

**SOUTH TYNESIDE NHS FOUNDATION TRUST**

**Annual Report and Accounts 2017 to 2018**



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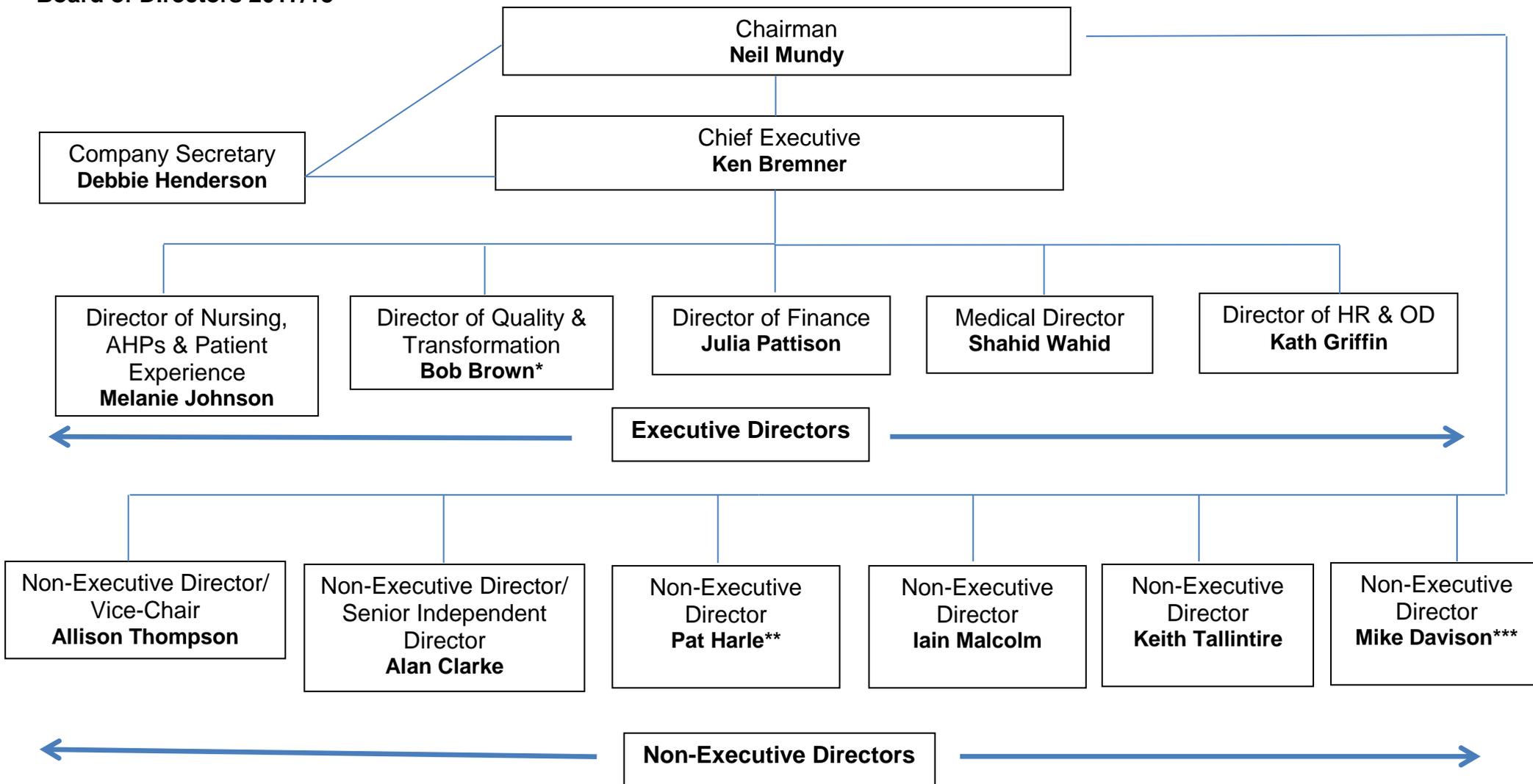
**Annual Report and Accounts 2017 to 2018**

**Presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the  
National Health Service Act 2006**



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**Board of Directors 2017/18**

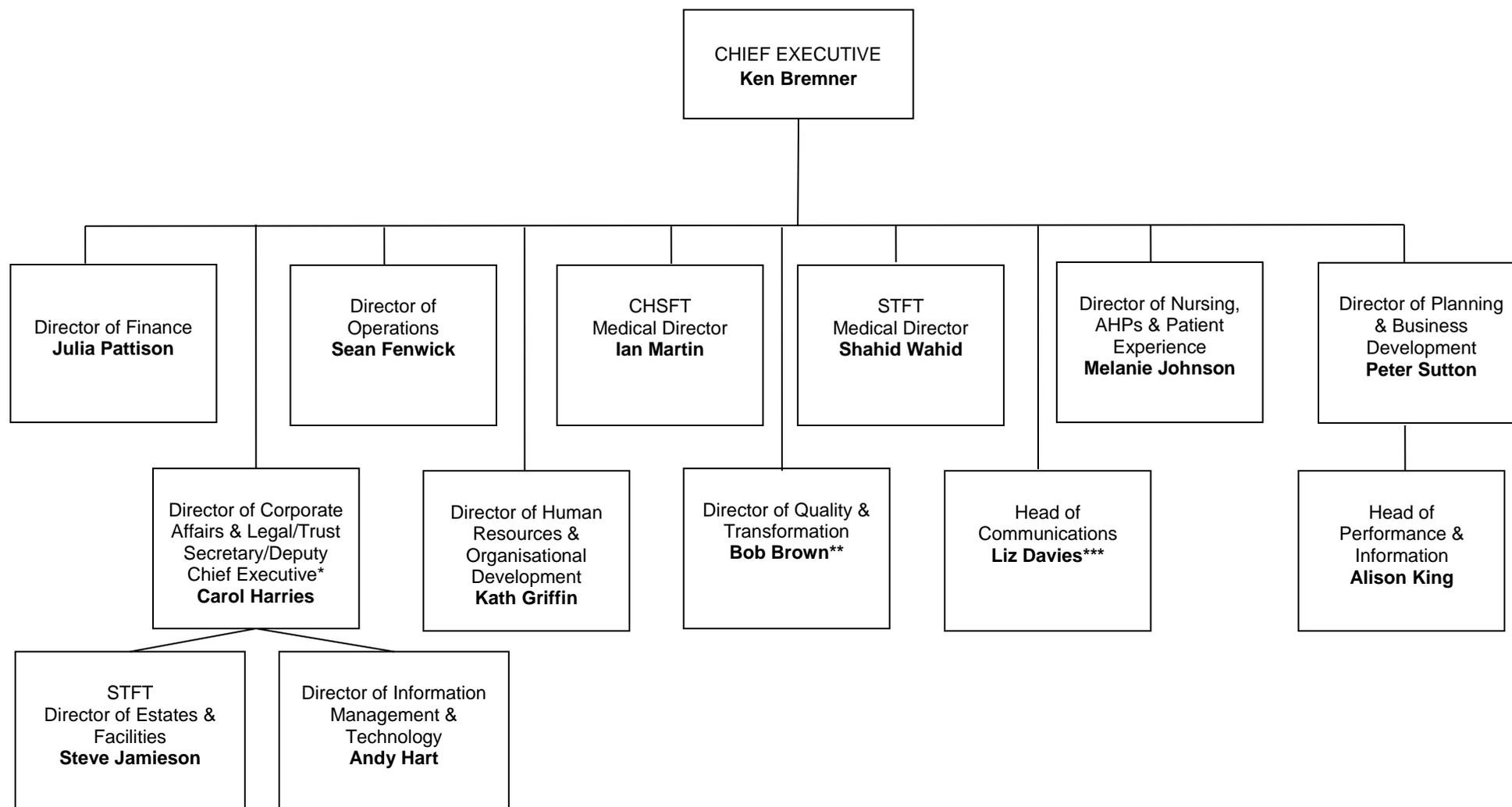


\* Until 31<sup>st</sup> August 2017

\*\* Stood down from 1<sup>st</sup> January 2018

\*\*\* From 26<sup>th</sup> July 2017

## Single Executive and Management Team



\* Deputy Chief Executive from 1<sup>st</sup> November 2017

\*\* Until 1<sup>st</sup> September 2017

\*\*\* From 3<sup>rd</sup> July 2017

## **Chairman's Statement**

I am very pleased to present the Annual Report for South Tyneside NHS Foundation Trust for 2017/18.

Last year was probably the most challenging the NHS has faced so far and locally this was our experience both clinically and financially. The pressure on staffing was particularly severe and in December resulted in the temporary closure of the Special Care Baby Unit and births in the Maternity Service.

Despite those major pressures, the Trust has achieved significant improvements in providing the right care to our patients and this was recognised in the recent CQC report. Whilst there are still areas requiring improvement and these are in hand, our teams have responded magnificently with strong performance in A&E and other services, with recognition in national awards for research and other activities. All of this has been possible due to the professionalism and sheer commitment of our staff and I would like to record my thanks to them all.

The Trust has been subject to particularly harsh financial pressures in 2017/18. Unlike 2016/17 it has not been possible to achieve the entire Cost Improvement Programme required to meet our Control Total targets. The Trust's regulator NHS Improvement has recognised that the Trust has nevertheless secured more than the national average and this has been viewed favourably, as has our approach to longer term planning for sustainability.

Important Government announcements have been promised in the summer regarding the future funding of the NHS. However in the immediate term, for Trusts like ours, it is again likely to be a very challenging year ahead. The care the Trust provides must therefore be managed carefully and sensitively and the Trust will remain focused on delivering the right care for our patients and service users.

Steady progress is being made to improve safety, quality and sustainability of those services provided by the Trust through the Alliance with our partners City Hospitals Sunderland NHS Foundation Trust. Benefits are already being experienced in recruitment of consultants, improved flexibility in managing staffing pressures and wider efficiencies in the day-to-day operation of the Trust.

There has been considerable national and regional media coverage of the Sustainability and Transformation Partnerships (STP). In our area, the STP is consistent with plans already being pursued by the two Trusts under the Alliance of South Tyneside and Sunderland Healthcare Group. The intention now is to consider closer working with City Hospitals Sunderland and this has already been made public. The programme of clinical service reviews started last year and the decisions on Phase 1 of the 'Path to Excellence' Programme covering Stroke, Maternity and Paediatrics were announced by the Clinical Commissioning Groups in February 2018.

We continue to work closely with our local Health and Social Care partners in the Local Authority, third sector, Police, Fire and Rescue and our Commissioners, including through the work of the South Tyneside Health and Wellbeing and Partnership Boards. It is important for the Trust to ensure that we play an active part in the life of our local community.

I wish to express sincere thanks to our Council of Governors, both past and present, for their commitment, hard work and continued support to help develop the Trust's future priorities and shape our services across the communities the Trust serves. The Council of Governors, made up of elected staff and public governors and stakeholders appointed by partner organisations, are an invaluable link between the Trust, our staff, public members and local communities. Thanks also to our volunteers who give so generously their time and resources to support the Trust, staff and patients.

I would like to express my thanks to Ken Bremner, Chief Executive, and all of my colleagues on the Board of Directors for their expertise, unwavering support and leadership during the year. I would also like to take an opportunity to thank Pat Harle, who served as the Trust's Non-Executive Director for five years, until standing down on 31<sup>st</sup> December 2017. Pat's unwavering commitment to high quality, safety and patient care was beyond reproach and she will be sorely missed by her colleagues, staff and patients alike.

2018 is the 70th Anniversary of the NHS and will be a time to celebrate the achievements of one of the nation's most beloved institutions. It will be a special opportunity to appreciate the vital role the NHS plays in our lives, and to recognise and thank our own extraordinary staff.

A handwritten signature in black ink, appearing to read 'Neil Mundy', with a stylized flourish at the end.

**Neil Mundy**  
**Chairman**  
**23<sup>rd</sup> May 2018**

## Chief Executive's Statement

This is now my second year as Chief Executive of South Tyneside NHS Foundation Trust, and it's fair to say that the NHS is going through what's likely to be its most challenging time in history, but again the commitment, dedication and tenacity from all staff to put patients first and drive forward innovation has been clear to see.

Although much has been written about the operational and financial pressures facing the NHS, and we're by no means immune to those pressures, I wanted to take an opportunity to reflect on the positives and real achievements made by the Trust this year.

Our Alliance with City Hospitals Sunderland NHS Foundation Trust under the banner of the South Tyneside and Sunderland Healthcare Group has gone from strength to strength and has brought many benefits to our staff, patients and stakeholders this year. We were among only 18 NHS organisations designated a digital "fast follower" working with City Hospitals Sunderland, who were previously chosen as one of only 16 'Global Digital Exemplars', trialling the next generation of information technology to drive radical improvement in patient care. This will mean that South Tyneside can focus on systems that cross organisational boundaries to deliver joined up care for patients in our area. I am delighted that Christian Frey is taking on the lead Chief Clinical Information Officer role as part of this exciting development.

