

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

### 1.5 Expenditure on employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees, including non-consolidated performance pay earned but not yet paid. The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

#### NHS Pensions

Past and present employees are covered by the provisions of the NHS Pensions Schemes. These schemes are unfunded, defined benefit schemes that cover NHS employers, General Practices and other bodies allowed under the direction of the Secretary of State in England and Wales. The schemes are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the schemes are accounted for as though they were defined contribution schemes: the cost to the Foundation Trust of participating in a 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 Foundation Trust commits itself to the retirement, regardless of the method of payment.

The schemes are subject to a full actuarial valuation every four years and an accounting valuation every year.

#### National Employment Savings Trust (NEST)

The Pension Act 2008 requiring that from 2012 all eligible workers, who are not already in a workplace scheme, must be automatically enrolled into a qualifying workplace pension scheme.

The NHS Pensions Scheme is a qualifying pension scheme and is the default Scheme for all NHS employees and they are automatically enrolled into it. However, not all staff are eligible to join the NHS Pension Scheme. Those staff are automatically enrolled to the NEST Scheme where employers pension cost contributions are charged to operating expenses as and when they become due.

#### Local Government Pension Scheme

Following the establishment of the Salford Integrated Care Organisation on 1 July 2016, some employees are members of the Local Government Pension Scheme. This is a defined benefit pension scheme. The scheme assets and liabilities attributable to these employees can be identified and are reported as a note to the accounts.

The net obligation is calculated by estimating the amount of future benefit that employees have earned in current and prior periods which is discounted to estimate its present value. The fair value of any plan assets (at bid price) are deducted. The liability discount rate is the yield at the reporting date on AA credit rated bonds having maturity dates aligned to the expected timing of the Trust obligations. The calculation is performed by a qualified actuary working for the Greater Manchester Pension Fund using the projected unit credit method.

### 1.6 Expenditure on other goods and services

Other operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.

## 1.7 Property, plant and equipment

### 1.7.1 Recognition

Property, plant and equipment is capitalised where:

- It is held for use in delivering services or for administrative purposes
- It is probable that future economic benefits will flow to, or service potential be provided to, the Trust
- It is expected to be used for more than one financial year
- The cost of the item can be measured reliably
- The item has cost of at least £5,000, or
- Collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

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.

### 1.7.2 Measurement

#### Valuation

All property, plant and equipment is measured initially at cost, representing the cost 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. Assets that are held for their service potential and are in use are measured subsequently at their current value in existing use. Assets that were most recently held for their service potential but are surplus are measured at fair value where there are no restrictions preventing access to the market at the reporting date.

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

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

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

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowing costs. Assets are revalued and depreciation commences when they are brought into use.

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

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset, and thereafter to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Income.

### Subsequent Expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

### Depreciation

Freehold land, assets under construction or development and assets held for sale are not depreciated/amortised.

Otherwise, depreciation or amortisation is charged to write off the costs or valuation of property, plant and equipment and intangible assets, less any residual value, on a straight-line basis over their estimated useful lives. The estimated useful life of an asset is the period over which the Foundation Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Foundation Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis.

Assets held under finance leases are depreciated over the shorter of the lease term and the estimated useful life, unless the Foundation Trust expects to acquire the asset at the end of the lease term, in which case the asset is depreciated in the same manner as for owned assets.

At each financial year end, the Foundation Trust checks whether there is any indication that its property, plant and equipment or intangible assets have suffered an impairment loss. If there is indication of such an impairment, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually at the financial year end.

Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure.

### Revaluation Gains and Losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income. Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses. Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

### Impairments

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

- (i) the impairment charged to operating expenses;  
*and*
- (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

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

### 1.7.3 De-recognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

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

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

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

### 1.7.4 Donated and grant funded assets

Donated non-current assets are capitalised at current value in existing use, if they will be held for their service potential, or otherwise at fair value on receipt, with a matching credit to income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are treated in the same way as for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

### 1.7.5 Private Finance Initiative (PFI)

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the Trust. In accordance with IAS 17, the underlying assets are recognised as property, plant and equipment, together with an equivalent finance lease liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services.

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The cost of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'

The PFI assets are recognised as property, plant and equipment when they come into use. The assets are measured initially at fair value or, if lower, at the present value of the

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the initial value of the assets and is subsequently

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract

The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred.

#### Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the Foundation Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at cost.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term accrual or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised.

The deferred income is released to operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

#### Assets contributed by the Foundation Trust to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the Foundation Trust's Statement of Financial Position.

#### Other assets contributed by the Foundation Trust to the operator

Other assets contributed (e.g. cash payments, surplus property) by the Foundation Trust to the operator before the asset is brought into use, where these are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. When the asset is made available to the Foundation Trust, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

### 1.7.6 Useful Economic lives of property, plant and equipment

Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The range of useful economic lives are shown in the table below:

	Min life years	Max life years
Land	N/A	N/A
Buildings, excluding dwellings	1	67
Dwellings	1	41
Plant and machinery	1	15
Transport equipment	1	10
Information technology	1	10
Furniture and fittings	1	15

Finance-leased assets (including land) are depreciated over the shorter of the useful economic life or the lease term, unless the Trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

## 1.8 Intangible assets

### 1.8.1 Recognition

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

### Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

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

### Software

Software which is integral to the operation of hardware, e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, e.g. application software, is capitalised as an intangible asset.

### 1.8.2 Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

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

#### Amortisation

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

### 1.8.3 Useful economic life of intangible assets

Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The range of useful economic lives are shown in the table below:

	Min life years	Max life years
Information technology	1	5
Development expenditure	1	8
Websites	1	8
Software licenses	1	7
Licences & trademarks	1	5
Patents	1	5
Other (purchased)	1	5
Goodwill	1	5

### 1.9 Inventories

Inventories are valued at the lower of cost and net realisable value other than pharmacy stocks which are valued using average cost. This is considered to be a reasonable approximation to fair value due to high turnover of goods.

### 1.10 Cash and cash equivalents

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

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Foundation Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

### 1.11 Carbon Reduction Commitment scheme (CRC)

The CRC scheme is a mandatory cap and trade scheme for non-transport CO<sub>2</sub> emissions. The Trust is registered with the CRC scheme, and is therefore required to surrender to the Government an allowance for every tonne of CO<sub>2</sub> it emits during the financial year. A liability and related expense is recognised in respect of this obligation as CO<sub>2</sub> emissions are made.

The carrying amount of the liability at the financial year end will therefore reflect the CO<sub>2</sub> emissions that have been made during that financial year, less the allowances (if any) surrendered voluntarily during the financial year in respect of that financial year.

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The liability will be measured at the amount expected to be incurred in settling the obligation. This will be the cost of the number of allowances required to settle the obligation.

Allowances acquired under the scheme are recognised as intangible assets.

### 1.12 Financial instruments and financial liabilities

Financial assets are recognised when the Foundation Trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value. Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques. (Specify - see IAS 39 AG 76.)

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the initial fair value of the financial asset.

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

#### 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.

Financial assets at fair value through profit and loss are held for trading. A financial asset is classified in this category if it has been acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges.

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are 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 Foundation Trust's surplus or deficit for the year. The net gain or loss incorporates any interest earned on the financial asset.

#### Held to maturity investments

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

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

### Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value, other than impairment losses, taken to Other Comprehensive Income. Accumulated gains or losses are recycled to the Statement of Comprehensive Income on de-recognition.

### Impairment

At the end of the reporting period, the Foundation Trust assesses whether any financial assets, other than those held at 'fair value through profit and loss', are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that have 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 expenditure.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

### Financial liabilities

Financial liabilities are recognised when the Foundation Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged - that is, the liability has been paid or has expired.

Loans from the Department of Health are recognised at historic cost. Otherwise, financial liabilities are initially recognised at fair value.

### Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method, except for loans from Department of Health, which are carried at historic cost. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

### 1.13 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

#### 1.13.1 The Trust as lessee

##### Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

##### Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

##### Leases of land and buildings

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

#### 1.13.2 The Trust as lessor

##### Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

##### Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

### 1.14 Provisions

Provisions are recognised when the Foundation Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Foundation Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rates.

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Early retirement provisions are discounted using HM Treasury's pension discount rate of positive 0.10% (2016-17: positive 0.24%) in real terms. All other provisions are subject to three separate discount rates according to the expected timing of cashflows from the Statement of Financial Position date:

- MA short term rate of negative 2.42% (2016-17: negative 2.70%) for expected cash flows up to and including 5 years
- A medium term rate of negative 1.85% (2016-17: negative 1.95%) for expected cash flows over 5 years up to and including 10 years
- A long term rate of negative 1.56% (2016-17: negative 0.80%) for expected cash flows over 10 years.

All percentages are in real terms.

NHS Resolution operates a risk pooling scheme under which the Foundation Trust pays an annual contribution to NHS Resolution, which in return settles all clinical negligence claims. The contribution is charged to expenditure. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Foundation Trust.

#### Non-clinical risk pooling

The trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any "excesses" payable in respect of particular claims are charged to operating expenses when the liability arises.

#### 1.15 Contingencies

A contingent liability is:

- A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Foundation Trust, or
- A present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably.

A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Foundation Trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingent liabilities and contingent assets are disclosed at their present value.

#### 1.16 Public dividend capital

Public dividend capital is a type of public sector equity finance, which represents the Department of Health's investment in the Trust. HM Treasury has determined that, being issued under statutory authority rather than under contract, PDC is not a financial instrument within the meaning of IAS 32.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

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An annual charge, reflecting the cost of capital utilised by the Trust, is payable to the Department of Health as PDC dividend. The charge is calculated at the real rate set by the Secretary of State with the consent of HM Treasury (currently 3.5%) on the average relevant net assets of the Trust. Relevant net assets are calculated as the value of all assets less all liabilities, except for:

- Donated assets (including lottery funded assets)
- Average daily cash balances held with the Government Banking Service (GBS) and National Loans Fund (NLF) deposits (excluding cash balances held in GBS accounts that relate to a short term working capital facility)
- Any PDC dividend balance receivable or payable

The average relevant net assets is calculated as a simple average of opening and closing relevant net assets.