Other benefits of our joint working this year have included bringing cataract surgery closer to home for South Tyneside patients, improvements in stroke care, the appointment of our first ever kidney consultant and access to treatment more locally, reducing the number of pressure ulcers in our care, implementing 'point of care testing' for flu to manage winter pressures, launch of the Carers' Charter, and joint recruitment initiatives to address some of our workforce pressures which are being felt across the NHS at a national level, to name but a few.

This year, almost two years into our partnership with Sunderland, the Boards of both South Tyneside NHS Foundation Trust and City Hospitals Sunderland NHS Foundation Trust outlined their intention to explore coming together more formally as one organisation in the future so that we can continue to realise the benefits working in partnership can bring. This marks the beginning of that journey and we'll be taking our Governors, staff, patients and stakeholders with us as we go.

The full detail on the financial performance of the Trust is provided in the body of this report, but despite the valiant efforts of our teams across the Trust, we did not meet our challenging Control Total for the year. The main reason for this was our inability to deliver the ambitious Cost Improvement Programme and as a consequence, we were not eligible to receive the £4.2m Sustainability and Transformation Fund funding available. This has however, re-emphasised the point that we need to develop a longer term 3 – 5 year plan for the wider health economy so we can make sure we're sustainable in the longer term, rather than reacting to financial pressures year-on-year, often with one off measures.

Our operational performance however remained strong throughout the year. The increasing demand on emergency services meant that the national A&E 4-hour waiting time standard remained below 95%, as did the Trust's performance which stood at 94.35% for the year. Despite this, we still ranked in the top 25% of Trusts nationally.

Our cancer performance and Referral to Treatment Time performance was excellent, and shows that we continue to provide excellent access to all services, supported by diagnostic performance which also remained above target for the year; a great result against the backdrop of an extremely challenging year.

When reflecting on any year in the NHS there are moments that really bring you back to reality and remind you why we do what we do, and why working in healthcare still remains a vocation and not just a job. That moment for me came during the winter period, and we will always remember the 'beast from the east'! There is no doubt the 'beast' brought additional pressures in terms of service delivery but importantly, services in South Tyneside remained safe. Not least because of the sheer dedication, willingness and commitment of staff who displayed extraordinary efforts to care for patients. Members of staff stayed overnight on site, drove for hours to get to work, and some walked for miles in the snow, wind and cold to make sure they could be there for their patients. I can't thank staff enough not only for their courageous efforts, but also for demonstrating public service at its best.

While acknowledging our workforce, it gives me great pleasure to reflect on the staff, departments, teams and services which have again demonstrated that their efforts do not go unnoticed. The Gastroenterology Team scooped a North-East led Partnership Award for ground-breaking research with potential to save lives and we became the first employer in South Tyneside to be awarded ambassador status for improving health and wellbeing of staff.

The Trust's work on reducing patient falls is now in the national spotlight. This follows a 53% reduction in falls leading to harm in the Trust following a 90 day falls collaborative pilot. Now, we hope to support other Trusts' across the NHS by sharing best practice and innovation in falls prevention. We also took the opportunity to raise awareness of the Trust's growing reputation as a centre of excellence for knee surgery this year. The Trust was one of the first in the country to successfully treat patients with debilitating knee arthritis by performing partial joint replacement surgery helping patients go home on the same day as surgery.

Ward 19, providing care for frail, older people, had 'the mark of quality' by retaining the Royal College of Psychiatrists' Quality Mark for Elderly Friendly Hospital Wards, only 40 wards across England have achieved the quality mark to date – a tremendous achievement!

The Trust has also taken the lead in helping to change lives in India. A team of clinicians comprised of clinical representatives from Trusts around the region, led by South Tyneside, gave up their own time and visited Walawalkar Hospital in Dervan, on India's West Coast to perform more than 100 life-changing procedures. The specialities included urology, plastics, orthopaedics, eye and general surgery, gynaecology, radiology, anaesthetics, physiotherapy and acute pain management. I'm sure everyone would agree that such examples are reminders of how fortunate we are in the NHS.

Whilst talking about excellence in health and care, it would be remiss of me not to mention Haven Court. 2016/17 marked its first year of operation as a state of the art Integrated Care Hub, providing support for elderly residents of South Tyneside, particularly those with dementia and in April 2017, it received an award for 'Best Inclusive Building' in the LABC Northern Building Excellence Awards. August 2018 will

mark the facility's second birthday, when we'll be celebrating its contribution to the local community.

While appreciating the Annual Report is an opportunity to reflect on the past year in the Trust, I always think it's good to end with a focus on the future. Our Alliance with City Hospitals Sunderland has enabled both Trusts to work more closely together in partnership to improve outcomes for patients, but now we acknowledge that the challenges, both financial and operational, are not going to abate. We need to start thinking about securing the future delivery of high quality, safe health and care services across both South Tyneside and Sunderland, not only in the short term, but the longer term for our future generations.

I said last year that I shared the anxieties of the local communities about our ability to improve, strengthen and sustain services; both in and out of hospital, to get the very best out of both Trusts, to ensure the residents and patients of South Tyneside get access to the highest quality services they truly deserve. The past year, with some very real service issues in areas like the Special Care Baby Unit, has demonstrated clearly to me that our vision for a 'Path to Excellence' is absolutely the right one. We have already shown that services can be stronger, safer and more sustainable as a result of common operating models and shared resources that address the myriad of financial and other challenges that await us in the future. We are truly at the forefront of innovation where we can influence and shape change, and ensure the voice of our staff, patients and residents in South Tyneside are reflected in our plans and our journey together.

Finally a word about the CQC. When I arrived here in 2016 the organisation had just received a 'Requires Improvement' rating from its first inspection and a little later that year, formal concerns about safeguarding. Last year we were inspected again by the CQC – this time a Well Led inspection – which I'm pleased to say confirmed the clear progress we've made to improve the quality and safety of our services. We're not at 'Good' yet, but hopefully on the way.

I want to personally thank our Chairman, Neil Mundy, who has continued to lead the Board through a challenging year, and provided support to both myself and my Executive colleagues. I would also like to thank the Board for its leadership, dedication and commitment. Thank you also to our Governors and volunteers who continue to give up their time freely for the greater good and lastly, but most importantly, our staff who work so hard to achieve the best for the people we provide care to.

It's the NHS' 70<sup>th</sup> birthday on 5<sup>th</sup> July 2018, and 2017/18 has provided more opportunities than we could have hoped for to remind us of why we work in health.... contributing to the health and wellbeing of thousands of people every day!



**Chief Executive**  
**23<sup>rd</sup> May 2018**

# 1. PERFORMANCE REPORT

## Principal Activities of South Tyneside NHS Foundation Trust

The Trust's principal activities are:

- General Surgery
- Trauma and Orthopaedics
- Urology
- ENT
- Ophthalmology
- Oral surgery
- Plastic Surgery
- Accident and Emergency (A & E)
- Anaesthetics
- General Medicine
- Haematology
- Clinical Pharmacology
- Cardiology
- Gastroenterology
- Neurology
- Paediatrics
- Geriatric Medicine
- Specialist Palliative Care
- Health Visiting
- Obstetrics
- Gynaecology
- Radiology
- Chemical Pathology
- Diabetic Medicine
- Respiratory Medicine
- GI Surgery
- Speech and Language Therapy
- Podiatry
- Sexual Health
- Community Learning Disability
- Home Assessment and Therapy
- Home Care Support
- District Nursing
- Community Matrons
- Intermediate Care
- Urgent Care
- School Nursing

## Our History

South Tyneside NHS Foundation Trust was authorised as an NHS Foundation Trust by Monitor (now NHS Improvement), the Independent Regulator of Foundation Trusts, on 1 January 2005. The principal purpose of the Trust is the provision of goods and services for the purposes of the health service in England. This does not preclude the provision of cross-border services to other parts of the United Kingdom. The Trust must comply with the Provider Licence conditions, and non-compliance may result in enforcement action by NHS Improvement. The Trust must also act in accordance with the terms of its legally binding contracts with commissioners.

On 1 July, 2011 the Community Health Services for the Gateshead, South Tyneside and Sunderland Primary Care Trusts transferred to the Trust under the Transforming Community Services initiative.

## Our Purpose, Aims and Objectives

### Vision

For a number of years the Trust's vision has been to provide the best care for our patients, in the best place, at the right time. Our vision is underpinned by our aims and values, which are:-

#### Aims:

- To deliver high quality and safe services for our patients;
- To continuously improve our services;
- To ensure our financial performance is strong;
- To deliver excellent partnerships for the benefits of our patients;
- To be an excellent employer; and
- To always listen, learn and act, by adopting a "you said/we did" approach

#### Values:

- We CHOOSE to go further to achieve patient outcomes;
- We CHOOSE to go further to improve patient safety;
- We CHOOSE to go further to provide compassionate care;
- We CHOOSE to go further to value our staff; and
- We CHOOSE to go further to work in partnership

During 2017/18, the Trust in collaboration with City Hospitals Sunderland NHS Foundation Trust, looked to build on the alliance, established through the development of the South Tyneside and Sunderland Healthcare Group, and looked to develop one vision and one set of values, covering both trusts. This shared vision is:

*"To deliver nationally recognised, high quality, cost effective, sustainable healthcare for the people we serve, with staff who are proud to recommend our services"*

To achieve our shared vision, we make it our mission to:

- Provide a wide range of high quality, safe and accessible healthcare services;
- Recruit, retain and motivate skilled and compassionate staff, who are proud to act as ambassadors of the service they provide;
- Be the employer of choice in the North East of England;
- Listen, learn and innovate; and
- Ensure financial performance provides value for money

This is supported by our shared values:

- Compassionate and dignified, high quality, safe patient care, always the first priority;
- Working together for the benefit of our patients and their families or carers;
- Openness and honesty in everything we do;
- Respect and encouragement for our staff; and
- Continuous improvement through research and innovation

This shared vision was formally launched during 2017/18 and helps strengthen the partnership approach across the two Trusts, with all staff working to a shared vision, mission and set of values.

## **Strategic Update**

### **South Tyneside and Sunderland Healthcare Group (the Healthcare Group)**

The South Tyneside and Sunderland Healthcare Group is an alliance between City Hospitals Sunderland NHS Foundation Trust (CHSFT) and South Tyneside NHS Foundation Trust (STFT). The two organisations have formally committed to collaborating to transform services to ensure that the local communities they both serve will continue to receive high quality, safe and sustainable hospital and community health services in the future.

During 2017/18, the Group has continued to work together to identify opportunities to improve the quality and sustainability of some of our hospital services. This follows on from the recognition from both Trusts of the exceptional demand and financial pressures facing the NHS, and acknowledgement that without significant change, many Trusts will not be sustainable in the future. Looking ahead it is clear that delivering sustainable, high quality services that are financially viable for our local populations is essential for patients and taxpayers alike. We have continued to work together on the 'Path to Excellence' Programme, a programme of clinical and support service reviews to identify opportunities to transform services onto a more sustainable footing and in some cases there are also opportunities to improve performance and enhance quality of care and patient safety.

### **Clinical Service Reviews**

The review of clinical services is a large scale programme covering both CHSFT and STFT. The reviews continued during 2017/18 and it is expected that all clinical services will be reviewed as part of the Clinical Service Review programme over the next two years. These reviews are clinically led and each team are asked to address four key issues:

1. Clinical efficacy and sustainability;
2. Accessibility and choice;
3. Deliverability and capacity; and
4. Affordability and financial sustainability

The first phase of work covered Stroke Services, Urgent and Emergency Paediatric Services, and Obstetrics and Gynaecology Services, and these services were subject to an extensive consultation exercise over the summer of 2017 (over 14 weeks long). After receiving and considering feedback from staff, members of the public and other key stakeholders, Sunderland and South Tyneside Clinical Commissioning Groups (CCGs) met in February 2018 to make their decisions on the future of these services.

For Maternity (Obstetrics) and Women's Healthcare (Inpatient Gynaecology) services, both CCGs recommended the following to be taken forward for implementation:

- A new midwife-led Birthing Centre at South Tyneside District Hospital for low risk deliveries;
- Consultant-led maternity care for high risk deliveries and co-located midwifery-led care at Sunderland Royal Hospital (including Special Care Baby Unit and Neonatal Intensive Care);
- Outpatient antenatal and postnatal care to continue at both sites;
- Community midwifery care delivered through a joined up team across both South Tyneside and Sunderland; and
- Gynaecology outpatients to continue on both sites (with the majority of day case surgery at South Tyneside District Hospital and inpatient surgery at Sunderland Royal Hospital)

For Stroke Services, both CCGs recommended the following to be taken forward for implementation:

- To combine all hyper acute and acute stroke care at Sunderland Royal Hospital; and
- All hospital-based acute rehabilitation to be delivered at Sunderland Royal Hospital

The decision on Urgent and Emergency Paediatrics services was more complicated with both CCGs recommending the following to be taken forward for implementation:

- A day time nurse-led paediatric minor injury/illness service at South Tyneside District Hospital and 24/7 paediatric emergency department at Sunderland Royal Hospital as the most sustainable long-term model;

However, both CCGs recognise that it will take a period of time for work to be done to develop the nursing workforce to make this option deliverable. Both CCGs have therefore also recommended that:

- A day time medical-led paediatric emergency department and children's short stay assessment unit at South Tyneside District Hospital and 24/7 paediatric emergency department at Sunderland Royal Hospital, for implementation in the immediate short-term as a transitional step towards the option above;
- For both services, following feedback gained from the consultation, the CCGs have agreed to amend the opening hours from 8am until 10pm (rather than 8am until 8pm) with a two hour period after 10pm (internally) to allow children to be treated, discharged or transferred;
- Outpatient and community-based paediatric services would continue locally in both South Tyneside and Sunderland.

These decisions are very important and mean we can now start looking to the future to build resilient models of care that will not only help safeguard local NHS services for many future generations, but also improve the quality of care and clinical outcomes for people living in South Tyneside and Sunderland today.

The original ambition was to work towards implementation by April 2019 and, in the case of paediatrics, to have the transitional model in place by April 2019 and work towards full implementation of the nurse-led model by April 2021.

Disappointingly, following the decisions made by both CCGs, the South Tyneside and Sunderland Joint Health Overview and Scrutiny Committee (JHOSC) has decided to

refer the decisions made to the Secretary of State for Health. Along with both CCGs, we have asked the JHOSC to make this process as swift as possible in order to minimise risks to service continuity given the fragility in these areas, but also to minimise any delays to implementation which will inevitably cause further uncertainty for our staff and patients.

We have already seen the consequences of such vulnerabilities in our services which included the decision to suspend the delivery of babies at South Tyneside District Hospital from 4<sup>th</sup> December 2017 on the grounds of safety due to acute staffing pressures in the service. Fortunately, the delivery of babies at the hospital resumed from 22<sup>nd</sup> January, but the service still remains very fragile, and the situation will be continually monitored to ensure a safe staffing rota is available.

## **Community Services**

In South Tyneside, we continued to support the integration of services and are actively involved in the development and refinement of 'health pathways'. Our clinical teams are working in partnership with local GPs to assist with the care and management of patients within South Tyneside.

'Health Pathways' are accessible to GPs during clinical consultations with patients and provide an up-to-date, step-by-step resource for the management of numerous clinical conditions. Each pathway includes information on self-care, social prescribing, available third sector support and referral processes to specialist services appropriate to the individual pathway. Our planned and unplanned care teams have been working more closely together to ensure the patient receives the best care from the most appropriate skilled staff member.

In addition, we have been successfully piloting the development of an Assistant Practitioner role to give insulin injections using a rigorous competency based approach with full governance in place to support. Going forward, this enhanced Health Care Assistant role will free capacity in the Planned Care Team allowing the qualified nurses to give more time to the more complex patients on their caseload, supporting the patients to proactively manage their care and ensure early intervention, hopefully preventing crises and hospital attendances/admissions.

We are working closely with CCG colleagues in supporting the redesign of Learning Disability Services and moving to a more Integrated Health and Social Care Model for this client group. Plans are progressing at a local level and the first step will be co-location of staff which is expected to happen in 2018/19.

We have also been working with colleagues in progressing integrating children services in South Tyneside, similar to the model for adults which is already in place. We have supported the Public Health Department in developing a new service model for the 0 – 19 year olds service in South Tyneside. This has been a difficult journey for staff as the new contract value is significantly less going forward, but the reduction in resource has been successfully managed through natural wastage.

In Sunderland, Sunderland CCG is one of a small number of health and social care communities across the country to have been awarded national 'Vanguard' status by NHS England. Launched in 2015, 'All Together Better' is designed to improve care standards for local people in the city while using NHS services in a more cost effective

and targeted way. Although, the formal 'vanguard' programme came to an end in March 2018, looking ahead, the integration of health and social care services will continue and there is a strong commitment amongst partner organisations, both providers and commissioners, to take forward alliancing arrangements and deliver the ambition that was described by Sunderland CCG as a Multi-Speciality Community Provider (MCP) in Sunderland. The underlying logic is that by focusing on prevention and redesigning care, it is possible to improve health and wellbeing, achieve better quality, reduce avoidable hospital admissions and elective activity and unlock more efficient ways of delivering care. This will be an important piece of work during 2018/19 and both the Trust and CHSFT are working closely with other partners, including Northumberland, Tyne and Wear Mental Health NHS Foundation Trust, Sunderland Care and Support and the recently established Sunderland GP Alliance to support the redesign of services and how alliancing arrangements could be established going forwards.

We have been working with Sunderland CCG to redesign the Long Term Conditions rehabilitation pathway for patients to improve uptake and to reach those patients who are at high risk of developing a long term condition, but who as yet may not have a diagnosis. It is hoped the new model, which will be in place by summer 2018, will support people to take a greater interest and more responsibility for their own health through interactive education and supported exercise.

Our Adult and Children's Community Mental Health Services across Gateshead, Sunderland and South Tyneside continue to perform very well and are among some of the best in the country for access times. The CQC undertook a national benchmarking exercise in 2017/18 in South Tyneside and reported very positively about the Lifecycle Service.

Our Sexual Health Services in Gateshead and South Tyneside continue to perform well with Gateshead Local Authority Public Health Department reporting a significant improvement in Chlamydia rates in the Borough, linked with the service key performance indicators. This service is due to be re-tendered during 2018/19.

One major disappointment for the organisation in 2017/18 was the loss of two large community contracts, known as the 0-19 Service, covering health visiting and school nursing. Both Gateshead and Sunderland Council awarded the contracts to Harrogate and District NHS Foundation Trust, with the service transferring in the summer of 2018. We will ensure that during this difficult period of transition for staff we will support them as much as possible and we thank them for the service they have provided to the Trust and to the children and families of Gateshead and Sunderland.

### **The Wider Health Economy**

The Trust's plans are fully supported by local commissioners and other key stakeholders and these plans have been discussed with local commissioners through various forums and they fully support the Trust's direction of travel. South Tyneside and Sunderland CCGs (as STFT is the main provider of community services in Sunderland) have developed 5-year strategies which describe their vision of achieving better outcomes for their residents and both are supported by three high level goals:

	South Tyneside CCG	Sunderland CCG
<b>Vision</b>	<b>Better Health for South Tyneside</b>	<b>Better Health for Sunderland</b>
<b>Objectives</b>	<ol style="list-style-type: none"> <li>1. People are able to take greater responsibility for their own health.</li> <li>2. People are able to stay well in their own homes and communities</li> <li>3. People receive timely and appropriate complex care</li> </ol>	<ol style="list-style-type: none"> <li>1. Enabling self-care and sustainability to ensure the NHS can survive and thrive in the future.</li> <li>2. Transforming out-of-hospital care (through joining up hospital and social care and enabling seven day working).</li> <li>3. Transforming in-hospital care, specifically urgent and emergency care (and enabling seven day working).</li> </ol>

Looking ahead into 2018/19, given the financial pressures facing STFT, CHSFT and local commissioners there is a recognition and acceptance that the traditional approach to cost savings, will not deliver the savings required over the coming years.

The local healthcare partners (STFT, CHSFT, Sunderland CCG and South Tyneside CCG) with support from Local Authority colleagues have committed to, and are working together, to develop a sustainable financial recovery plan. This overall plan will cover the geographies of South Tyneside and Sunderland, both in and out of hospital.

A series of system wide clinical engagement events have been held to discuss how the system can be transformed to deliver better outcomes, whilst using our resources more effectively. The outputs from these events are helping to shape and develop new ways of working and a new governance framework is being produced to oversee the delivery of the plan. This will build on the work that the local health system has been developing, individually and collectively, and covers existing transformation programmes such as the 'Path to Excellence' across both Trusts, the Multi-Specialty Community Provider work led by Sunderland CCG and Alliancing approach led by South Tyneside CCG, and brings this work together into a common governance structure across all partners.

## Overview of Performance

The purpose of this section is to provide a short summary of the organisation, its purpose, the key risks to the achievement of its objectives and how it has performed during the year. Our performance management framework tracks progress against Key Performance Indicators (KPIs). This is based on our strategic objectives and is shared with our Board on a monthly basis. The Trust's Board Assurance Framework outlined the key risks to achieving our strategic objectives, assurance and controls in place to mitigate these risks, gaps in assurance and controls and actions required to further mitigate risks, including achievement of KPIs. Further information on our performance and assurance frameworks, and risk management processes can be found in the Annual Governance Statement.

2017/18 remained a challenging year for the Trust from both a financial and performance point of view. Nationally, the increasing demand on emergency services contributed to the national A&E performance remaining below the 95% standard for total time spent in A&E. South Tyneside NHS Foundation Trust has certainly not been immune to these challenges. Unfortunately we were not able to achieve the A&E 4-hour performance standard and our performance for the year was just under the 95% target at 94.35%. This is an improvement in performance of 1.7% compared to 2016/17, with the Trust ranking in the top 25% of Trusts nationally (40<sup>th</sup> out of 164 Trusts).

In terms of our financial position, we ended the year with a deficit of £10.378m against a planned deficit of £990k. The plan for the year was very challenging and included a Cost Improvement Programme of £18.4m. 2018/19 is expected to be equally as challenging and there will be a strong focus on financial performance, and in particular our cash position, whilst a financial recovery plan, developed as part of the wider health economy, is put into action.

The Trust continued to meet all national cancer waiting time standards for the year and our performance against the 18 week Referral to Treatment target remained significantly above the 92% target throughout the year. Performance of the Trust is strong in these areas and therefore ensures we offer timely access to diagnostics and treatment for patients.

The ongoing development of the 5-year Sustainability and Transformation Partnership (STP) reinforced the importance of highly effective, joined up health and care systems. The Trust continues to play an active role in a number of the STP work streams, covering both Acute and Community services. Locally, we will continue to work very closely with our partners over the next 12 months to accelerate this change and deliver the integration of health and care services.

2016/17 saw the first year of operation for the Trust's new Integrated Care Services Hub, Haven Court, which is one of the major system-wide transformational plans to improve care and support to residents and patients of South Tyneside. Haven Court's vision is to be a centre of excellence for elderly residents, particularly those with dementia, and is already showing signs of being fundamental in improving the support for elderly patients and residents with dementia. The building provides 80 beds including short stay, respite, step up and step down beds, and long term residential care. Services are fully integrated involving partnership working with South Tyneside Council Services, Northumberland Tyne and Wear Mental Health Services, the Trust,

Primary Care and GP support, and voluntary sector capacity, to provide what we believe will be one of the best services of its kind in the country. 2018/19 marks the second birthday of Haven Court and we will be taking an opportunity to celebrate the significant contribution it continues to make to residents and their carers' in the local community.

We have strengthened our governance arrangements in the year through the integration of the two Programme Management Offices (PMOs) across South Tyneside and Sunderland. These arrangements have been further strengthened by using the 'continuous improvement' and 'lean methodologies' resources that CHSFT had in place to work across both organisations where relevant.

The Cost Improvement Programme (CIP) across the two Trusts consists of a number of programmes of work including the identification of internal efficiencies at the Trust, and the integration of back office functions, as well as working with partners in the wider local health economy. The integration of back office functions in a number of areas across the two Trusts was undertaken during 2017/18, which has led to significant financial savings. The local healthcare partners (STFT, CHSFT, South Tyneside CCH and Sunderland CCG) with support from Local Authority colleagues have committed to, and are working together to develop a sustainable financial recovery plan. This overall plan will cover the geographies of South Tyneside and Sunderland, both in and out of hospital.

A series of system-wide clinical engagement events have been held to discuss how the system can be transformed to deliver better outcomes, whilst using our resources more effectively. The outputs from these events are helping to shape and develop new ways of working and a new governance framework is being produced to oversee the delivery of the plan.

The Trust was subject to a Care Quality Commission (CQC) inspection during 2017. CQC inspectors visited the Trust between October and December and looked at four core service areas, as well as inspecting the Trust's Learning and Disabilities Unit and Community Learning Disabilities Team. The visit also included a Well-Led Inspection. Although the Trust received an overall rating of 'requires improvement', the CQC reported improvements in many areas following the previous inspection in 2015 with several areas moving from 'requires improvement' to 'good'. The Trust again received an 'outstanding' rating for the Caring domain and particularly noted that they found staff to be kind, caring and compassionate.