In accordance with the requirements laid down by the Department of Health, the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts. The PDC dividend calculation is based upon the Trust's group accounts (i.e. including subsidiaries), but excluding consolidated charitable funds.

#### 1.17 Value added tax

Most of the activities of the Foundation Trust are outside the scope of value added tax (VAT). 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.

#### 1.18 Corporation tax

Under s519A Income and Corporation Taxes Act 1988 the Foundation Trust is regarded as a Health Service body and is, therefore, exempt from taxation on its income and capital gains. Section 148 of the 2004 Finance Act provided the Treasury with powers to disapply this exemption. Accordingly, the Foundation Trust is potentially within the scope of corporation tax in respect of activities which are not related to, or ancillary to, the provision of healthcare and where the profits exceed £50,000 pa. Activities such as staff and patient car parking are considered to be ancillary to the core healthcare objectives of the Foundation Trust (and not entrepreneurial) and therefore not subject to corporation tax. Any tax liability will be accounted for within the relevant tax year.

#### 1.19 Foreign exchange

The Foundation Trust's functional currency and presentational currency is pounds sterling, and figures are presented in thousands of pounds unless expressly stated otherwise. Transactions denominated in a foreign currency are translated into sterling at the spot exchange rate on the date of the transaction. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March.

Exchange gains and losses on monetary items (arising on settlement of the transaction or on retranslation at the Statement of Financial Position date) are recognised in the Statement of Comprehensive Income in the period in which they arise.

#### 1.20 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Foundation Trust has no beneficial interest in them. Details of third party assets are given in note 24.2 to the accounts.

### 1.21 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the Foundation Trust not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

### 1.22 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

### 1.23 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2017/18.

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

The DHSC GAM does not require the following Standards and Interpretations to be applied in 2017-18. These standards are still subject to HM Treasury FReM adoption, with IFRS 9 and IFRS 15 being for implementation in 2018-19, and the government implementation date for IFRS 16 and IFRS 17 still subject to HM Treasury consideration.

- IFRS 9 Financial Instruments - Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted
- IFRS 15 Revenue from Contracts with Customers - Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted
- IFRS 16 Leases - Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.
- IFRS 17 Insurance Contracts - Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.
- IFRIC 22 Foreign Currency Transactions and Advance Consideration - Application required for accounting periods beginning on or after 1 January 2018.
- IFRIC 23 Uncertainty over Income Tax Treatments - Application required for accounting periods beginning on or after 1 January 2019.

## 2 Operating segments

Following the transfer of Adult Social Care and Mental Health services on July 1 2016 the Foundation Trust now reports its core financial results under the headings of 'Healthcare' and 'Adult Social Care and Mental Health' services.

From 1 April 2017, the Trust Boards of both organisations at Salford Royal and Pennine Acute Trust delegated their functions to a Group "Committees in Common".

While the two Trusts will remain statutory bodies, the Group Committees in Common will effectively manage both Trusts.

The Foundation Trust has a devolved divisional structure in place and the majority of risks faced by each division are fundamentally the same in the provision of health and social care. The clinical divisions are substantially similar working under a common governance structure reporting to Assurance Committees of the Management Board and to the Committees in Common.

There are a number of hosted budgets for services administered by Salford Royal NHS Foundation Trust on behalf of other NHS bodies including:

- AQUA
- NHS Transformation Unit
- Centre for Professional Workforce Development
- Clinical Leadership Network
- Greater Manchester Academic Health Science Network

Each service manages its own income and expenditure although ultimately it is the responsibility of Salford Royal NHS Foundation Trust, as host, to act as the legal entity to issue or accept any contractual obligations. This is a standard arrangement in the NHS and the Trust hosts several other services in a similar way.

The financial performance of these 'hosted services' is reported separately to the Trust's management.

Notes 3 to 5 show the breakdown of income received by the Foundation Trust during the financial year by customer type and by activity.

All income received in the Trust was in relation to health and social care. Income received into the Charitable Funds was predominantly from donations and legacies.

	2017/18					2016/17 restated				
	Healthcare (incl. corporate costs) £000	Adult Social Care and Mental Health £000	Hosted services £000	Charitable funds £000	Group £000	Healthcare (incl. corporate costs) £000	Adult Social Care and Mental Health £000	Hosted services £000	Charitable funds £000	Group £000
Operating income	582,209	123,495	23,558	188	729,450	536,316	89,417	20,340	401	646,474
Prior period adjustment	-	-	-	-	-	-	-	-	-	-
Revised operating income	582,209	123,495	23,558	188	729,450	536,316	89,417	20,340	401	646,474
Surplus / (deficit)	(3,449)	(793)	413	(183)	(4,012)	9,954	0	3	141	10,098
Prior period adjustment	-	-	-	-	-	(7,631)	-	-	-	-
Revised surplus / (deficit)	(3,449)	(793)	413	(183)	(4,012)	2,323	0	3	141	2,467
Net assets: Segment net assets	122,338	0	0	4,915	127,253	103,911	0	0	5,060	108,971

1 £70k (including £0k donated assets) of income reported by the Foundation Trust in 2017/18 (£78k in 2016/17) came from the Charitable Fund, therefore £70k (2016/17 - £78k) is eliminated from the consolidated total for income.

### 3 Operating income from patient care activities (Group)

#### 3.1 Income from patient care activities (by nature)

	2017/18 £000	2016/17 £000
<b>Acute services</b>		
Elective income	71,259	68,274
Non-elective income	104,275	85,005
First out-patient income	30,607	28,663
Follow up outpatient income	37,843	40,694
A&E income	16,201	14,991
<b>Other NHS clinical income</b>		
Charges for enzyme replacement therapy drugs and infrastructure	48,278	46,630
Drugs and medical devices charged to commissioners on a cost-per-case basis	70,137	55,474
Intensive care and high dependency services	18,481	16,815
Renal dialysis services	11,718	12,509
Intestinal failure services	8,214	8,367
Commissioning for Quality and Innovation (CQUIN)	7,412	7,309
Rehabilitation and continuing care services	7,311	6,772
Direct access to diagnostic services to GPs	5,945	5,616
Other clinical activity	20,922	24,107
Other clinical Other Non NHS Clinical Income- ICO - Adult Social Care activity	91,508	65,967
<b>Mental health services</b>		
Cost and volume contract income	-	-
Block contract income	30,271	22,211
<b>Community services</b>		
Community services income from CCGs and NHS England	42,105	42,160
Income from other sources (e.g. local authorities)	4,696	6,969
<b>All services</b>		
Private patient income	1,070	959
Other clinical income	2,330	2,105
<b>Total income from activities</b>	<b>630,583</b>	<b>561,599</b>

Elective income has increased in part due to the value of tops up attracted under new 17/18 PBR tariffs (£1,500k). Strong casemix within Neurosurgery and Spinal Specialties has further increased income.

Non elective activity has increased with key areas including Neurosurgery, Spines and Major Trauma.

Mental Health Services income transferred to the Trust as part of the Integrated Care Organisation (ICO) development in July 2016 when the Foundation Trust became the lead provider of health, mental health and adult social care for Salford. The full year value of the mental health services sub-contract is reported in these 2017/18 accounts.

Other clinical activity' income is income earned under contracts with NHS commissioners. The most significant individual transactions are listed above. The balance described as 'Other clinical activity' contains a number of smaller sums of income for services such as Renal Patient Transport Service, diagnostic imaging, Major Trauma Best Practice top ups, Diabetic Retinopathy and Sleep Apnoea. Financial year 2017/18 also includes funding for winter resilience tranches 1 and 2.

Other non-protected non-NHS clinical income includes income from the NHS injury costs recovery scheme (£2,300k) and income from prescription charges (£9k).

Private Patient income is variable for the Trust and has increased compared to 2016/17. Income is largely earned in the specialities of Dermatology outpatients, Cardio Respiratory investigations, Neurosurgery inpatients and Neurology.

#### 3.2 Income from patient care activities (by source)

	2017/18 £000	2016/17 £000
NHS England	198,509	227,499
Clinical commissioning groups	324,051	251,598
Other NHS providers	704	-
NHS other	5,278	6,137
Local authorities	97,487	72,936
Non NHS private patients	1,070	959
Non-NHS: overseas patients (chargeable to patient)	309	364
NHS injury scheme	2,321	2,096
Non NHS: other	855	9
<b>Total income from activities</b>	<b>630,583</b>	<b>561,599</b>
<b>of which:</b>		
Related to continuing operations	630,583	561,599
Related to discontinued operations	-	-

The NHS Injury cost recovery income is subject to a provision for impairment of receivables of 22.84% to reflect expected rates of collection. This rate is based on national guidance.

Local Authorities income has increased due to the full year impact of the costs of operating Adult Social Care services being reported in 17/18.

'NHS other' includes income received from Non English Organisations.

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

	2017/18 £000	2016/17 £000
Income recognised this year	309	364
Cash payments received in-year	421	301
Amounts added to provision for impairment of receivables	168	123
Amounts written off in-year	-	33

#### 4 Other operating income (Group)

	2017/18 £000	2016/17 £000
Research and development	12,230	12,866
Education and training	18,045	17,868
Non-patient care services to other bodies	7,493	7,663
Sustainability and Transformation Fund income	22,093	17,888
Rental revenue from operating leases	536	563
Charitable fund incoming resources	188	401
Other income	38,282	27,626
<b>Total other operating income</b>	<b>98,867</b>	<b>84,875</b>
<b>of which:</b>		
Related to continuing operations	98,867	84,875
Related to discontinued operations	-	-

Non patient care services to other bodies largely comprises income from other NHS bodies for clinical diagnostic and other services. Income associated with support to other NHS organisations for various services includes £2,032k from Bolton NHS FT for clinical diagnostics, HIV/GUM drugs, Neurology services and support services, £200k for The Christie SLA, £630k Wrightington, Wigan & Leigh NHS FT for transport and finance support, £1,000k Central Manchester NHS FT for Paediatric Neurosciences and £609k Greater Manchester West Mental Health Services for Assertive Outreach. £1,973k income comes from a range of NHS organisations for Biochemistry, Nuclear Medicine, Dementia and other Pathology and Radiology tests, £55k comes from non NHS organisations for mortuary services and pathology tests.