We have an ambitious Information Management and Technology (IM&T) Strategy, and significant progress has been made in delivering against a range of priority IT initiatives, and preparing for the future. We have committed to a programme which recognises the importance of electronic health records so that patient records are paperless, easily accessible, real time, and interoperable with other external health and care providers. This will result in more effective and efficient care, with better outcomes for our patients.

A key focus this year has been the ongoing deployment of our new community information system provided by EMIS, particularly across our community nursing teams. We have also implemented the EMIS Mobile application across a number of the community nursing teams in Sunderland, which improves the effectiveness of staff by having real time data entry and information provision out in the community, reducing the need for clinical staff to travel back to their office bases. In parallel, we have seen some

significant IT projects in our acute division, including the implementation of a new radiology information system. Looking to the future, we have undertaken extensive preparations towards the implementation of a brand new fully integrated acute electronic health record solution.

The Trust has been confirmed by NHS England and NHS Digital as achieving 'Global Digital Exemplar (GDE) Fast Follower' status. City Hospitals Sunderland NHS Foundation Trust was awarded GDE status in September 2016, and is well on its way of achieving a "paper-free at the point of care" environment by March 2020.

Our Trust has since been identified as a 'Fast Follower' to CHS's initiative, and has secured £5million of new funding to support this programme of work. City Hospitals Sunderland will also contribute towards South Tyneside's expedited implementation through shared content, support and expertise. This will create a standardised fully integrated acute electronic health record across both Trusts, with our staff having 24/7 access to an extensive range of clinical information, with embedded decision support, from any location (subject to access privileges). This will also include an Electronic Prescribing and Medicine Administration module which will help prevent drug prescribing/administration errors, thereby enhancing patient safety, our primary objective. The business case has recently been approved by the Board of Directors, and this exciting project is due to be completed by March 2021.

### **Key Operational and Performance Risks**

Despite the Trust's strong operational performance during 2017/18, the key risks to note for 2018/19 include:

- In addition to the standard performance requirements, Trusts are required to agree performance trajectories with NHS Improvement for A&E and Cancer 62 days as part of the annual plan submission;
- The 4-hour A&E waiting standard remains an incredibly important yet challenging performance measure to deliver, success being dependent on all parts of the acute Trust, community and partners; and
- The new national arrangements for the allocation of shared cancer breaches (for patients who transfer between providers as part of their care) will come into effect during the year. There is a risk that this will have an impact on performance once this comes into effect in Quarter 4 (January – March inclusive), given the small number of applicable patients we see through our services.
- The clinical service reviews continue as we progress towards improvement and sustainability on our 'Path to Excellence'. At the same time, we contribute to the wider Sustainability and Transformation Partnership to ensure we can contribute and benefit from those services which need to be provided on a regional basis.

There are a number of further challenges which we continue to face, manage and resolve:

- Recruitment and retention of staff, both clinical and non-clinical, is a local and national issue leading to both operational and financial pressures;
- We must ensure that we continue to perform strongly on areas such as the delivery of cancer targets; and

- A risk relating to the increasing demand across the system which we will continue to address with our partners.

The key financial risks are outlined in the Financial Analysis section of this report.

Looking ahead to 2018/19, the next 12 months will continue to be challenging both financially and with A&E performance. Our Trust has taken determined action with our commissioners, partners, and our regulators to ensure we have the greatest opportunity for success, and to address these challenges and secure the future sustainability of health services across the localities we support. We will approach this in a way that focusses on securing sustainable health services which deliver the best outcomes for our patients and residents using our services.

## Performance Analysis (non-financial)

During 2017/18 the Trust has continued to achieve national standards across a number of key measures (as shown below). Some of these indicators are taken into account by NHS Improvement, our Regulator, as part of their regular assessment as outlined in the Single Oversight Framework.

The Trust continues to achieve the national operating standards relating to waiting times for Consultant-led treatment, cancer treatment and diagnostic tests. Work has continued to minimise Hospital Acquired Healthcare Infections, with continued low levels of Clostridium difficile than in 2016/17. We also continue to achieve most of the national quality requirements as included in our contract with commissioners in addition to those which are locally agreed.

### Performance against key targets 2017/18

Indicator	Last Year 2016/17	Target 2017/18	2017/18	Variance	Year <sup>1</sup>
<b>National Operational Standards</b>					
Referral to Treatment waits % incomplete pathways waiting less than 18 weeks <sup>2</sup>	96.29%	92%	95.87%	3.87%	●
Diagnostic Test waiting times <sup>2</sup>	0.00%	0%	0.01%	0.01%	●
A&E: Maximum waiting time of four hours from arrival to admission/transfer/discharge	92.66%	95%	94.35%	-0.65%	●
All Cancer Two Week Wait	96.88%	93%	94.99%	1.99%	●
All Cancer 62 day urgent referral to treatment wait	89.52%	85%	89.11%	4.11%	●
62 day wait for first treatment following referral from an NHS Cancer Screening Service	84.62%	90%	100.00%	10.00%	●
31 day standard for cancer diagnosis to first definitive treatment	100.00%	96%	100.00%	4.00%	●
31 day standard for subsequent cancer treatments - surgery	100.00%	94%	100.00%	6.00%	●
31 day standard for subsequent cancer treatments - anti cancer drug regimens	100.00%	98%	100.00%	2.00%	●
Cancelled operations not rescheduled within 28 days	0	0	0	0	●
Mixed sex accommodation breach	0	0	0	0	●

National Quality Requirements					
HCAI - MRSA Bacteraemia <sup>3</sup>	0	0	3	3	●
HCAI - Clostridium Difficile <sup>3</sup>	4	≤8	5	-3	●
Zero tolerance RTT waits over 52 weeks for incomplete pathways	0	0	0	0	●
Ambulance Handover Delays 30-60 minutes	313	0	532	532	●
Ambulance Handover Delays 60+ minutes	66	0	115	115	●
Trolley waits in A&E not longer than 12 hours	0	0	0	0	●
No urgent operation should be cancelled for a second time	0	0	0	0	●
VTE risk assessment for inpatient admissions	96.16%	95%	95.95%	0.95%	●
Improving Access to Psychological Therapies – patients seen within 6 weeks	56.12%	75%	98.69%	23.69%	●
Improving Access to Psychological Therapies – patients seen within 18 weeks	95.25%	95%	99.92%	4.92%	●
Duty of Candour	4	N/A	0	N/A	
Completion of a valid NHS Number field in mental health and acute commissioning data sets submitted via SUS	99.89%	99%	99.89%	0.89%	●
Completion of a valid NHS Number field in A&E commissioning data sets submitted via SUS	99.24%	95%	99.42%	4.42%	●
Local Quality Requirements					
A&E unplanned re-attendance rate	8.44%	5%	8.62%	3.62%	●
A&E left without being seen	2.19%	5%	1.91%	-3.09%	●
A&E time to initial assessment (median)	9 mins	10 mins	10 mins	0 mins	●
A&E time to treatment (median)	59 mins	60 mins	62 mins	2 mins	●
eReferral - % utilisation	86.24%	85%	80.38%	-4.62%	●
Delayed Transfers of Care	4.56%	5%	0.81%	-4.19%	●
Patients with a Fractured Neck of Femur operated on within 36 hours	74.20%	75%	81.55%	6.55%	●
MRSA Screening	76.73%	85%	75.50%	-9.50%	●
IAPT - proportion of people who have depression and/or anxiety disorders who receive psychological therapies	19.06%	16.8%	19.15%	2.35%	●
Improving Access to Psychological Therapies – Completed treatment and moving to recovery	52.94%	50%	55.94%	5.94%	●
Ambulance diverts and deflections from the Trust	116	N/A	38	N/A	N/A
Ambulance diverts and deflections to the Trust	70	N/A	30	N/A	N/A

<sup>1</sup> Rated as amber if performance is close to target i.e. within 2 percentage points or 5 individual cases / minutes

<sup>2</sup> Excludes non English commissioners as per NHS England published statistics

<sup>3</sup> Cases apportioned to Acute Trust only. C. diff cases also exclude cases agreed at local appeals panels as not being genuine CDI or Trust apportioned cases

Local indicators where there are <10 cases have been excluded i.e. serious incident reporting

## **Accident and Emergency (A&E)**

During 2017/18 the Trust has continued to receive a high number of patients through the A&E department on a daily basis. Despite a positive start to the year with performance for quarters 1 and 2 being above the 95% target, we did not meet the standard of 95% of patients spending a maximum of 4 hours in the department. We did however perform significantly better than the national average and have been one of the best performing Trusts nationally. Like other hospitals we experienced pressure over the winter period with an increase in patients requiring admission to hospital beds, influenza and norovirus. This placed pressure on our bed availability and therefore impacted on the flow of patients from the A&E department as well as our ability to take handover of patients arriving by ambulance within 30 minutes.

A number of initiatives are ongoing to support achievement of the 95% A&E 4-hour waiting time target including:

- Streaming processes to direct patients to the most appropriate service to meet their clinical needs including the Urgent Care Hub situated in the A&E Department;
- Development of ambulatory care for those patients who need further assessment and can therefore avoid a hospital stay; and
- Development of a frailty service to support patients who present at the A&E Department.

## **Cancer Waiting Time Standards**

The Trust continues to meet all cancer waiting time standards, including:

- Patients seen within 14 days of referral by a GP for suspected cancer;
- Patients treated within 31 days of a decision that treatment is required; and
- Patients treated within 62 days of referral.

We continue to perform better than the national average for all cancer waiting time standards. The Trust did have a dip in performance in relation to the cancer 62 day standard in quarter 3 however this was due to complex patient pathways across Trusts and small volumes of patients. Despite this our performance for the year was nearly 4% above the national target.

## **Local Quality Requirements Agreed with Commissioners**

During 2017/18 the Trust has worked towards the standards agreed with commissioners, including reducing delayed transfers of care, for example, patients who are medically fit to be discharged but require additional support. Performance has improved significantly this year compared to 2016/17 with a 4% reduction in delayed transfers. Performance against these standards is reviewed monthly with commissioners, and improvements put in place as required.

## Approach to measuring performance – what and how we measure

The Trust measures its performance across a wide range of indicators including:

- National Operational Performance Measures included in NHS Improvement's Single Oversight Framework;
- National Operational Standards and Quality Requirements included in the NHS Standard Contract; and
- Local Quality Requirements agreed with commissioners and included in our contract.

To support performance management and improvement, a robust monitoring and reporting system is in place via: monthly reporting of activity and performance indicators to the Board of Directors and the Finance and Performance Committee, a formal subcommittee of the Board; monthly reports to the Executive Team, Divisional Directors, Business Managers and Operational Managers; and trend analysis to identify where performance may be deteriorating or improving. These are reviewed annually and reported through our governance structures outlined in the Annual Governance Statement to the Board.

## NHS improvement's Single Oversight Framework

### Overview

Since 1 April 2013 all NHS Foundation Trusts require a Provider Licence from NHS Improvement (previously Monitor) stipulating the specific conditions they must meet to operate, including financial sustainability and governance requirements. NHS Improvement's Single Oversight Framework (SOF) is used to identify where providers may benefit from, or require, improvement support across a range of areas. There are five themes within the framework to identify where providers may need support as follows:

- Quality of Care: Using CQC's most recent assessments in combination with in-year information where available and delivery of the four priority standards for 7 day services.
- Finance and use of resources: overseeing financial performance, operational productivity and how providers are making optimal use of resources.
- Operational Performance: supporting in improving and sustaining performance including A&E, Referral to Treatment, cancer and access to mental health services.
- Strategic Change: working with system partners on delivering strategic changes in 5-Year Forward View with particular focus on contribution to Sustainability and Transformation Partnerships and new care models.
- Leadership and improvement capability: ensuring effective board governance and demonstrating continuous improvement capability.

The provider sector is segmented according to the scale of issues faced by individual providers. This segmentation is informed by data monitoring and judgement based on an understanding of providers' circumstances and the seriousness and complexity of the issues it faces. There are four segments as outlined below:

Segment	Description
1	<u>Providers with maximum autonomy</u> – no potential support needs identified across the five themes – lowest level of oversight and expectation that provider will support providers in other segments
2	<u>Providers offered targeted support</u> – potential support needed in one or more of the five themes, but not in breach of Licence (or equivalent for NHS Trusts) and/or formal action is not needed
3	<u>Providers receiving mandated support for significant concerns</u> – the provider is in actual/suspected breach of the Licence (or equivalent for NHS trusts)
4	<u>Special measures</u> – the provider is in actual/suspected breach of its Licence (or equivalent for NHS Trusts) with very serious/complex issues that mean that they are in special measures

South Tyneside NHS Foundation Trust has been placed in segment 2.

At the start of each financial year, the Trust is required to submit an operational plan identifying the expected performance against financial targets and a range of national targets set by the Department of Health and other regulatory bodies.

The Trust submits actual performance information compared to the plan and NHS Improvement assesses this performance in order to determine what support the Trust may need. The planned versus actual performance for the 2017/18 and the 2016/17 financial years is detailed in the tables below. The quarter 4 position detailed in the table is based on submitted information and is subject to confirmation by NHS Improvement.

### Summary of rating performance throughout year and compared to previous year

Planned and actual performance of the Trust, as assessed by NHS Improvement, for 2017/18					
2017/18	Annual plan	Q1	Q2	Q3	Q4
<b>Single Oversight Framework</b>					
Provider Segment	2	2	2	2	2 (Draft)
2016/17	Annual plan	Q1	Q2	Q3	Q4
Provider Segment	2	2	2	2	2

## **Financial Analysis**

### **Introduction**

The Trust measures performance on a monthly basis. The Finance and Performance Committee is authorised by the Board of Directors to oversee and ensure that the key performance criteria are reviewed in detail and provide suitable assurance to the Board of Directors that key risks are being managed.

Reports are submitted to the Finance and Performance Committee, the Executive Committee and the Board of Directors on a monthly basis detailing the financial position against plan and details of the variances therein along with the use of resources risk rating. The financial performance review includes income and expenditure, delivery against the Cost Improvement Programme target (CIP), cash flow forecasts and a review of balance sheet and capital expenditure variances. Performance against core standards is also reported at these meetings.

### **Financial Performance 2017/18**

2017/18 has been a very challenging year for both the Trust and the NHS as a whole. 2017/18 was the second year that Control Totals were allocated by NHS Improvement as part of ongoing efforts to get the Foundation Trust sector back into financial balance. Prior to this, Foundation Trusts were able to set their own level of planned surplus or deficit.

As with 2016/17, NHS Foundation Trusts were able to choose whether or not to accept their Control Total. Acceptance carried an incentive of being eligible to access Sustainability and Transformation Funding (STF) in the year. The payment of STF funding was based upon achievement of both financial targets and A&E performance.

In January 2017, the Trust along with its group partner City Hospitals Sunderland NHS Foundation Trust (CHST) and the two local CCGs in Sunderland and South Tyneside established a 'Local Health Economy Efficiency Steering Group' with the aim of jointly overseeing all opportunities that needed joint support and effort. Linked to this a 'Risk Share Agreement' was signed by all partners in June 2017 which committed the four organisations to the sharing of some financial risk, supported by closer working and an open and transparent approach to the sharing of financial and other information to support longer term financial sustainability.

The Control Total set by NHS Improvement for the Trust was a deficit of £0.9m. The 2016/17 Control Total was a deficit of £3.2m. Included within the Control Total was £4.2m of STF funding. The Board of Directors considered acceptance of the Control Total at its meeting in March 2017 and concluded that the Control Total would be accepted. The alternative of not accepting would have meant not being eligible to receive the £4.2m of STF funding and therefore planning for a deficit of at least £5.1m (Control Total plus STF funding foregone).

The Operational Plan for 2017/18 approved by the Board of Directors, confirmed acceptance of the Control Total and access to the £4.2m STF funding. The deficit Control Total in the Operational Plan submitted was £0.9m. The Trust had an efficiency target in-year of £18.4m of which £11.4m was a formal 'Cost Improvement Target'. It

was acknowledged that this target was significantly higher than the sector average and would be very challenging for the Trust to achieve.

The Trust failed to meet its Control Total for the year. A significant factor behind this was the Trust not being able to meet the ambitious CIP target that was set. As a consequence of this the Trust was not eligible to receive the £4.2m STF funding.

At the end of the financial year, NHS Improvement announced that as part of the distribution of STF, Trusts that signed up to the Control Total for 2017/18 (regardless of whether it was achieved or not) would receive a share of STF remaining after core funding and incentive funding was distributed to Trusts who achieved their Control Totals. The Trust’s share of this was £1.1m.

The deficit reported in the Statement of Comprehensive Income for the year ended 31 March 2018 was £(10.4m) which equated to a deficit of £9.9m excluding impairments as follows:

	Group £000	Trust £000
Deficit reported in financial statements	(10,378)	(10,203)
Remove: impairments charged	444	444
<b>Deficit excluding impairments</b>	<b>(9,934)</b>	<b>(9,759)</b>

The position above includes receipt of £1.1m of Sustainability and Transformation Funding showing an underlying deficit of £9.934m which represents an adverse variance to plan of £6.22m. The key reasons for this variance include:-

- Core 2017/18 STF funding not achieved of £4.2m;
- Share of general distribution of STF £1.1m;
- Operating income (excluding STF) was £2.1m higher than planned;
- Operating expenses were £8.9m higher than plan (including impairments of £444k); and
- PDC Dividend was £359k lower than plan

Further details are provided in the following sections.

The Trust has four subsidiary companies, two of which are dormant. STFT Holdings Limited is a wholly owned subsidiary of the Trust and holds the main contract with South Tyneside Council for the provision of an Integrated Care Services Hub (Haven Court). Haven Court is a purpose built and innovatively designed community resource for older people in South Tyneside which is located on the North Eastern boundary of the existing South Tyneside District Hospital site. South Tyneside Integrated Care Limited (STICL) is a wholly owned subsidiary of STFT Holdings Limited and is contracted by STFT Holdings Limited as a CQC approved organisation to deliver care services within Haven Court.

The financial position of STICL and STFT Holdings Limited, a net loss of £174k, has been consolidated into the reported position above. STFT Holdings Limited made a surplus of £86k in the period; however, this was offset by a loss of £260k in STICL.

## Statement of Comprehensive Income

The Group is reporting a deficit of £10.4m for the year.

### Income

CCGs commission services on behalf of their residents from the Trust under legally binding contracts which include planned activity levels and indicative values. The majority of the Trust's services, with the main exception being specialist services, are provided under block contracts, for which a fixed sum is payable irrespective of activity levels. Prior to 2016/17 services were provided under cost per case arrangements, with the amount payable to the Trust based on the actual activity during the year multiplied by the national tariff or local price for each type of activity.

Commissioning of healthcare services for NHS South Tyneside CCG, NHS Newcastle Gateshead CCG and NHS Sunderland CCGs for 2017/18 was carried out by North of England Commissioning Support Unit acting on behalf of each statutory body.

Commissioning arrangements continued to present a challenge as local Clinical Commissioning Groups face increased pressures to reduce their spend as a result of reduced allocations due to changes in national strategy.

The Trust formed an alliance with City Hospitals Sunderland NHS Foundation Trust at the end of 2015/16 and commenced clinical service reviews across the Trusts. In recognition of partnership working for the benefit of the Local Health Economy between the Foundation Trusts and their respective main commissioners, both Trusts signed legally binding contracts for their services on a block basis for Acute Services in the year rather than contracts based on Payment by Results activity.

Income for the period to 31 March 2018 amounted to £185.4m (2016/17 - £200.6m) and can be analysed as £174.4m from activities (2016/17 - £181.8m) and £11.1m other operating income (2016/17 - £18.8m). £138.9m (80%) of income from activities came from Clinical Commissioning Groups (CCGs) and covers planned and emergency care, outpatient attendances and Accident and Emergency attendances, as well as other patient care services such as district nursing.

Other operating income includes a share of the general distribution of STF, income for education and training, research and development and for non-clinical services provided to other NHS bodies. As the Trust did not achieve the Control Total and therefore did not qualify for core, incentive or bonus STF in 2017/18, other operating income is lower than planned and lower than the 2016/17 figure where the Control Total was achieved.

Charitable income of £307k was received during the year. Of this, £174k was donated by South Tyneside Trust General Charitable Fund in relation to providing ultrasound equipment within maternity services, the purchase of a bladder scanner for acute services and provision of enhanced staffing within palliative care. An ultrasound machine was purchased on behalf of the Trust by Heartcall (£19k). The League of Friends kindly donated £33k and the Royal Voluntary Service donated £24k for the purchase of various pieces of equipment across the Trust.

Other charitable income of £363k comprised £56k from the Saunders Gill Trust towards the funding of a Stoma Care Nurse post, £246k from the St. Benedict's Hospice Charity

towards the costs of staff employed at the hospice and £61k from St. Benedict's Hospice Charity to fund an Education and Development Lead.

The Trust had planned to receive £4.2m of core STF income during the year. As the Trust did not meet the control funding in year the core STF income was not received. The Trust did however receive £1.2m of STF funding which reflected a share of the general distribution of STF (£1.1m) and additional bonus funding relating to 2016/17 (£118k).

## **Expenditure**

Operating expenses amounted to £194.1m, of which £138.2m relates to pay (71%). Operating expenses have decreased by £11.8m from 2016/17. The main movements can be summarised as follows:

- Employee expenses have reduced by £7.7m to £136.9m. This was in part due to the loss of the Gateshead Community contracts the value of this is around £4.2m. These transferred in October 2016 so 2017/18 is the first full year of the services not being in the accounts. The Trust then made reductions in staffing costs throughout 2017/18 and also absorbed the increases arising from the pay award and incremental drift;
- Impairments costs have reduced by £8.3m to £444k. During 2016/17 the Trust amended its Modern Equivalent Asset (MEA) model which led to a decrease in prices and therefore high impairment costs in 2016/17;
- Rentals under operating leases have increased by £1.2m to £5.6m. The most significant increase relates to increases in charges from NHS Property Services;
- Premises costs are £860k higher than in 2016/17 at £6.7m. A significant proportion of this relates to licence and maintenance costs associated with IT systems;
- Redundancy costs for 2017/18 are £664k, £1.1m higher than in 2016/17. In 2015/16 a provision for redundancy costs was included in the accounts, however not all of this was utilised and the unused balance was reversed in 2016/17; and
- Clinical negligence costs increased by £477k in 2017/18 to £5.2m. This is a direct result of the increase in the CNST premium levied by NHS Resolution (previously NHS Litigation Authority).

One of the most significant expenditure pressures faced by the Trust continues to be in relation to agency expenditure. A total of £4.3m (a reduction of £0.5m from 2016/17) was spent on agency staffing. This was due to national shortages in medical staff in some specialties and qualified nurses. The Trust has implemented guidance from NHS Improvement in relation to agency staffing and remained below the agency cap throughout the financial year.

Throughout 2017/18 there was a single Programme Management Office (PMO) function working across South Tyneside and City Hospitals Sunderland NHS Foundation Trusts. The Trust's CIP target for 2017/18 was £11.4m against which £6.7m was delivered. The under delivery of the CIP was a significant factor in the Trust not being able to meet the Control Total for 2017/18. Although the programme was not delivered in full significant progress was made on schemes associated with the clinical services review as part of the Path to Excellence work with City Hospitals Sunderland NHS FT and NHS South Tyneside CCG and NHS Sunderland CCG.

## **Financing and cash balances**

Closing cash amounted to £12.6m, an increase of £6.4m compared to the value of £6.2m as at 31 March 2017. The increase in the year is largely a result of the 2017/18 charges from NHS Property Services not yet being settled in the year, decreases in trade debtors and lower than average capital investment.

The Trust currently has three loans from the Independent Trust Financing Facility as follows:

- £8m working capital facility for restructuring costs over a four year period which is fully drawn down;
- £8m loan for capital developments over a 10 year period which is fully drawn down; and
- £9.5m loan to build an Integrated Care Services Hub (Haven Court) over a 10 year period which is fully drawn down

The Trust earned interest of £32k in the year from cash balances held in Government Banking Services (GBS) Accounts.

## **Capital investment**

Capital investment in improvements to buildings, new medical equipment and information technology amounted to £4.1m in the year (2016/17 £7.0m).

Investment in Estates and Facilities of £715k comprised a range of schemes relating to minor upgrades to the Trust's estate.

£2.2m was invested in new medical equipment in the year. The largest scheme related to the replacement of the Trust's MRI scanner at a total cost of £1.3m. This was funded via a finance lease. Other equipment purchased included seven ultrasound scanners, diathermy machines and retinal scanners.

Investments of £1.1m in information technology supported the replacement of the Radiology Information System (RIS), provision of wi-fi to patients and visitors (which was partly funded by PDC), the roll-out of the EMIS system to the Child Health teams, replacement of a proportion of the Trust's PC estate and the renewal of anti-virus software licences.

The Trust benefits from an active voluntary sector. Asset purchases from donated funds totalled £307k and included replacement ultrasound equipment in maternity services and the purchase of a bladder scanner within acute services.

## **Financial Outlook 2018/19**

The financial agenda for the NHS remains challenging as we enter into 2018/19. The Budget in December 2017 confirmed that additional funding of £1.6bn was being made available to the NHS for 2018/19. It was also confirmed in February 2018 that an additional £0.54bn of funding was being made available to the Department of Health and Social Care. An increase in spending on health and social care of £2.14bn over and above that set out in the 2015 spending review is therefore planned for 2018/19.