“Other Income” includes £23,558k earned on behalf of hosted services, including Advancing Quality Alliance (AQuA) of £4,209k, the Academic Health Science Network (AHSN) of £5,729k, NHS Transformation Unit (£3,316k) and East Lancashire Financial Services (£6,820k).

AQuA is an NHS service that aims to drive quality improvements in NHS services in the North West. The AHSN is one of 15 Academic Health Science Networks across England established to spread innovation, improve health and to generate economic growth.

The NHS Transformation Unit provides NHS consultancy services ‘by the NHS for the NHS’ supporting service transformation and redesign and East Lancashire Financial Services (ELFs) provide outsourced financial accounts functions to NHS bodies. Whilst all hosted services manage their own income and expenditure they are not legal entities and, as the host organisation, the Foundation Trust acts as a legal entity able to issue or accept contracts such as contracts of employment or contracts for service on their behalf. This is a typical arrangement in the NHS and the Trust hosts a number of other services in a similar way. “Other Income” is further detailed in Table 5 below.

A £1.8 billion Sustainability and Transformation Fund (STF) has been made available to NHS providers in 2017/18, linked to the achievement of financial controls and A&E performance standards. The Foundation Trust received 78% of its available STF payment of £10,444k (£8,173k) which is reported as ‘Other Operating Income’. The Foundation Trust expects to receive a further £13,501k STF incentive payment in 2017/18 which is also shown as ‘Other Operating Income’. As not all STF payments have been made as at 31 March 2018, an amount of £16,060k is included in receivables.

#### 4.1 Income from activities arising from commissioner requested services

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

	2017/18 £000	2016/17 £000
Income from services designated as commissioner requested services	627,098	558,170
Income from services not designated as commissioner requested services	3,485	3,429
<b>TOTAL</b>	<b>630,583</b>	<b>561,599</b>

#### 4.1 Other operating income - analysis of other income

	2017/18 £000	2016/17 £000
Car parking	1,092	1,089
Estates recharges	437	967
IT recharges	388	379
Pharmacy sales	-	170
Staff contributions to employee benefit schemes	853	842
Clinical excellence awards	1,238	1,300
Catering	2	-
Property rentals	97	62
Income received on behalf of hosted services	16,737	15,163
Income received on behalf of ELFS financial services	6,820	5,177
PFI transitional support	-	700
From Salford Royal NHS Charitable Funds	-	78
Pennine Group management costs	3,630	-
Vanguard	2,714	-
Transformation Funding	623	-
Other	3,350	1,733
<b>TOTAL</b>	<b>37,979</b>	<b>27,661</b>

#### 5 Operating expenses (Group)

	2017/18 £000	2016/17 £000
Purchase of healthcare from NHS and DHSC bodies	10,462	10,783
Purchase of healthcare from non-NHS and non-DHSC bodies	7,319	6,503
Purchase of social care	107,130	77,926
Staff and executive directors costs	335,743	306,787
Remuneration of non-executive directors	156	141
Supplies and services - clinical (excluding drugs costs)	34,705	38,107
Supplies and services - general	5,075	4,738
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	122,526	106,593
Inventories written down	49	127
Consultancy costs	4,821	5,636
Establishment	3,905	5,174
Premises	15,418	18,326
Transport (including patient travel)	394	882
Depreciation on property, plant and equipment	10,058	10,371
Amortisation on intangible assets	1,072	1,255
Net impairments	16,698	(5,486)
Increase/(decrease) in provision for impairment of receivables	338	398
Increase/(decrease) in other provisions	-	-
Change in provisions discount rate(s)	46	276
Audit fees payable to the external auditor		
- audit services- statutory audit	56	61
- other auditor remuneration (external auditor only)	6	6
Internal audit costs	283	204
Clinical negligence	12,268	9,326
Legal fees	(40)	498
Insurance	249	190
Research and development	11,858	13,029
Education and training	1,219	1,479
Rentals under operating leases	7,059	5,535
Early retirements	50	-
Redundancy	17	-
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT) on IFRS basis	4,833	4,585
Car parking & security	160	200
Losses, ex gratia & special payments	43	334
Other services, eg external payroll	833	353
Other NHS charitable fund resources expended	394	284
Other	7,510	4,800
<b>TOTAL</b>	<b>724,712</b>	<b>629,420</b>
<b>Of which:</b>		
Related to continuing operations	724,712	629,420
Related to discontinued operations	-	-

Purchase of Social Health Care (£107m) includes the full-year impact of all non-pay costs associated with the transfer of all adult social care from Salford City Council as part of the integrated care organisation from 1 July 2016 and primarily includes contracts for residential care home packages (£59m). A further £17m of Social Care costs are included within Employee expenses taking the total expenditure on Social Health Care to £124m.

Staff and executive directors costs have increased by 9% (£29m) between 2016/17 (£307m) and 2017/18 (£336m). In addition to inflation, staff costs have increased in Adult Social Care due to full year costs for the ASC contract which transferred to SRFT on 1 July 2016 and the Limes transfer from a residential subcontracted service to an in house nursing delivered service. Staff costs have also increased in the hospital with the full year effect of new beds opened in the Pendleton Suite.

Clinical Negligence costs have increased due to higher contributions being required to reimburse NHS Resolution (formerly NHS Litigation Authority) for expenses paid on behalf of the Foundation Trust based on claims made.

Rentals Under Operating Leases have increase by 28% (£1.5m) between 2016/17 (£5.5m) and 2017/18 (£7.1m). In December 2015 Salford Royal entered in to a contract with Vital Energi for the provision of energy infrastructure at a cost of £1.4m per annum (subject to indexation) for 15 years following practical completion of the construction phase. Practical completion was achieved in May 2017 and as a result the Trust has recognised operating lease expenses of £1.2m in the 2017/18 financial year.

### Consolidated expenses

The consolidated figures include both the Trust's figures and the consolidated figures for the Charity amounting to £471k (including £7k External Audit fee) in 2017/18.

### Depreciation and Impairments of property, plant and equipment

During the year, the Foundation Trust commissioned the Valuation Office to provide up-to-date assessments of the value of the land and building assets with an effective date of 31 March 2018 on an alternative optimised site basis of valuation. The Valuation Office uses the existing use valuation methodology where possible to assess the value of the Foundation Trust's land and buildings which is based on market value. Where a building asset is specialised to the extent that no reliable market value can be estimated, a depreciated replacement cost based on a modern equivalent asset value has been used. As at 31 March 2018, following a valuation methodology based on alternative optimised site, a net reduction to the value of Trust assets of £8,890k was recognised, of which £19,704k has been reported as expenditure; and £10,814k reported as an increase to the revaluation reserve.

### 5.1 Other auditor remuneration (Group)

	2017/18 £000	2016/17 £000
Other auditor remuneration paid to the external auditor:		
1. Audit-related assurance services	-	-
2. Audit-related assurance services	6	6
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-
<b>TOTAL</b>	<b>6</b>	<b>6</b>

### 5.2 Limitation on auditor's liability (Group)

The limitation on auditor's liability for external audit work is £2m (2016/17: £2m).

### 6 Impairment of assets (Group)

	2017/18 £000	2016/17 £000
<b>Net impairments charged to operating (surplus) / deficit resulting from:</b>		
Changes in market price	18,698	(5,486)
<b>Total net impairments charged to operating (surplus) / deficit</b>	<b>18,698</b>	<b>(5,486)</b>
Impairments charged to the revaluation reserve	-	244
<b>Total net impairments</b>	<b>18,698</b>	<b>(5,242)</b>

### 6 Employment benefits (Group)

	2017/18 £000	2016/17 £000
Salaries and wages	264,859	252,558
Social security costs	25,351	22,041
Apprenticeship levy	1,224	-
Employer's contributions to NHS pensions	28,428	24,810
Pension cost - other	4,387	2,445
Termination benefits	478	-
Temporary staff (including agency)	25,743	21,050
<b>Total gross staff costs</b>	<b>350,470</b>	<b>322,903</b>
Recoveries in respect of seconded staff	(9,045)	(10,290)
<b>Total staff costs</b>	<b>341,425</b>	<b>312,613</b>
of which:		
Costs capitalised as part of assets	-	-

From 1 July 2016 the Foundation Trust became an admitted member of the Greater Manchester Pension fund responsible for making pension contributions for employees who transferred their employment from Salford City Council following the commencement of the Salford Integrated Care Organisation. The pension cost includes the employer contributions made during the year (£2,022k) plus the estimated share of the Foundation Trust's annual service cost commitment (£2,365k).

#### 6.1 Retirements due to ill-health (Group)

During 2017/18 there were 2 early retirements from the Trust agreed on the grounds of ill-health (9 in the year ended 31 March 2017). The estimated additional pension liabilities of these ill-health retirements is £112k (£387k in 2016/17).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.



## 7 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions).

Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales.

They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”.

An outline of these follows:

### a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2018, is based on valuation data as 31 March 2017, updated to 31 March 2018 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

*continued next page*

#### b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016 and is currently being prepared. The direction assumptions are published by HM Treasury which are used to complete the valuation calculations, from which the final valuation report can be signed off by the scheme actuary. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

#### Other pension schemes

The Pension Act 2008 requires that from 2012 all eligible workers, who are not already in a workplace scheme, must be automatically enrolled into a qualifying workplace pension scheme.

The NHS Pensions Scheme is a qualifying pension scheme and is the default Scheme for all NHS employees and they are automatically enrolled into it. However, not all staff are eligible to join the NHS Pension Scheme. Those staff are automatically enrolled to the NEST Scheme where employers pension cost contributions are charged to operating expenses as and when they become due.

#### Local Government scheme

Following the establishment of the Salford Integrated Care Organisation on 1 July 2016, some employees are members of the Local Government Pension Scheme. This is a defined benefit pension scheme. The scheme assets and liabilities attributable to these employees can be identified and are reported in note 32 to the accounts.

## 8 Operating leases (Group)

### 8.1 Salford Royal NHS Foundation Trust as a lessor

This note discloses income generated in operating lease agreements where Salford Royal NHS Foundation Trust is the lessor.

	2017/18 £000	2016/17 £000
<b>Operating lease revenue</b>		
Minimum lease receipts	536	563
<b>Total</b>	<b>536</b>	<b>563</b>

	31 March 2018 £000	31 March 2017 £000
<b>Future minimum lease receipts due:</b>		
Not later than one year	536	563
Later than one year and not later than five years	1,770	1,756
Later than 5 years	1,328	1,317
<b>Total</b>	<b>3,634</b>	<b>3,636</b>

Future minimum lease receipts are based on an expectation that the Trust will continue to provide accommodation in Foundation Trust buildings to the University of Manchester.

### 8.2 Salford Royal NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Salford Royal NHS Foundation Trust is the lessee.

	2017/18 £000	2016/17 £000
<b>Operating lease expense</b>		
Minimum lease receipts	7,433	5,849
Less sublease payments received	(374)	(314)
<b>Total</b>	<b>7,059</b>	<b>5,535</b>

	31 March 2018 £000	31 March 2017 £000
<b>Future minimum lease payments:</b>		
Not later than one year	7,137	5,762
Later than one year and not later than five years	8,309	2,087
Later than 5 years	324	324
<b>Total</b>	<b>15,770</b>	<b>8,173</b>
Future minimum sublease payments to be received	(549)	(437)

The Foundation Trust has operating leases for a number of buildings used to provide community-based patient care services and administrative accommodation. The plant and machinery leases are for clinical and non-clinical equipment and a number of leased vehicles including those used by the Foundation Trust's Transport Department and staff providing community clinical activity services.

## 9 Finance income (Group)

Finance income represents interest received on assets and investments in the period

	2017/18 £000	2016/17 £000
Interest on bank accounts	191	161
Investment income on NHS Charitable Funds financial assets	100	109
<b>Total</b>	<b>291</b>	<b>270</b>

Interest income was earned on surplus operating cash held in the Trust's Government Banking Service account and by the Charitable Funds from interest on investments.

## 10.1 Finance expenditure (Group)

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

	2017/18 £000	2016/17 £000
<b>Interest expense:</b>		
Loans from the Department of Health and Social Care	233	237
Other loans	-	5
Interest on late payment of commercial debt	26	-
Main finance costs on PFI and LIFT schemes obligations	4,915	5,076
Contingent finance costs on PFI and LIFT scheme obligations	2,609	2,3009
<b>Total interest expense</b>	<b>7,783</b>	<b>7,627</b>
Unwinding of discount on provisions	4	17
<b>Total finance costs</b>	<b>7,787</b>	<b>7,644</b>

## 10.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

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

	2017/18 £000	2016/17 £000
Total liability accruing in year under this legislation as a result of late payments	26	-
Amounts included within interest payable arising from claims made under this legislation	26	-

## 11 Trust income statement and statement of comprehensive income

In accordance with Section 408 of the Companies Act 2006, the Trust is exempt from the requirement to present its own income statement and statement of comprehensive income. The Trust's deficit for the period was £3.8 million (2016/17: £2.5 million). The Trust's total comprehensive income/(expense) for the period was £9.8 million (2016/17: £13.1 million).

## 12.1 Intangible assets - 2017/18

Group	Software licenses £000	Licenses and trademarks £000	Development expenditure £000	Total £000
Valuation/gross cost at 1 April 2017 - brought forward	11,149	4	0	11,153
Additions	750	-	-	750
Disposals / derecognition	-	-	-	-
Valuation / gross cost at 31 March 2018	11,899	4	0	11,903
Amortisation at 1 April 2017 - brought forward	7,118	-	0	7,118
Provided during the year	1,072	-	0	1,072
Amortisation at 31 March 2018	8,191	-	0	8,191
Net book value at 31 March 2018	3,708	4	0	3,712
Net book value at 1 April 2017	4,030	4	0	4,034

## 12.2 Intangible assets - 2016/17

Group	Software licenses £000	Licenses and trademarks £000	Development expenditure £000	Total £000
Valuation/gross cost at 1 April 2016	11,149	4	1,458	12,611
Additions	-	-	-	-
Disposals / derecognition	-	-	(1,458)	(1,458)
Gross cost at 31 March 2017	11,149	4	0	11,153
Amortisation at 1 April 2016	5,905	-	1,417	7,321
Provided during the year	1,214	-	41	1,255
Disposals / derecognition	-	-	(1,458)	(1,458)
Amortisation at 31 March 2017	7,118	-	-	7,118
Net book value at 31 March 2017	4,030	4	0	4,034
Net book value at 1 April 2016	5,244	4	41	5,289

The Foundation Trust does not have a balance in the revaluation reserve that is attributable to intangible assets.

## 13.1 Property, plant and equipment 2017/18

Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets Under construction £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture and fittings £000	Total £000
<b>Valuation/gross cost at 1 April 2017 - brought forward</b>	7,000	207,035	1,272	560	45,021	110	16,011	2,776	279,786
Additions	-	5,090	-	1,282	3,726	-	4,984	14	15,097
Impairments	-	(21,497)	-	-	-	-	-	-	(21,497)
Reversals of impairments	-	1,611	-	-	-	-	-	-	1,611
Revaluations	3,000	3,283	142	-	-	-	-	-	6,425
Disposals / derecognition	-	0	-	-	(23)	-	-	-	(23)
<b>Valuation/gross cost at 31 March 2018</b>	<b>10,000</b>	<b>195,523</b>	<b>1,414</b>	<b>1,842</b>	<b>48,724</b>	<b>110</b>	<b>20,995</b>	<b>2,791</b>	<b>281,399</b>
<b>Accumulated depreciation at 1 April 2017 - brought forward</b>	-	(0)	0	-	33,901	95	9,885	1,898	45,780
Provided during the year	-	5,560	21	-	2,437	2	1,727	311	10,058
Impairments	-	(1,100)	-	-	-	-	-	-	(1,100)
Reversals of impairments	-	(88)	-	-	-	-	-	-	(88)
Revaluations	-	(3,363)	(21)	-	-	-	-	-	(3,384)
<b>Accumulated depreciation at 31 March 2018</b>	-	<b>1,009</b>	<b>0</b>	-	<b>36,338</b>	<b>98</b>	<b>11,613</b>	<b>2,209</b>	<b>51,267</b>
<b>Net book value at 31 March 2018</b>	<b>10,000</b>	<b>194,513</b>	<b>1,414</b>	<b>1,842</b>	<b>12,386</b>	<b>13</b>	<b>9,382</b>	<b>582</b>	<b>230,133</b>
<b>Net book value at 1 April 2017</b>	<b>7,000</b>	<b>207,035</b>	<b>1,272</b>	<b>560</b>	<b>11,120</b>	<b>15</b>	<b>6,126</b>	<b>878</b>	<b>234,006</b>

## 13.2 Property, plant and equipment 2016/17

Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets Under construction £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture and fittings £000	Total £000
<b>Valuation/gross cost at 1 April 2016 - brought forward</b>	6,450	187,798	1,302	214	46,162	59	15,462	2,776	260,223
Additions	-	6,359	-	346	1,384	15	573	-	8,677
Impairments	-	(244)	-	-	-	-	-	-	(244)
Reversal of impairments	-	1,352	-	-	-	-	-	-	1,352
Revaluations	550	11,771	(30)	-	-	-	-	-	12,291
Reclassifications	-	-	-	-	(36)	36	-	-	-
Disposals / derecognition	-	-	-	-	(2,489)	-	(24)	-	(2,513)
<b>Valuation/gross cost at 31 March 2017</b>	<b>7,000</b>	<b>207,035</b>	<b>1,272</b>	<b>560</b>	<b>45,021</b>	<b>110</b>	<b>16,011</b>	<b>2,776</b>	<b>279,786</b>
<b>Accumulated depreciation at 1 April 2016 - brought forward</b>	-	-	0	-	33,947	59	8,289	1,569	43,866
Provided during the year	-	5,911	32	-	2,479	-	1,620	328	10,371
Impairments	-	3,633	-	-	-	-	-	-	3,633
Reversals of impairments	-	(7,767)	-	-	-	-	-	-	(7,767)
Revaluations	-	(1,777)	(32)	-	-	-	-	-	(1,809)
Reclassifications	-	-	-	-	(36)	36	-	-	-
Disposals / derecognition	-	-	-	-	(2,489)	-	(24)	-	(2,513)
<b>Accumulated depreciation at 31 March 2017</b>	-	(0)	0	-	33,901	95	9,885	1,898	45,780
<b>Net book value at 31 March 2017</b>	<b>7,000</b>	<b>207,035</b>	<b>1,272</b>	<b>560</b>	<b>11,120</b>	<b>15</b>	<b>6,126</b>	<b>878</b>	<b>234,006</b>
<b>Net book value at 1 April 2016</b>	<b>6,450</b>	<b>187,798</b>	<b>1,301</b>	<b>214</b>	<b>12,215</b>	<b>(0)</b>	<b>7,173</b>	<b>1,207</b>	<b>216,357</b>

As at 31 March 2018 the Foundation Trust had no land, buildings or dwellings valued at open market values.

Key additions during the year include £3.4m to replace essential equipment, ongoing works to modernise operating theatres £2.0m, a scheme to deliver an additional 22 hospital beds to increase capacity £1.4m and decanting staff and services from the clinical sciences building which is being partially demolished to create space to build a new surgical centre £1.2m.