The updated NHS England and NHS Improvement 2018/19 joint planning guidance 'Refreshing NHS Plans for 2018/19', confirms that £650 million of the £2.14bn increase in spending will be added to the £1.8 billion Sustainability and Transformation Fund (STF) to create an enhanced £2.45bn Provider Sustainability Fund, targeted at the same objectives as the existing fund. The additional £650m must deliver at least a pound-for-pound improvement in the aggregate provider financial position.

The additional £650m STF has been allocated to providers in the same proportion as the existing £1.6bn STF general fund allocations that are included in 2018/19 Control Totals.

As a result of the increase in the STF funds the Trust's allocation has increased from the £4.2m that was previously notified to £5.9m. In order to qualify for the receipt of STF the Trust would have to deliver a Control Total of a £2.4m surplus (including STF) in 2018/19. Given the deficit from Control Total in 2018/19 this would be a very difficult requirement and so after careful consideration the Board of Directors rejected the Control Total for 2018/19.

On 30 April 2018 the Trust submitted its Annual Plan for 2018/19. The plan is a deficit for 2018/19 of £17.0m. For the Trust to have been able to confirm acceptance of the Control Total the planned deficit would have needed to improve by £13.4m. The Board of Directors is aware that delivering further deficits will continue to impact upon cash, liquidity and the Trust's ability to invest in capital, however the £17m planned deficit already includes a CIP of £9.5m and to have increased this to £22.9m would not have been realistic or achievable. The Board has therefore rejected the Control Total and the associated terms and conditions. At the time of writing, discussions were ongoing with NHS Improvement around the scale of the Control Total and whether this could be revisited.

As a result of the planned deficit the Trust's cash and liquidity position must continue to be the subject of very careful financial management and monitoring by the Board. The Trust is in receipt of interim cash support, in the form of a loan from the Department of Health, for April 2018 and will receive further support on a monthly basis throughout 2018/19 in order to maintain positive cash balances.

Closer working relationships continued with City Hospitals Sunderland NHS Foundation Trust throughout 2017/18. The alliance was set up to enable both partners to look at opportunities to reconfigure services to ensure that they are clinically safe and financially sustainable. A Single Executive and Management Team is now established across both Trusts and some teams, including Finance, are now working as single teams providing services to both Trusts.

Service planning and major pathway reform is required across the hospital, community and social service sectors in order to deliver the efficiencies in services required and ensure the Local Health Economy is in balance as a whole, rather than as individual organisations.

The Trust is not expecting any further significant activity changes from NHS Commissioners for 2018/19, any movements being due to natural growth or established demand management or pathway changes. Ongoing growth in A&E attendances is expected during 2018/19 in line with trends from prior years. Contracts with

commissioners have been agreed and income budgets for 2018/19 have been set on this basis.

This next 12 months is both a hugely significant challenge for health services, but also a unique opportunity to work in partnership with other health and care providers to transform the services we provide.

We have strengthened our performance management systems and governance arrangements and established a dedicated Programme Management Office which is now integrated with City Hospitals Sunderland and is aligned with the work of the Local Health Economy and Efficiency Steering Group.

### **Key Financial Risks 2018/19**

The key financial risks facing the organisation in 2018/19 are expected to be significant. The Trust ended the 2017/18 financial year with a significant operational deficit and was around £6.2m adrift of achieving the Control Total. Consequently the Trust did not receive the core STF funding for the year, as this money was planned for, this will have a negative impact on cash. The submitted plan for the year starts with the closing surplus position adjusted for non-recurrent items (such as STF) and new costs, offset by cost improvement plans (CIPs) of £9.5m. The Control Total before assumed STF is a £3.5m deficit compared to £5.1m in 2017/18, therefore an expected improvement of £1.6m. After taking account of these assumptions there remains a gap of £13.4m between the forecast position and the proposed Control Total. As a consequence, the Board has submitted the plan for the year reflecting its view that the Control Total cannot be achieved. There is an acknowledgement that this means that the Trust will not have access to the additional STF income stream which equates to a loss of £5.9m.

As a consequence of the underlying deficit, the Trust faces challenges in relation to cash. The Trust has had a gradually reducing cash balance over the last few years, and during 2018/19 will be accessing deficit funding in the form of interim cash support loans to support the underlying position. This has been factored into the plan, including the interest payments required.

The development of the financial recovery plan is crucial to the longer term sustainability of the Trust. At this stage the financial opportunities as a result of this work are yet to be quantified and therefore there is a risk that the service review work will not deliver the longer term financial sustainability needed. Conversely there are minimal assumptions around additional savings in 2018/19 above the 'traditional' cost improvement assumptions, and therefore any additional opportunities could improve the in-year position. Specific risks include:

- Failure to meet financial targets due to continuing financial pressures and delays in delivery of cost improvements which then also impacts on our ability to access STF funding. This is actively managed throughout the year by the Board, the Finance and Performance Committee and the Executive Committee;
- A high proportion of Block contracts will require careful management to ensure costs are contained within largely fixed income;
- Commissioning changes, including the outcome of re-tendering which may lead to significant loss of service portfolio and impact on the overall sustainability of the Trust. During 2017/18 the Trust submitted tenders to continue to provide 0-19 Services commissioned by both Sunderland and Gateshead Local Authorities.

Unfortunately the Trust was unsuccessful in these bids and the services are due to transfer to a the new provider in July 2018; and

- Failure to reduce reliance on agency workers for medical and nursing staff where there are currently national shortages. Agency costs were a significant pressure in 2017/18 and the Trust struggled to appoint agency workers that were both below the cap and on the framework. As a result of this, the Trust narrowly missed reaching the cap for the year. The Trust currently has workgroups reviewing medical and agency spend and agency spend is also considered by the Finance and Performance Committee and Workforce Committee.

## **Accounts preparation**

The Trust's financial statements have been prepared in accordance with the Directions made, under paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006, by Monitor (now NHS Improvement), the Independent Regulator of NHS Foundation Trusts, with the approval of the Treasury.

## **Financial Instruments**

### Price and Credit Risks

The Trust has minimal exposure to price risk and credit risk.

### Liquidity Risk

The NHS Foundation Trust's net operating costs are incurred under legally binding contracts with local commissioning bodies, which are financed from resources voted annually by Parliament. The Trust has financed capital expenditure from internally generated resources. South Tyneside NHS Foundation Trust is not, therefore, exposed to significant liquidity risks other than cash

### Cash Flow Risk

The NHS Foundation Trust has included a planned deficit of £17.0m in its Annual Plan submission for 2018/19. Due to the expected level of deficit the Trust has applied for interim cash support from the Department of Health in the form of a loan. The first application has been approved and this was drawn down by the Trust in April 2018. The cash flow risk arising from the planned deficit will therefore be mitigated by this support.

## **Events after the reporting date**

On 16 April 2018 the Trust received interim support funding from the Department of Health totalling £2,130,000. This funding was in the form of a loan to be repaid on 21 April 2021. The rate of interest on the loan is 1.5%.

The Trust is expecting to make further applications for funding during 2018/19 due to the planned deficit for the year of £16,990,000.

## **Overseas Operations**

The Trust has no exposure or involvement with any overseas operations.

## Going concern

After making enquiries, the Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they have continued to adopt the going concern basis in preparing the 2017/18 accounts.

In making such enquiries, the Directors considered the following:

- The impact on liquidity from planning for a £17.0m deficit in 2018/19
- The size of the initial Cost Improvement Programme of £9.5m (5.6% of turnover) for 2018/19; and
- The expectation that interim cash support will continue to be provided throughout 2018/19

The deficit in the financial plan and the expectation that interim cash support will continue, as opposed to confirmation, constitute a material uncertainty that may cast significant doubt over the Trust's ability to continue as a going concern, such that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Whilst recognising the significant financial challenges facing the Trust, the Directors have considered the appropriately strengthened financial controls introduced, the financial record and the level of cash balances retained. In addition to this they also considered partnership working and relationships within the Local Health Economy and in particular, the alliance that has been formed with City Hospitals Sunderland NHS Foundation Trust to deliver high quality, cost effective, sustainable healthcare for the people we serve.

A further consideration for going concern is whether the management either intends to apply to the Secretary of State for the dissolution of the NHS Foundation Trust without the transfer of the services to another entity, or has no realistic alternative but to do so.

Based upon the above the Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.



**Ken Bremner**  
**Chief Executive**  
**23<sup>rd</sup> May 2018**

## **2. QUALITY REPORT**

### **What is a Quality Report?**

The Quality Report (also known as a Quality Account) is an annual report published by providers of NHS healthcare about the quality of the services it provides. The report provides details on progress and achievements against the Trust's quality and safety priorities for the previous year and what the Trust will focus on in the next year. Some parts of the Quality Report are mandatory and are set out in national regulations. The Quality Report includes:

- Part 1 - A statement from the Chief Executive on the quality of the NHS services provided
- Part 2 - Priorities for quality improvement and statements of assurance from the Board
- Part 3 - A series of statements from the Board for which the format and information required is set out in the regulations
- Part 4 - Other Quality Information.

Every effort has been made to use clear and understandable language wherever possible during the production of the Quality Report. Given the nature of quality improvement in healthcare, the inclusion of some medical and healthcare terms is unavoidable. Further information about health conditions and treatments is available on the NHS Choices website, at [www.nhs.uk](http://www.nhs.uk).

### **What does it mean for South Tyneside NHS Foundation Trust?**

The Quality Report allows NHS healthcare organisations such as South Tyneside NHS Foundation Trust to demonstrate their commitment to continuous, evidence-based quality improvement and to explain its progress against agreed quality and safety priorities and improvement in other quality areas.

### **What does it mean for patients, members of the public and stakeholders?**

By putting information about the quality of services in an organisation into the public domain, NHS healthcare organisations are offering their approach to quality for scrutiny, debate and reflection. The Quality Report is designed to assure patients, members of the public and stakeholders that as an NHS healthcare organisation South Tyneside NHS Foundation Trust is scrutinising each and every one of its services, particularly focusing on those areas that require the most attention.

### **How will the Quality Report be published?**

In line with legal requirements all NHS Healthcare providers are required to publish their Quality Reports electronically on the NHS Choices website by June 2018. South Tyneside NHS Foundation Trust will also make the Quality Report available on its website [www.stft.nhs.uk](http://www.stft.nhs.uk)

## **Part 1: STATEMENT ON QUALITY FROM THE CHIEF EXECUTIVE**

The Quality Report is one of the key ways that the Trust demonstrates to the public and its stakeholders that its services are safe, effective, caring and responsive. It provides an open and honest overview of the last year, including our many successes but also the challenges we have faced.

Trusts up and down the country have once again experienced unprecedented demands for its services, including ourselves. These have not just been concentrated in the high profile 'front of house' emergency care areas but across the whole spectrum of clinical services. At the same time we continue to be challenged to deliver these as safely and as cost-effectively as possible and in ways patients and their families feel is given with professionalism and compassion. All of this takes place with one eye on creating the future and working transformatively with our partners and stakeholders.

We have heard and seen in the news those hospitals that have struggled to cope with these pressures and competing priorities. I am pleased to report that for most of the time, South Tyneside NHS Foundation Trust has stood strong throughout and performed well to the many challenges. In fact, we can show that we have often exceeded them. That is testimony to the leadership, systems and governance arrangements we have in place, and of course to the individual and collective efforts of our staff who frequently 'go that extra mile'. This was again evident during the recent prolonged period of severe winter weather, where tremendous pressure was placed on our urgent and emergency care services and staff working in the community, with only minimal disruption to some non-urgent planned clinics and theatre lists. We should all be proud of this.

I would like to highlight the excellent progress made with our joint health alliance with City Hospitals Sunderland NHS Foundation Trust. This has continued at pace throughout 2017/18 and has culminated in the recent public announcement of the outcomes from the first stage clinical service reviews. Work is now underway on the final phase (phase two) and once again we will offer a genuine opportunity for the public, stakeholders and staff to express their views and opinions on the changes. Whilst needing to address and help shape the future it is also important that we take stock and reflect on what has happened during this year and, as previously mentioned, I believe that we have achieved a great deal across the Trust. This Quality Report summarises some of the more notable successes, acknowledging that many other examples exist throughout the Trust.

This year has seen us achieve the vast majority of our Commissioning for Quality and Innovation (CQUIN) targets. This is an excellent achievement given the challenge of the national targets set, particularly around sepsis. Whilst we didn't always achieve our sepsis assessment and treatment targets, I know that good progress was made and a tremendous amount of work continues in this area. Further details about what we have done this year are provided throughout this report.

We continue to participate in relevant national clinical audits and registries ensuring that patients receive care that meets national standards. For most of the time, the outcomes show that we are providing services that are safe and delivering care that is to a high standard. Where we find any variations in care then we will do our best to make changes to our practices. Examples of the many audits we have participated in are included in this report.

Also presented is a summary of our research activity throughout the year, which is worthy of note. I am particularly delighted to highlight the research portfolio as the importance of research in improving quality of care is well recognised and we expect to see research indicators included as part of the CQC's monitoring and inspection programmes in the future.

As I've mentioned the CQC, I'd like to thank our staff, Governors, members of the public and local stakeholders for their assistance and honesty during last year's inspections. The results are outlined in this report and demonstrate improvement in some areas and sustained good quality of care for some services. The inspection reports have provided us with a framework on which to further develop the quality and safety of services at South Tyneside and beyond, and I know that our staff remain committed to making the necessary improvements.

We are starting to see the benefits from improving some of our key patient priorities such as reducing hospital acquired pressure ulcers and preventing patients falling. This is encouraging and our joint working and sharing of knowledge and expertise with City Hospitals Sunderland will only consolidate this position. These important priorities are part of our new five-year strategy for quality, which sets out our 'road map' for patient safety and quality improvement. It describes the kind of organisation we aspire to be in terms of providing care which is safe, effective and given in a compassionate way. Next year, we will be able to report on its implementation and impact for the first 12 months.

We continue to closely monitor and review our mortality. The national 'Learning from Deaths' programme has provided the background for strengthening our Mortality Review Panel process. We have published a new policy on how we review and learn from deaths. In addition, we now publish information on deaths and the outcome of reviews at our Board meetings in public.

I am delighted to report that South Tyneside Hospital has been recognised as a 'fast follower' partner to City Hospitals Sunderland on the new national Global Digital Exemplar (GDE) programme. This is an accolade for the Trust which will help staff to develop and transform the delivery of clinical services. Patients should also see and feel the difference as well.

The results of our many patient satisfaction surveys show that we are meeting patient and public expectations most of the time. We have strengthened the ways in which we reflect and act on the results so that we don't lose the opportunities to improve our services. Our staff also provided positive comments when completing the annual NHS Staff Survey. We will be looking in detail at the results to understand where we can improve staff engagement and experience even further.

We remain, as always, grateful for the ongoing commitment and contribution of patients, staff, Governors, members, Commissioners and other stakeholders in supporting our quality improvement activities and providing the oversight, scrutiny and constructive challenge that are essential to improving the quality of our services.

As 2017/18 comes to a close, we look forward to exploring what further benefits a potential merger between ourselves and City Hospitals Sunderland might bring for our patients and staff. This thinking, which is still very much at an early stage, will involve extensive staff and stakeholder engagement at an appropriate time.

The content of this report has been subject to internal review and, where appropriate, to external verification. I confirm, therefore, that to the best of my knowledge and belief, the information contained within this report reflects a true, accurate and balanced picture of our performance.



**Ken Bremner**  
**Chief Executive**  
**23<sup>rd</sup> May 2018**

## PART 2: PRIORITIES FOR IMPROVEMENT AND STATEMENTS OF ASSURANCE FROM THE BOARD

Last year the Trust identified four quality priorities for improvement in 2017/18. This section of the Quality Report shows how the Trust has performed against each of these priorities. In addition, there are a number of indicators of improvement that we have selected and these are described in more detail in Part 3.

	Priority	Objective	
Priority 1	To deliver our CQC Improvement Plan and oversee an assurance framework that requires every service area to be working at the level of good across the CQC key lines of enquiry by 2018/19.	Deliver all actions on the plan by the end of 2017/18.	
Priority 2	To finalise and publish a Trust Quality Strategy and objectives for year 3 of the 'Sign up to Safety' improvement programme.	Publish the strategy by October 2017 and a report in March 2018 on progress against agreed objectives 'Sign up to Safety' objectives are:	
		a) - Improve quality assurance processes for mortality reviews by involving local commissioners and implement the learning disability aspect of the mortality review process	
		b) – Create a network of safety and quality champions via membership of Health Foundation Q Initiative and via participation in regional Patient Safety Collaboratives.	
		c) – Lead the AHSN North East and North Cumbria pressure ulcer reduction collaborative and develop network of local quality improvement coaches, leading mini collaboratives in their areas	
		d) – Further develop and evaluate the Integrated Governance Framework from a patient, public and staff participation perspective and embed learning from incidents and reviews.	
Priority 3	To further roll out a quality improvement training and practice development programme for the Trust to develop workforce capability in the application of improvement methodology.	Quality improvement training will be accessible to staff throughout the organisation and annual review will demonstrate that each directorate will have utilised the programme for their staff.	
Priority 4	To develop quality, safety, experience and risk indicators from team to Board and the ability to triangulate information with a focus on shared learning and continuous improvement.	Introduction of a Quality, Risk and Assurance Report at Governance Committee meetings from May 2017.	
	<b>Priority achieved</b>		
	<b>Priority partially / mostly achieved or significant Improvement achieved</b>		
	<b>Priority not achieved</b>		

**2.1 Review of Priorities for Improvement 2017/18**

Each year, we work with our staff, healthcare partners and local stakeholders to agree a number of areas for improvement. These priorities provide our focus for raising standards and improving quality for the coming year and we have put plans in place to continually review and report the progress we are making. Each section summarises the priorities we set for 2017/18; this is followed by details of our progress and achievements.

<b>Priority 1. To deliver our CQC Improvement Plan and oversee an assurance framework that requires every service area to be working at the level of good across the CQC Key Lines of Enquiry by 2018/19</b>
Lead Contact: Karen Lapworth, Head of Assurance
Target: Deliver all actions on the Plan by end of 2017/18

The CQC Improvement Plan has been monitored throughout 2017/18 by the Governance Committee which has received updates on progress. Good progress has been achieved and sustained but we know that some aspects of the CQC Key Lines of Enquiry still require improvement and we have developed additional action plans to address these.

Previous CQC inspections in 2016 looking at safeguarding practices, processes and procedures for children and young people found that the quality of safeguarding children processes in acute services required significant improvement and the CQC issued a warning notice under Section 29A of the Health and Social Care Act 2008. A focused inspection by the CQC was undertaken in July 2017 looking at safe and well led domains. The CQC report was published in September 2017 which was positive, recognising the improvements made and the warning notice was removed.

In March 2018 the CQC published their latest findings from an inspection in October, November and December 2017 of some of our services, which included a Well Led Inspection. In several areas we moved from ‘requires improvement’ outcome to ‘good’. The Learning Disabilities Unit and the Community Learning Disabilities Team continued to be rated as ‘good’. Once again the Trust achieved an ‘outstanding’ rating in the Caring domain.

Our Assurance Programme, which includes compliance with CQC standards was introduced to the Trust during 2017/18 and will be further developed in 2018/19 and is used to monitor progress with areas of improvement identified during this year’s CQC Inspections.

## Priority 2. To finalise and publish a Trust Quality Strategy, and objectives for year three of the 'Sign up to Safety' improvement programme

Lead Contacts: Denise Horsley, Head of Quality, Debbie Cheetham, Head of Patient Safety & Experience

Target: Publish the strategy by October 2017 and a report in March 2018 on progress against agreed objectives. 'Sign up to Safety' improvement plan and the objectives for the year are to:

- a). Improve the quality assurance process for mortality reviews through the involvement of local commissioners, and fully implement the learning disability aspect of the mortality review process;
- b). Create a network of safety and quality champions through our membership of the Health Foundation 'Q Initiative', and through our continued participation on regional Patient Safety Collaborative programmes.
- c). Continue to lead the AHSN North East and North Cumbria pressure ulcer reduction collaborative, and deliver the objective to develop a network of local quality improvement coaches, leading mini-collaboratives in their own areas;
- d). Further develop and evaluate the Integrated Governance Framework from the perspective of patient, public and staff participation and embedded learning from incidents and reviews.

The draft Quality Strategy framework has been developed and circulated widely for consultation. Following revision since consultation, it is ready for approval by the Trust Board of Directors.

The Trust registered with the national 'Sign up to Safety' Campaign in 2014 and alongside that has a range of patient safety improvement plans relating to:

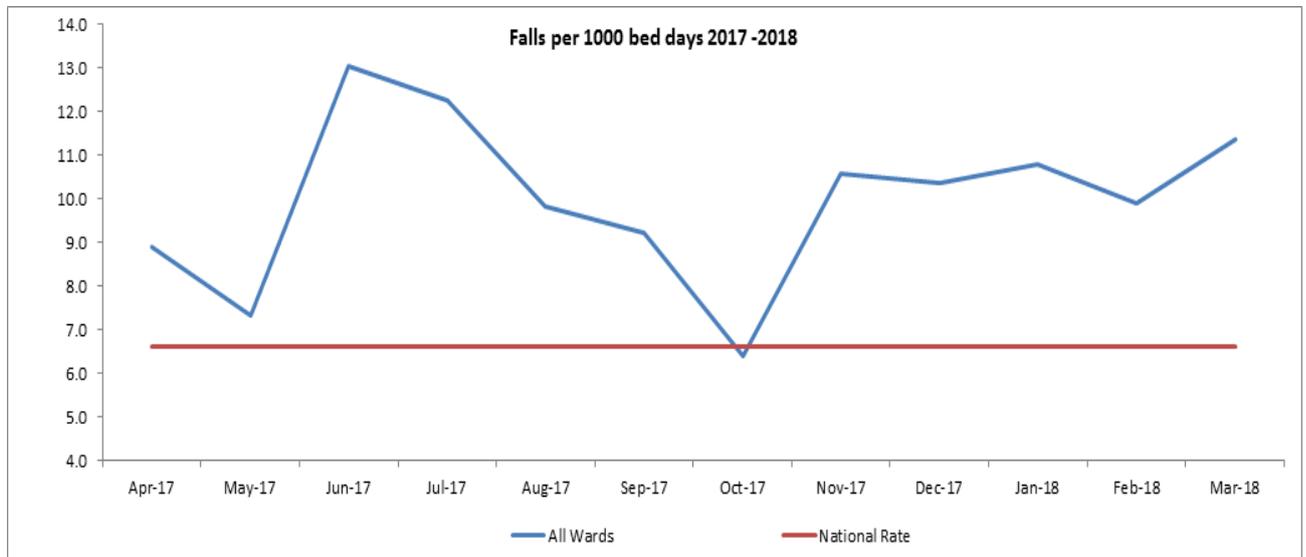
- Pressure ulcer reduction;
- Falls reduction;
- Improving deterioration recognition; and
- Nutrition and hydration

Good progress has been achieved with the improvement plans but there is more to do and therefore we have incorporated all of these priorities for action in our Quality Strategy. Progress with the 'Sign up to Safety' improvement plan key priorities is summarised below:

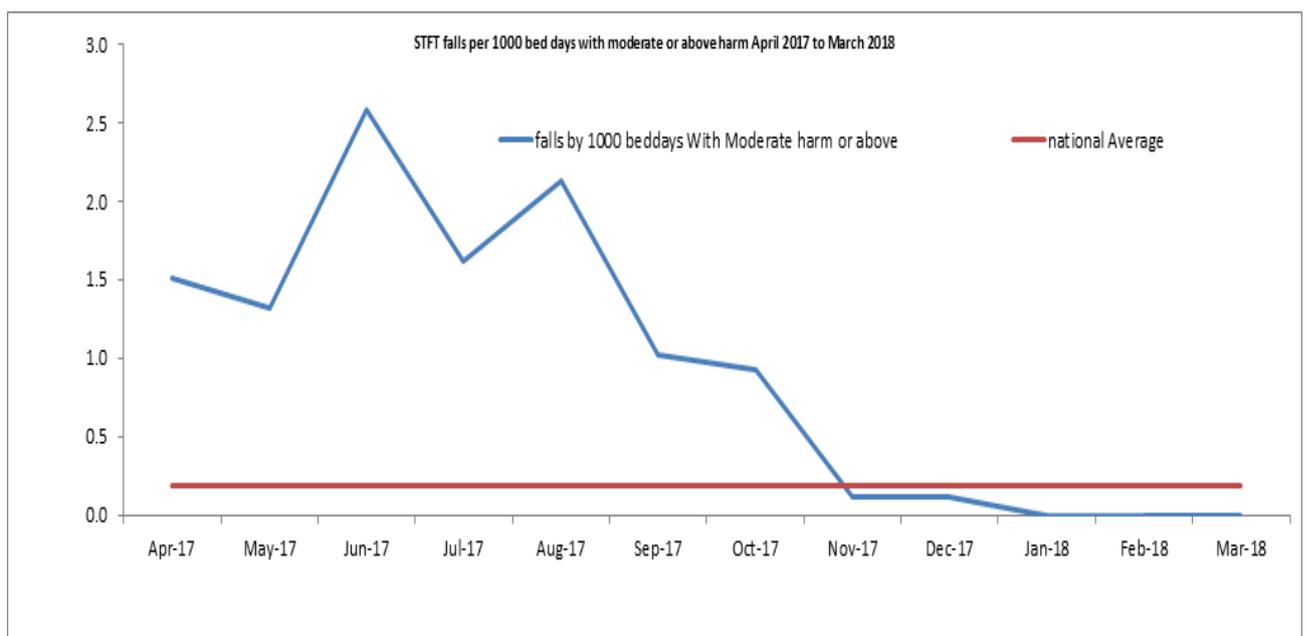
- a) We have modified our mortality review processes to incorporate the Learning Disabilities Mortality Review Programme (LeDeR) which strives to ensure that reviews of deaths lead to learning and result in improved health and social care services for people with learning disabilities. This process involves us sharing information about a patient who has died with our commissioners and at times participating in a multi-agency review.
- b) We continue to support our staff to become members of the Q Initiative and the Trust actively participates in regional Patient Safety Groups including the Regional Falls Collaborative.