### 13.3 Property, plant and equipment financing - 2017/18

Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets Under construction £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture and fittings £000	Total £000
<b>Net book value at 31 March 2018</b>									
Owned - purchased	10,000	100,429	0	1,842	12,297	13	9,382	580	134,543
On-SoFP PFI contracts and other service concession arrangements	-	87,735	1,414	-	-	-	-	-	89,149
Owned - donated	-	6,349	-	-	90	-	-	2	6,441
<b>NBV total at 31 March 2018</b>	<b>10,000</b>	<b>194,513</b>	<b>1,414</b>	<b>1,842</b>	<b>12,386</b>	<b>13</b>	<b>9,382</b>	<b>582</b>	<b>230,133</b>

### 13.4 Property, plant and equipment financing - 2016/17

Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets Under construction £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture and fittings £000	Total £000
<b>Net book value at 31 March 2017</b>									
Owned - purchased	7,000	111,562	-	560	11,120	15	6,126	878	137,260
On-SoFP PFI contracts and other service concession arrangements	-	88,974	1,272	-	-	-	-	-	90,246
Owned - donated	-	6,500	-	-	-	-	-	-	6,500
<b>NBV total at 31 March 2017</b>	<b>7,000</b>	<b>207,035</b>	<b>1,272</b>	<b>560</b>	<b>11,120</b>	<b>15</b>	<b>6,126</b>	<b>878</b>	<b>234,006</b>



## 15 Revaluations of property, plant and equipment

	2017/18 £000	2016/17 £000
Changes in market price - downward valuation of non-current assets charged to SoCI	20,397	3,633
Changes in market price - downward valuation of non-current assets charged to Revaluation Reserve	0	244
Changes in market price - upward valuation of non-current assets (reversals of past impairments) credited to SoCI	(1,699)	(9,119)
Changes in market price - upward valuation of non-current assets credited to revaluation reserve	0	(14,100)
<b>Total Revaluations of property plant and equipment</b>	<b>18,698</b>	<b>(19,342)</b>

## 15 Other investments financial assets (non-current)

	2017/18 £000	2016/17 £000
<b>Carrying value at 1 April - bought forward</b>	<b>4,302</b>	<b>3,713</b>
Movement in fair value	38	589
Disposals	(19)	-
<b>Carrying value at 31 March</b>	<b>4,321</b>	<b>4,302</b>

The Foundation Trust has an associate entity in North West e Health Limited. The company was established on 1 November 2016 and the Foundation Trust has a 40% shareholding with the remaining shares owned by the University of Manchester (40%) and Salford Clinical Commissioning Group (20%). The cost of the shares to the Foundation Trust was nil.

North West e Health was established as a not-for-profit partnership for the Foundation Trust, University of Manchester and Salford CCG initially to develop tools to support clinical research and translation into quality clinical practice. It has developed a suite of software and related services to support clinical trials which is where the newly established entity plans to further develop electronic health solutions to support randomised controlled trials.

Associate entities are those over which the Foundation Trust has the power to exercise a significant influence. Associate entities are recognised in the Trust's financial statement using the equity method. The investment is initially recognised at cost in both the Foundation Trust accounts and the consolidated group accounts. It is increased or decreased subsequently to reflect the Foundation Trust's share of the entity's profit or loss or other gains and losses (e.g. revaluation gains on the entity's property, plant and equipment) following acquisition. It is also reduced when any distribution, e.g., share dividends are received by the Foundation Trust from the associate.

The Foundation Trust has assessed the value of NWEH at the reporting date and considers the net asset value to be nil. The entity is reporting a year to date deficit as at 31 March 2018 which the Foundation Trust has not recognised in these accounts as there is no legal or constructive obligation on the Foundation Trust to do so.

The Foundation Trust has two other projects that it classes as jointly controlled operations. These are the Sterile Services Decontamination Unit (SSDU) and Pathology At Wigan and Salford (PAWS).

The SSDU and PAWS projects are jointly controlled with Wrightington, Wigan and Leigh NHS Foundation Trust providing essential clinical and support services to both Foundation Trusts.

## 16 Disclosure of interests in other entities

The Foundation Trust does not have interests in other non-consolidated entities.

## 17 Analysis of charitable fund reserves

The Salford Royal Charitable Fund (registration number 1049226) is consolidated in the accounts of the Foundation Trust.

	31 March 2018 £000	31 March 2017 £000
<b>Unrestricted funds:</b>		
Unrestricted income funds	4,881	5,026
<b>Restricted funds:</b>		
Endowment funds	11	23
Other restricted income funds	23	11
<b>Total</b>	<b>4,915</b>	<b>5,060</b>

Unrestricted income funds are accumulated income funds that are expendable at the discretion of the Trustees in furtherance of the charity's objects. Unrestricted funds may be earmarked or designated for specific future purposes which reduces the amount that is readily available to the charity.

Restricted funds may be accumulated income funds which are expendable at the Trustee's discretion only in furtherance of the specified conditions of the donor and the objects of the charity. They may also be capital funds (e.g. endowments) where the assets are required to be invested, or retained for use rather than expended.

## 18 Inventories

	Group	
	31 March 2018 £000	31 March 2017 £000
Drugs	1,406	1,699
Consumables	2,503	2,578
Energy	85	31
<b>Total inventories</b>	<b>3,993</b>	<b>4,308</b>
<b>Of which:</b>		
Held at fair value less costs to sell	-	-

Inventories recognised in expenses for the year were £60,076k (2016/17: £58,002k). Write-down of inventories recognised as expenses for the year were £49k (2016/17: £127k).

## 19.1 Trade receivables and other receivables

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
<b>Current</b>				
Trade receivables	55,253	25,410	55,917	25,410
Accrued income	20,432	9,516	20,432	9,516
Provision for impaired receivables	(2,267)	(2,147)	(2,267)	(2,147)
Prepayments (non-PFI)	7,160	4,980	7,160	4,980
PFI lifecycle prepayments	2,451	1,673	2,451	1,673
PDC dividend receivable	652	849	652	849
VAT receivable	1,380	1,110	1,380	1,110
Other receivables	-	8,077	-	8,151
NHS charitable funds: trade and other receivables	20	32	-	-
<b>Total current trade and other receivables</b>	<b>85,080</b>	<b>49,500</b>	<b>85,724</b>	<b>49,542</b>
<b>Non-current</b>				
Trade receivables	-	-	-	-
Provision for impaired receivables	(533)	(492)	(533)	(492)
Other receivables	2,335	2,146	2,335	2,146
<b>Total non-current trade and other receivables</b>	<b>1,802</b>	<b>1,654</b>	<b>1,802</b>	<b>1,654</b>
<b>Of which:</b>				
Current	55,672	30,349	55,672	30,349
Non-current	-	-	-	-

Other non-current receivables relates to income due from the NHS Injury Cost Recovery Scheme.

Other receivables include amounts owed to the Trust for services provided to organisations and individuals which are outside of the NHS and related parties.

A £1.8 billion Sustainability and Transformation Fund (STF) has been made available to NHS providers in 2017/18, linked to the achievement of financial controls and A&E performance standards. The Foundation Trust received 78% of its available STF payment of £10,444k (£8,173k) which is reported as 'Other Operating Income'. The Foundation Trust expects to receive a further £16,060k STF incentive payment in 2017/18 which is also shown as 'Other Operating Income'. As not all STF payments have been made as at 31 March 2018, an amount of £13,502k is included in accrued income.

## 19.2 Provision for impairment of receivables

	2017/18 £000	2016/17 £000
<b>At 1 April as previously stated</b>	<b>2,639</b>	2,250
Increase in provision	1,539	1,530
Amounts utilised	(177)	(9)
Unused amounts reversed	(1,201)	(1,132)
<b>At 31 March</b>	<b>2,800</b>	2,639

## 19.3 Credit quality of financial assets

Group	2017/18 Trade and other receivables £000	2016/17 Trade and other receivables £000
<b>Ageing of impaired financial assets</b>		
0 - 30 days	-	-
30-60 days	-	-
60-90 days	-	-
90-180 days	-	-
Over 180 days	2,486	1,434
<b>Total</b>	<b>2,486</b>	1,434
<b>Ageing of non-impaired financial assets past their due date</b>		
0 - 30 days	22,437	36,302
30-60 days	813	1,129
60-90 days	4,328	474
90-180 days	13,811	215
Over 180 days	7,344	2,723
<b>Total</b>	<b>48,733</b>	40,843

The provision for impairment of receivables is only applied to receivables owed to the Trust (and not to the Charitable Fund) estimated based on three key factors:

- For NHS receivables, a provision is made where another NHS body registers a dispute against the value invoiced by the Foundation Trust where, in the opinion of Trust management, it is possible that following investigation, all or part of the charge will be reversed.
- For receivables expected from claims made via the NHS Injury Recovery scheme, a provision for impairment is made based on the Foundation Trust's last 12-months experience of the proportion of claims that are rejected.
- For receivables due from non-NHS customers, a provision for impairment is made based on an estimate of the value of outstanding debt that may not be recoverable even in those cases where legal judgement is given in favour of the Foundation Trust.

## 20 Other assets

In 2016/17, a non-current asset with an estimated fair opening value of £6,712k (subsequently increased to £10,546k as at 31 March 2017) was included to reflect the Foundation Trust's right to reimbursement of pension liabilities. The Trust has reconsidered the substance of the agreement with Salford City Council and determined that it was incorrect to include such an asset in the financial statements. As such the financial statements have been restated to remove the asset, reducing the value of other assets to £nil.

## 21.1 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	Group		Trust	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
<b>At 1 April</b>	<b>58,750</b>	<b>61,184</b>	<b>57,886</b>	<b>60,089</b>
Net change in year	(3,622)	(2,434)	(4,002)	(2,203)
<b>At 31 March</b>	<b>55,128</b>	<b>58,750</b>	<b>53,884</b>	<b>57,886</b>
<b>Broken down into:</b>				
Cash at commercial banks and in hand	1,265	257	237	257
Cash with the Government Banking Service	53,863	58,493	53,647	57,629
<b>Total cash and cash equivalents as in SoFP</b>	<b>55,128</b>	<b>58,750</b>	<b>53,884</b>	<b>57,886</b>
Bank overdrafts (GBS and commercial banks)	-	-	-	-
Drawdown in committed facility	-	-	-	-
<b>Total cash and cash equivalents as in SoCF</b>	<b>55,128</b>	<b>58,750</b>	<b>53,884</b>	<b>57,886</b>

Salford Royal Foundation Trust acts as the 'host' NHS body for a number of services which are outside of the Trust's core business. These services are for specific areas of development both locally and nationally and cover fields such as research, quality and leadership. Although these services are administered by the Foundation Trust it has no control over their activities. The cash balance of these hosted services, including those brought forward from previous years, totalled £13.7m as at 31 March 2018 and is contained within the Trust's £56.0m consolidated cash balance.

## 21.2 Third party assets held by the Trust

At 31 March 2018 the Foundation Trust held £nil (2016/17 £42k) cash and cash equivalents which relate to monies held on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	Group & Trust	
	31 March 2018 £000	31 March 2017 £000
Bank balances	-	42
Monies on deposit	-	-
<b>Total third party assets</b>	<b>-</b>	<b>42</b>

## 22.1 Trade and other payables

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
<b>Current</b>				
Trade payables	16,344	42,370	16,344	42,370
Capital payables	3,918	557	3,918	557
Accruals	77,609	44,010	77,609	44,010
Receipts in advance (including payments on account)	629	28	629	28
Social security costs	6,659	4,301	6,659	4,301
Other taxes payable	-	1,967	-	1,967
Accrued interest on loans	7	7	7	7
NHS charitable funds: trade and other payables	7	64	-	-
<b>Total current trade and other payables</b>	<b>105,172</b>	<b>93,304</b>	<b>105,165</b>	<b>93,240</b>
<b>Non-current</b>				
Trade payables	760	455	760	455
Other taxes payable	-	244	-	244
<b>Total non-current trade and other payables</b>	<b>760</b>	<b>699</b>	<b>760</b>	<b>699</b>
<b>Of which:</b>				
Current	9,877	11,937	9,877	11,937
Non-current	-	-	-	-

## 22.2 Early retirements in NHS payables above

The payables note above includes amounts in relation to early retirements as set out below:

Group and Trust	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
To buy out the liability for early retirements over 5 years	-	-	-	-
Number of cases involved	-	-	-	-
Outstanding pension contributions	-	-	-	-

## 23 Other liabilities

Group	31 March 2018 £000	31 March 2017 £000
<b>Current</b>		
Deferred income	7,254	9,828
<b>Total other current liabilities</b>	<b>7,254</b>	<b>9,828</b>
<b>Non-current</b>		
Deferred income	9,477	8,769
Net pension scheme liability	10,862	11,465
<b>Total other non-current liabilities</b>	<b>20,339</b>	<b>20,144</b>

All other liabilities relate to the Trust. The Charitable Fund did not have any other liabilities in the year ending 31 March 2018 nor the previous year.

## 24 Borrowings

Group	31 March 2018 £000	31 March 2017 £000
<b>Current</b>		
Loans from DHSC	512	512
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	3,234	3,278
<b>Total current borrowings</b>	<b>3,746</b>	<b>3,790</b>
<b>Non-current</b>		
Loans from DHSC	7,440	7,952
Obligations under PFI, LIFT or other service concession contracts	98,533	101,767
<b>Total non-current borrowings</b>	<b>105,973</b>	<b>109,719</b>

The Foundation Trust's PFI borrowings relate to its two on-Statement of Financial Position privately financed assets - The Maples and the main hospital redevelopment scheme (see note 33). The Maples concession period ends in 2025. The hospital redevelopment concession ends in 2042.

The Foundation Trust borrowed £10 million in 2013/ 14 to be repaid in equal instalments bi-annually over a 20-year period at a rate of interest of 2.8% to the Department of Health to finance part of its capital expenditure plans during that year.

All borrowings relate to the Trust. The Charitable Fund did not have any borrowings in either the year ending 31 March 2017 or 31 March 2018

## 25 Finance leases

### 25.1 Salford Royal NHS Foundation Trust as a lessor

There are no future lease receipts due under finance lease agreements where the Foundation Trust or the Charity is the lessor.

### 25.2 Salford Royal NHS Foundation Trust as a lessee

There are no obligations under finance leases where the Foundation Trust or the Charity is the lessee.

## 26.1 Provisions for liabilities and charges analysis (Group)

Group	Legal claims £000	Re-structurings £000	Other £000	Total £000
At 1 April 2017	262	1,506	8,331	10,099
Change in the discount rate	-	9	37	46
Arising during the year	217	130	7,868	8,215
Utilised during the year	(117)	(91)	(1,737)	(1,945)
Reversed unused	(79)	(396)	(2,271)	(2,746)
Unwinding of discount	-	-	4	4
<b>At 31 March 2018</b>	<b>283</b>	<b>1,158</b>	<b>12,232</b>	<b>13,673</b>
<b>Expected timing of cash flows:</b>				
Not later than one year	283	387	8,512	9,182
Later than one year and not later than five years	-	511	1,907	2,418
Later than five years	(0)	260	1,813	2,073
<b>Total</b>	<b>283</b>	<b>1,158</b>	<b>12,232</b>	<b>13,673</b>

Provisions for legal claims are based on information supplied by the NHS Litigation Authority. The amount shown is based on the maximum sum the Foundation Trust would be required to fund on the event of a successful claim adjusted by a 'probability of settlement' factor.

The Foundation Trust has made a provision for other liabilities and claims based on information provided by professional advisers. These include provisions for future pension payments for former staff claiming permanent injury benefit based on information supplied by NHS Pensions Agency and provisions for NHS employment costs.

£202,838k (2016/17 - £172,590k) is included in the provisions of NHS Resolution at 31 March 2018 in

respect of clinical negligence liabilities on behalf of the Foundation Trust.

The PES (Public Expenditure System) notified changes to the real discount rates for general provisions as per the table below. This has resulted in increasing the value of provisions for known claims by £46k.

	2017/18	2016/17
Real Discount Rate (0 - 5yrs):	-2.42%	-2.70%
Real Discount Rate (5 - 10yrs):	-1.85%	-1.95%
Real Discount Rate (over 10yrs):	-1.56%	-0.80%

The real discount rate applicable on 31 March 2018 to post employment benefit provisions is 0.10% (2016/17 0.24%).

## 26.2 Clinical negligence liabilities

At 31 March 2018, £202,838k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Salford Royal NHS Foundation Trust (31 March 2017: £172,590k).

## 27 Contingent assets and liabilities

The Foundation Trust does not have any contingent assets or liabilities as at 31 March 2018

## 28 Contractual capital commitments

Group	31 March 2018 £000	31 March 2017 £000
Property, plant and equipment	1,288	2,177
<b>Total</b>	<b>1,288</b>	<b>2,177</b>

The ongoing theatre refurbishment programme accounts for £897k of the commitments as at 31 March 2018.



## 29 Defined benefit pension schemes

On 1 July 2016 Salford Royal NHS Foundation Trust became the provider of adult social care and adult mental health services for the City of Salford. A number of employees providing adult social care services transferred from Salford City Council to the Foundation Trust and subsequently, the Foundation Trust was admitted as a member of the Greater Manchester Pension Fund (GMPF).

The GMPF scheme is a defined benefit scheme administered by Tameside Metropolitan Borough Council. The Foundation Trust and employees pay contributions to the Fund calculated at a rate intended to balance pension liabilities with pension assets. The Foundation Trust's share of assets and liabilities can be separately identified in the Pension Fund and as at 31 March 2018 the Fund reported a net pension liability (shown in non-current liabilities) of £10,862k.

The agreement with Salford City Council requires that the actual cost of employer contributions to the pension fund are fully funded through monthly payments to the Foundation Trust. As payments due to the pension fund are able to be estimated with a reasonable level of accuracy and the Foundation Trust is reimbursed on a fixed date each month, membership of the GMPF and employer's payments due do not have a detrimental impact on the Foundation Trust's cashflow.

The Scheme is a "career average" scheme. Annual pensions are dependent on the number of years an employee has been in the scheme. The current scheme is based on 1/49th of reckonable pay per year of membership. The standard package of benefits includes a pension but not an automatic lump sum. Employees can opt to create a lump sum by giving up a proportion of their pension. In 2017/18 the Foundation Trust's employer's contribution to the GMPF was £2,022k based on 19.7% of employees' pensionable pay.

The costs of retirement benefits in a defined benefit schemes are recognised when they are earned by employees and not when the benefits are paid as pensions. The additional charge recognised in the Statement of Comprehensive Income is £2,365k.

Hymans Robertson are the scheme actuaries. The pensions liability has been assessed on an actuarial basis using the projected unit credit method of valuation with the valuation rolled forward from the last formal valuation (31 March 2016) using approximate methods. The roll-forward allows for changes in financial assumptions, additional benefit accrual, estimated cash flows over the period and actual pension increase orders.

*continued next page*

The value of fund assets is based on bid value as summarised below:

	Period ended 31 March 2018				Period ended 1 July 2017			
	Quoted price in active market £000	Quoted price note in active market £000	Total £000	% of total assets	Quoted price in active market £000	Quoted price note in active market £000	Total £000	% of total assets
Equity securities	15,007	0	15,007	31%	18,030	0	18,030	41%
Debt securities	3,522	0	3,552	7%	4,038	0	4,038	9%
Private equity	0	1,602	1,602	3%	0	1,245	1,245	3%
Real estate	0	1,639	1,639	3%	0	1,201	1,201	3%
Investment funds and unit trusts	20,423	3,932	24,335	51%	14,879	3,193	18,072	41%
Cash and cash equivalents	1,751	0	1,751	4%	1,217	0	1,217	3%
<b>Total</b>	<b>40,703</b>	<b>7,173</b>	<b>47,876</b>	<b>100%</b>	<b>38,164</b>	<b>5,639</b>	<b>43,803</b>	<b>100%</b>

The actuary's financial assumptions in calculating the components of the pension expense for the period ended 31 March 2018 were:

Period ended	31 March 2018 % per year £000	1 July 2017 % per year £000
Pension increase rate	2.4%	2.5%
Salary increase rate	3.2%	3.3%
Discount rate	2.7%	2.6%

The principal risks to the accuracy of the amounts included in these accounts describing the scheme value and projections are accuracy of longevity assumptions, statutory changes to the scheme, structural changes to the scheme (e.g. large scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme.

Mortality (longevity) assumptions have been applied to the estimated pension valuation with current pensioners given a life expectancy of 21.5 years (male) and 24.1 years (female) and future pensioners 23.7 years (male) and 26.2 years (female) assuming future pensioners are aged 45 at the last formal valuation date.

A sensitivity analysis has been completed and the table below summarises the the estimated change to scheme liabilities if principal actuarial assumptions are adjusted:

Sensitivity - changes to assumptions at 31 March 2018	Approximate increase to obligation %	Approximate value %
0.5% decrease in real discount rate	12.0%	7,155
0.5% increase in salary increase rate	3.0%	1,915
0.5% increase in pension increase rate	9.0%	5,085

Looking ahead to 2018/19, the projected charge to expenses is £4,107k. The contributions paid by the Foundation Trust as employer are set by the Fund Actuary at the triennial valuation (with the most recent being 31 March 2016). Employers contributions are estimated to be £2,022k in 2018/19.

2018/19 projections	Assets £000	Obligations £000	Net (liability) / asset £000	% of pay
Projected service cost	0	3,790	(3,790)	-36.9%
<b>Total service cost</b>	<b>0</b>	<b>3,790</b>	<b>(3,790)</b>	<b>-36.9%</b>
Interest income on plan assets	1,329	0	1,329	12.9%
Interest cost on defined benefit obligation	0	1,646	(1,646)	-16.0%
<b>Total net interest cost</b>	<b>1,329</b>	<b>1,646</b>	<b>(317)</b>	<b>-3.1%</b>
Projected defined benefit cost for the period to 31 March 2019	1,329	5,436	(4,107)	-40.0%

## 29.1 Changes in the defined benefit obligation and fair value of plan assets during the year

Group	2017/18 £000	2016/17 £000
<b>Present value of the defined benefit obligation at 1 April</b>	<b>(55,268)</b>	-
Prior period adjustment	-	-
<b>Present value of the defined benefit obligation at 1 April - restated</b>	<b>(55,268)</b>	-
Transfers by absorption	-	(42,030)
Current service cost	(4,034)	(2,269)
Interest cost	(1,497)	(937)
Contribution by plan participants	(680)	(496)
Remeasurement of the net defined benefit (liability) / asset:		
Actuarial (gains)/losses	2,770	(9,536)
Past service costs	(29)	-
<b>Present value of the defined benefit obligation at 31 March</b>	<b>(58,738)</b>	<b>(55,268)</b>
<b>Fair value of plan assets at 1 April</b>	<b>43,803</b>	-
Prior period adjustment	-	-
<b>Fair value of plan assets at 1 April - restated</b>	<b>43,803</b>	-
Transfers by normal absorption	-	35,318
Interest income	1,173	784
Remeasurement of the net defined benefit (liability) / asset:		
Return on plan assets	198	5,702
Contributions by the employer	2,022	1,503
Contributions by the plan participants	680	496
<b>Plan assets at fair value at 31 March</b>	<b>47,876</b>	<b>43,803</b>
<b>Plan surplus/(deficit) at 31 March</b>	<b>(10,862)</b>	<b>(11,465)</b>

### 29.2 Reconciliation of the present value of the defined benefit obligation and the present value of the plan assets to the assets and liabilities recognised in the balance sheet

Group	2017/18 £000	2016/17 £000
Present value of the defined benefit obligation	(58,738)	(55,268)
Plan assets at fair value	47,876	43,803
Net (liability) / asset recognised in the SoFP	(10,862)	(11,465)

### 29.3 Amounts recognised in the SoCI

	2017/18 £000	2016/17 £000
Current service cost	(4,034)	(2,269)
Interest expense / income	(324)	(153)
Past service cost	(29)	-
Total net (charge)/gain recognised in SOCI	(4,387)	(2,422)

### 39 On-SoFP PFI, LIFT or other service concession arrangements

#### The Maples PFI scheme

The Maples scheme is for the provision of long-term clinical accommodation and hotel services for patients with acute neuro rehabilitation requirements. There are no guarantees, obligations or other rights associated with the scheme.

There are no deferred assets or residual interests associated with the Maples PFI transaction.

The Maples scheme commenced in March 2000 with a 25 year concession period. At the end of the agreement, the Foundation Trust has a right to purchase the asset at open market value.

The unitary payment for the Maples is subject to annual increase which is based on a formula that uses movements in the value of the retail price index calculated annually from February to February.

#### The Hospital Redevelopment PFI Scheme

The hospital redevelopment scheme is for the provision of clinical and non-clinical accommodation through an agreement with Consort, the PFI partner. This has been achieved by the construction of two new buildings and the development of link corridors to join existing Foundation Trust owned buildings to the PFI buildings.

The agreement also includes the provision of a number of services to the Foundation Trust by Consort including building maintenance and lifecycle services, grounds and gardens maintenance, security services, pest control, utilities and a helpdesk facility.

*continued next page*

The hospital redevelopment scheme commenced in 2007 with a 35 year concession period which ends in 2042. At the end of the agreement, the assets will pass to the Foundation Trust for nil consideration.

The full annual unitary payment is subject to annual increase in line with changes in the retail price index, calculated annually from February to February. Each 1% rise in the RPI index increases the unitary payment made by the Trust by c. £160k. RPI for 2017/18 applied to the PFI scheme was 3.2%, this will be 3.6% in 2018/19.

During 2013/14, the operator recalculated the financial model that sets the value of the unitary payment. The full impact of this recalculation is included in these financial results.

A limited number of the services provided within the agreement maybe subject to market testing every five years beginning in 2011 as required by the Foundation Trust. These eligible services include security services and pest control services. No market testing was undertaken in 2017/18.

Under the terms of the Project Agreement, the Foundation Trust has the right to use the assets built by Consort that are included as part of the scheme to deliver services to the public.

The agreement includes sections relating to termination of the contract. Termination may be implemented in the event of significant failures on the part of the PFI project company to deliver the specified level of quality and services, including completing construction of the assets by the agreed 'long-stop' dates. Other actions leading to a right to terminate include the project company becoming insolvent, undertaking a change in control outside of the scope allowed in the agreement, having a serious breach of health and safety law or a failure to pay the Foundation Trust material sums due on time.

The project agreement does not include renewal clauses. At the end of the concession period, all assets revert to the Foundation Trust.

During the concession period, the building assets are required to be maintained at a specified level of condition and service. The PFI project company manages and maintains a lifecycle plan to ensure that the assets remain in the specified condition. During the concession period it is likely that major works such as lift replacements and window replacements will be necessary. These will be the responsibility of the PFI project company.

Having considered the content included in International Financial Reporting Standards in respect of service concession arrangements, in particular International Financial Reporting Interpretations Committee (IFRIC) publication 12, the hospital redevelopment project has been classed as a service concession arrangement for the provision of infrastructure.

Under International Financial Reporting Interpretation Committee guidance 12 (IFRIC 12), both the Maples and the hospital redevelopment assets are treated as assets of the Foundation Trust. The substance of the contracts are that the Foundation Trust has a finance lease and the payment streams comprise two elements - imputed finance lease charges and service charges.

### 30.1 Imputed finance lease obligations

The following are obligations in respect of the finance lease element of on-Statement of Financial Position PFI and LIFT schemes:

	Group		Trust	
	31 March 2017 £000	31 March 2016 £000	31 March 2017 £000	31 March 2016 £000
<b>Gross PFI, LIFT or other service concession liabilities</b>	<b>167,513</b>	175,706	<b>167,513</b>	175,706
<b>Of which liabilities are due</b>				
Not later than one year;	7,995	8,192	7,995	8,192
later than one year and not later than five years	31,959	32,254	31,959	32,254
Later than five years	127,560	135,260	127,560	135,260
Finance charges allocated to future periods	(65,746)	(70,661)	(65,746)	(70,661)
<b>Net PFI, LIFT or other service concession arrangement obligation</b>	<b>101,767</b>	105,045	<b>101,767</b>	105,045
Not later than one year;	3,234	3,278	3,234	3,278
later than one year and not later than five years	14,581	14,201	14,581	14,201
Later than five years	83,952	87,566	83,952	87,566

### 30.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

Total future obligations under these on-SoFP schemes are as follows:

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	<b>567,544</b>	578,599	<b>567,544</b>	578,599
<b>Of which liabilities are due</b>				
Not later than one year;	17,701	17,086	17,701	17,086
later than one year and not later than five years	75,332	72,722	75,332	72,722
Later than five years	474,511	488,791	474,511	488,791

### 30.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	Group		Trust	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Unitary payment payable to service concession operator	16,423	15,816	16,423	15,816
<b>Consisting of:</b>				
Interest charge	4,915	5,076	4,915	5,076
Repayment of finance lease liability	3,289	3,179	3,289	3,179
Service element and other charges to operating expenditure	4,833	4,585	4,833	4,585
Capital lifecycle maintenance	778	667	778	667
Contingent rent	2,609	2,309	2,609	2,309
<b>Total amount paid to service concession operator</b>	<b>16,423</b>	<b>15,816</b>	<b>16,423</b>	<b>15,816</b>

### 31 Off-SoFP PFI, LIFT and other service concession arrangements

The Foundation Trust does not have any off-SoFP PFI, LIFT or other service concession arrangements.

## 32 Financial instruments

### 32.1 Financial risk management

#### Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the service provider relationship that the Foundation Trust has with clinical commissioning groups, NHS England and local authorities and the way those commissioners of healthcare are financed, the Foundation Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Foundation Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Foundation Trust in undertaking its activities.

The Foundation Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the policy agreed by the board of directors. The Foundation Trust's treasury activity is subject to review by the Foundation Trust's internal auditors.

#### Currency risk

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

#### Interest rate risk

The Foundation Trust is permitted to borrow to fund capital expenditure, subject to affordability as confirmed by Monitor, the Independent Regulator of Foundation Trusts.

In 2014, the Foundation Trust borrowed £10 million from the Department of Health at a fixed rate of interest of 2.80%. £8.5m of this loan remained outstanding at 31 March 2017 and therefore the Foundation Trust has a low exposure to interest rate risk.

#### Credit risk

Because the majority of the Foundation Trust's income comes from contracts with other public sector bodies, the Foundation Trust has low exposure to credit risk. The maximum exposures as at 31 March 2018 are in receivables from customers, as disclosed in the trade and other receivables note.

#### Liquidity risk

The Foundation Trust's operating costs are incurred under contracts with CCGs, NHS England and local authorities, which are financed from resources voted annually by Parliament. The Foundation Trust funds its capital expenditure from internally generated resources plus a fixed interest loan from the Department of Health. The Foundation Trust is not, therefore, considered to be exposed to significant liquidity risks.

#### Charitable Fund investment

The Charity's investments are managed by the investment managers, Investec, on a discretionary basis with an objective to provide a balance between capital growth and income whilst maintaining a medium level of risk. The Charitable Funds Committee receives regular updates from the investment advisers including full quarterly reports and uses this information to review and confirm the policy on managing the portfolio. The value of the investment portfolio at 31 March 2018 is £4,321k (2016/17 - £4,302k) and generated income of £100k (2016/17 - £109k). The Charitable Funds Committee Chairman and the Executive Director of Finance are notified if the portfolio value falls by a material sum and advice on required actions to minimise risk is taken from the investment managers.



### 32.2 Carrying values of financial assets

Group	Loans and receivables £000	Assets at fair value through the I&E £000	Held to maturity £000	Available-for-sale £000	Total book value £000
<b>Assets as per SoFP as at 31 March 2018</b>					
Embedded derivatives	-	-	-	-	-
Trade and other receivables excluding non financial assets	75,884	-	-	-	75,884
Other investments / financial assets	-	-	-	-	-
Cash and cash equivalents	53,884	-	-	-	53,884
Consolidated NHS Charitable fund financial assets	896	-	-	4,321	5,586
<b>Total at 31 March 2018</b>	<b>131,032</b>	<b>-</b>	<b>-</b>	<b>4,321</b>	<b>135,353</b>

Trade and other receivables (excluding non financial assets) are classed, under IFRS13 as Level 1, i.e. there are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date

A prior period adjustment has been made to remove an 'Other Financial Asset' of £10.5m from the opening balances. This asset related to amount reported in 2016/17 as due from Commissioners in relation to liabilities of the Greater Manchester Pension Fund. Following an independent valuation, the value of this asset has been assessed as £nil following the pension accounting standard (IAS19).

Group	Loans and receivables £000	Assets at fair value through the I&E £000	Held to maturity £000	Available-for-sale £000	Total book value £000
<b>Assets as per SoFP as at 31 March 2017</b>					
Embedded derivatives	-	-	-	-	-
Trade and other receivables excluding non financial assets	41,705	-	-	-	41,705
Other investments / financial assets	-	-	-	10,546	10,546
Cash and cash equivalents	57,886	-	-	-	57,886
Consolidated NHS Charitable fund financial assets	896	-	-	4,302	5,198
<b>Total at 31 March 2017</b>	<b>100,487</b>	<b>-</b>	<b>-</b>	<b>14,848</b>	<b>115,335</b>

### 32.3 Carrying values of financial liabilities

	Other financial liabilities £000	Liabilities at fair value through the I&E £000	Total book value £000
<b>Liabilities as per SoFP as at 31 March 2018</b>			
Embedded derivatives	-	-	-
Borrowings excluding finance lease and PFI liabilities	7,952	-	7,952
Obligations under finance leases	-	-	-
Obligations under PFI, LIFT and other service concession contracts	101,767	-	101,767
Trade and other payables excluding non financial liabilities	98,637	-	98,637
Other financial liabilities	-	-	-
Provisions under contract	13,077	-	13,077
Consolidated NHS charitable fund financial liabilities	(0)	-	(0)
<b>Total at 31 March 2018</b>	<b>221,433</b>	<b>-</b>	<b>221,433</b>

In assessing the fair value of the PFI liability the Trust has used the book value as the intrinsic rate (7.39%) is higher than the treasury discount rate (3.5%).

	Other financial liabilities £000	Liabilities at fair value through the I&E £000	Total book value £000
<b>Liabilities as per SoFP as at 31 March 2017</b>			
Embedded derivatives	-	-	-
Borrowings excluding finance lease and PFI liabilities	8,464	-	8,464
Obligations under finance leases	-	-	-
Obligations under PFI, LIFT and other service concession contracts	105,045	-	105,045
Trade and other payables excluding non financial liabilities	87,399	-	87,399
Other financial liabilities	-	-	-
Provisions under contract	9,644	-	9,644
Consolidated NHS charitable fund financial liabilities	64	-	64
<b>Total at 31 March 2017</b>	<b>210,616</b>	<b>-</b>	<b>210,616</b>

### 32.4 Fair values of financial assets and liabilities

The fair value of all assets and liabilities is reported as being equal to their book value which the Trust considers to be materially the same as the fair value.

The Charitable Funds do not have any non-current financial liabilities.

### 32.4 Maturity of financial liabilities

	31 March 2018 £000	31 March 2017 £000
In one year or less	110,427	96,778
In more than one year but not more than two years	5,354	4,262
In more than two years but not more than five years	14,233	14,564
In more than five years	91,419	95,012
<b>Total</b>	<b>221,433</b>	<b>210,616</b>

### 33 Losses and special payments

Group and Trust	2017/18		2016/17	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
<b>Losses</b>				
Cash losses	7	1	24	14
Bad debts and claims abandoned	41	2	91	45
Stores losses and damage to property	2	49	1	127
<b>Total losses</b>	<b>50</b>	<b>52</b>	<b>116</b>	<b>186</b>
<b>Special payments</b>				
Ex-gratia payments	56	716	24	98
<b>Total special payments</b>	<b>56</b>	<b>716</b>	<b>24</b>	<b>98</b>
<b>Total losses and special payments</b>	<b>106</b>	<b>769</b>	<b>140</b>	<b>284</b>
Compensation payments received				

### 34 Gifts

The total values of gifts received during the year is below the reporting threshold of £300k

	2017/18		2016/17	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Total gifts	105	64	58	27

### 35 Related parties

Salford Royal NHS Foundation Trust is a public interest body authorised by NHS Improvement.

Certain members of the Board of Directors, key members of staff (or parties related to them) and members of the Council of Governors have connections with organisations which also have transactions with the Foundation Trust. These are listed below.

Other related parties include local authorities, HM Revenue and Customs, the NHS Pensions Agency and Greater Manchester Pension Fund.

The Department of Health is regarded as a related party and the parent organisation of the Trust. During the year Salford Royal NHS Foundation Trust has had a significant number of material transactions with the Department itself, and with other NHS bodies for which the Department is also regarded as the parent Department. These entities include:

- NHS England
- Clinical Commissioning Groups including:
  - Salford CCG
  - Bolton CCG
  - Bury CCG
  - Manchester CCG
  - Trafford CCG
  - Wigan CCG
- NHS Foundation Trusts and Trusts including:
  - Greater Manchester Mental Health Foundation Trust
  - Pennine Acute Hospitals NHS Trust
- NHS Resolution
- NHS Business Services Authority

The Foundation Trust has also received revenue income from Salford Royal NHS Foundation Trust Charitable Fund, of which it is Corporate Trustee. Amounts relating to the Charitable Fund are consolidated into the group figures within these financial statements.

### 36 Prior period adjustments

A material prior period error has been corrected from 2016/17 with the removal from the opening balances of 'Other Assets' £10,546k.

This asset matched the net liability of the Greater Manchester Pension Fund as at 31 March 2016 and was recognised in the 2016/17 financial statements to reflect the Foundation Trust's right to reimbursement of pension liabilities. The Trust has reconsidered the substance of the arrangement and determined that the financial statements should not include a reimbursement right asset. A prior period adjustment to correct this error has been made in these accounts reducing the value of the non-current asset to £nil.

### 37 Events after the reporting date

There are no events to report after the reporting period.

### 38 Better Payment Practice code

	2017/18 Number	2017/18 £000	2016/17 Number	2016/17 £000
<b>Non-NHS Payables</b>				
Total non-NHS trade invoices paid in the year	112,116	348,849	99,274	290,249
Total non-NHS trade invoices paid within target	92,065	274,316	82,564	258,713
Percentage of non-NHS trade invoices paid within target	82.12%	78.63%	83.17%	89.13%
<b>NHS Payables</b>				
Total NHS trade invoices paid in the year	5,822	112,289	3,737	106,782
Total NHS trade invoices paid within target	4,382	82,212	2,718	97,093
Percentage of NHS trade invoices paid within target	75.27%	73.21%	72.73%	90.93%

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

### Contacting Salford Royal

Salford Royal welcomes feedback from patients about its services. There are a number of different ways in which you can contact us or give us your views.

If you have an issue which you wish to raise about your care then you should initially discuss this with the ward or departmental staff in the area you are being cared for. Local staff are usually best placed to be able to answer questions about your own care, or those of your relatives.

We recognise that in some circumstances patients or relatives may prefer to discuss the matter with someone not directly involved in their care. In those circumstances you can also contact the Patient Advice and Liaison Service (PALS) on:

Tel: **0161 206 2003**

You can also email: **pals@srft.nhs.uk**

### Social Media

You can follow the Trust and its news and events on Twitter or Facebook @SalfordRoyalNHS

### Report Publication

The Annual Report, Quality Report and Annual Accounts are published on line at [www.srft.nhs.uk](http://www.srft.nhs.uk) A printed copy is available free of charge, and in different formats, by contacting the Communications Department on

Tel: **0161 918 4284**

or email: **enquiries@srft.nhs.uk**



Salford Royal **NHS**  
NHS Foundation Trust

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