The Trust Falls Team have been working to reduce in-patient falls incidents in the Trust. Falls rates per 1000 occupied bed days are reported on a monthly basis. The team review practice and identify key areas for improvement. Staff have engaged in re-

designing the Falls Risk Assessment Tool and Care Plan which were launched and rolled out across the organisation on the 1<sup>st</sup> August 2017. The total patient falls rate per 1000 bed days remains higher than the national average, although there has been a significant reduction in the number of falls which resulted in moderate or severe harm and our rates are lower than the national average per 1000 bed days.



All falls incidents per 1000 bed days



Falls incidents resulting in moderate/severe harm per 1000 bed days

- c) We continue to lead the Academic Health Science Network (AHSN) North East and Cumbria Pressure Ulcer Reduction Collaborative and have developed a joint Pressure Ulcer Reduction Plan with our alliance partner City Hospitals Sunderland NHS Foundation Trust.
- d) We have enhanced our Integrated Governance Framework to be more patient and carer centred whilst also incorporating staff participation. Additionally we have shared learning from incident investigations and we promote an open and just culture for all staff. We have developed a Risk Management Strategy, a new Incident Reporting Policy and a Learning from Incidents Policy to aid the process of

sharing and learning from investigations as a result of incidents, complaints and clinical claims.

**Priority 3. To further roll out a quality improvement training and practice development programme for the Trust that will develop workforce capability in the application of improvement methodology.**

Lead Contact: Denise Horsley, Head of Quality

Target: Quality improvement training will be accessible to staff throughout the organisation and annual review will demonstrate that each directorate will have utilised the programme for their staff

Our approach to quality improvement includes utilisation of the Perform Quality Assurance Process and Lean Healthcare improvement methodology. In collaboration with the AHSN we have supported frontline clinical teams (hospital and community) to develop and test their quality improvement skills. We have strong evidence of utilisation of quality improvement methodology as can be seen from the successful initiatives and improved performance highlighted throughout this report.

We will continue to promote quality improvement principles and to provide training in order to further improve quality and safety and to reduce costs. In our Quality Strategy we have identified objectives for improvement and expect that every objective will be supported by a project and measurement plan. In order to be successful we will monitor not only outcomes but the ability of our staff to measure and deliver improvements and where necessary we will expand the capability and skills of our staff.

**Priority 4. To develop the reporting of quality, safety, experience and risk indicators from team to Board and the ability to triangulate information with a focus on shared learning and continuous improvement.**

Lead Contact: Melanie Johnson, Director of Nursing, AHPs and Patient Experience

Target: The introduction of the Quality, Risk and Assurance Report will be a feature of Governance Committee meetings from May 2017

The Quality, Risk and Assurance Report was introduced and includes a range of measures in a cohesive format to support evaluation of progress with aspects of the Sign up to Safety pledges. Progress has been monitored by the Governance Committee and Board of Directors.

This report will be further developed to report on progress with implementation of the Quality Strategy and will continue to be monitored by the Governance Committee and Board of Directors.

## Priorities for quality improvement 2018/19

National guidance continues to state that we group our priorities and plans under the three main quality headings; patient safety, clinical effectiveness and patient experience. In choosing our priorities for the forthcoming year, we have reviewed and reflected upon our performance in 2017/18, which has included the following national and local information sources:

- Trust strategic objectives and service development plans, i.e. annual planning framework; outcomes from the CQC quality inspections;
- Feedback from external reviews of Trust services, i.e. reports from the CQC, national clinical audits and registries, commissioner intelligence etc.;
- Clinical benchmarking data/outcomes of internal assurance reviews/Audits;
- Patient safety issues from the Trust incident reporting system (Datix);
- Participation in national initiatives and campaigns;
- Patient, carer and public feedback on Trust services, including Friends and Family Test, National Patient Surveys and our Patient Experience Surveys;
- Learning from complaints, PALS, incidents and quality reviews;
- Feedback from patient safety initiatives and staff listening events;
- Progress on last year's quality priorities; and
- Feedback on last year's Quality Report

Our approach this year has also been guided by the development of our new Joint Quality Strategy which provides an overview of our strategic framework and plan of action to improve quality of care at South Tyneside NHS Foundation Trust, in partnership with City Hospitals Sunderland NHS FT over the next five years.

Our vision is to be an outstanding provider of healthcare for everyone who comes into contact with our services, both in hospital and in the community. Our quality priorities will form an integral part of the implementation and success of the Joint Quality Strategy in 2018/19 and in subsequent years.

	Patient safety	Measured by	Monitored by	Reporting to
1	Reduce the number of hospital acquired pressure ulcers	Ward Dashboard data	Tissue Viability Steering Group	Clinical Governance Steering Group
	Target: Reduce the incidence of category 2-4 pressure ulcers which have developed in our care by 25%			
	Reason why we chose this priority:  The Trust has developed a programme of improvement to reduce the incidence of hospital acquired pressure ulcers. Our aim is to reduce category 2-4 pressure ulcers (the most damaging and disabling ulcers) by 25% based on the end of year 2017/18 position.			
2	Reduce the incidence of patient falls that result in severe harm	Incident reporting system	Falls Reduction Group	Clinical Governance Steering Group
	Target: To be in the lower quartile of reporting Trusts nationally			

	<p>Reason why we chose this priority:</p> <p>We know that some patients fall whilst they are in our care and a small number of these do suffer harm as a consequence. This tends to be the most common incident that is reported by NHS Trusts, and this is also something which is part of our incident reporting profile. We have already implemented many national and local initiatives to improve the assessment and management of those patients most vulnerable to slips, trips and falling. This focus and consolidation into practice needs to continue so that we are confident that we are managing the risk of falling as much as possible.</p> <p>For 2018/19 our target is to reduce the incidence of severe harm from patient falls, such that we are in the lower quartile of reporting Trusts nationally.</p>			
3	<p><b>Improve the completion, documentation and visibility of 'Do Not Attempt Cardio Pulmonary Resuscitation' (DNACPR) orders across the organisation</b></p>	<p><b>Internal reporting and audit</b></p>	<p><b>Deterioration Recognition and Resuscitation Group</b></p>	<p><b>Clinical Governance Steering Group</b></p>
<p><b>Target: 10% improvement on the previous year</b></p>				
<p>Reason why we chose this priority:</p> <p>Although we have been able to report some improvements in our documentation and communication of DNACPR orders over the past few years, there is still further work required to be confident that we are getting it right all of the time. Therefore we intend to focus on this area as a Trust priority and our aim is to achieve a 10% improvement in DNACPR documentation based on delivery of an action plan.</p>				
4	<p><b>Improve the recognition and management of deteriorating patients</b></p>	<p><b>To be confirmed</b></p>	<p><b>To be confirmed</b></p>	<p><b>Clinical Governance Steering Group</b></p>
<p><b>Target:</b></p> <p><b>a) 100% of patients to have accurate and timely recording of Early Warning Scores</b></p> <p><b>b) 5% reduction in the number of preventable cardiac arrests</b></p>				
<p>Reason why we chose this priority:</p> <p>We know that early identification of the deteriorating patient can prevent cardiac arrest, unexpected admission to critical care and can save lives.</p> <p>a) The Trust uses early warning scores to help identify patients whose health may suddenly become worse. Information from incidents and audits have shown that sometimes patient observations were not always recorded in a timely manner and early warning scores were not acted upon in time to prevent further deterioration. We want to make sure that all our patients have accurate and timely recording of early warning scores;</p> <p>b) Similarly, timely response and intervention by the clinical team can prevent cardiac arrest and improve recovery. To date we have made only modest improvements in reducing preventable cardiac arrests and we need to do much better.</p>				

5	<b>Improve the standards of clinical documentation</b>	<b>Local assurance audits</b>	<b>Trust Nutritional Group</b>	<b>Clinical Governance Steering Group</b>
	<b>Target:</b> <b>a) Achieve at least 90% compliance with nutritional screening on admission to hospital</b> <b>b) Achieve at least 90% compliance with recording of fluid input</b>			
	Reason why we chose this priority:  a) Evidence suggests that we should identify those patients most at risk of malnutrition and put measures in place to improve nutritional status. The Malnutrition Universal Screening Tool (MUST) is one such screening tool that is proven to be effective in identifying adults who are malnourished, at risk of developing malnutrition. Patients should be screened by a registered nurse within 24 hours of admission to hospital; however, audits have shown that this doesn't always happen. We want to make sure that we carry out MUST assessments in a timely and effective way; b) Information from our audits also indicates that the standard of some of our fluid balance recordings could be improved. There is evidence that trends which give cause for concern are not escalated appropriately. The Trust has recently introduced a new fluid monitoring chart to help improve recording for those vulnerable patients that need it most and we intend to audit compliance with the effective use of the new fluid chart.			
6	<b>Improve medication management</b>	<b>Pharmacy Audits</b>	<b>Medicines Optimisation Group</b>	<b>Clinical Governance Steering Group</b>
	<b>Target:</b> <b>a) Ensure that medicines reconciliation is achieved for 95% of patients within 24 hours of admission to our hospitals</b> <b>b) Reduce the incidence of missed doses of medicine by 50%.</b>			
	Reason why we chose this priority:  Medication use has become increasingly complex in recent times and medication error is a major cause of preventable patient harm. This priority highlights two areas recognised to enhance medication safety:  a) Medicines reconciliation is the process of ensuring that a hospital patient's medication list is as up-to-date as possible. It is usually undertaken by a pharmacist, and may include consulting several sources such as the patient, their relatives or carers, or their GP. Best practice guidance states that medicines reconciliation should be carried out within 24 hours of admission to hospital; b) When a medicine is prescribed there is usually the understanding that the patient will have the medicine administered according to the prescription schedule. Failure to do so can lead to, or has potential to lead to, patient harm. We want to put in place a series of measures to reduce occasions where medications are missed, for whatever reason.			

	<b>Clinical Effectiveness</b>	<b>Measured by</b>	<b>Monitored by</b>	<b>Reporting to</b>
<b>1</b>	<b>Implement the recommendations from the National Maternity Safety Strategy</b>	<b>Maternity Indicators and Action Plan</b>	<b>O&amp;G Clinical Governance Group</b>	<b>Clinical Governance Steering Group</b>
<b>Target: implement the 10 criteria for safer maternity care (agreed by National Maternity Champions)</b>				
Reason why we chose this priority:				
<p>A new National Maternity Strategy was launched in the NHS in support of the ambition to halve the number of stillbirths, neonatal deaths and brain injuries by 2025. It is widely acknowledged that improvements need to be made to learn from mistakes to reduce the number of injuries and baby deaths during childbirth.</p> <p>The strategy is wide ranging and includes initiatives to provide better, safer maternity care, improve the quality of information reviews and investigations and enhance opportunities for learning. In addition, the strategy sets out incentives for those maternity units to implement best practice.</p>				
<b>2</b>	<b>Improve the outcomes for patients with serious infection by ensuring timely identification and treatment of sepsis</b>	<b>National Unify reporting system</b>	<b>Sepsis Group</b>	<b>Clinical Governance Steering Group</b>
<b>Targets:</b>				
<p>a) Sepsis assessment - 90% of patients at risk are screened</p> <p>b) Antibiotic Administration - 90% of patients with sepsis treated within 1 hour</p> <p>c) Antibiotic Review - Perform an empiric review for at least 90% of cases in the sample</p>				
Reason why we chose this priority:				
<p>Evidence suggests that poor initial assessment and delays in treatment for sepsis can have a significant negative impact on patient outcomes and can contribute to high mortality. Improvements in sepsis management forms part of the national CQUIN scheme with the requirement for hospitals to implement screening protocols for sepsis within emergency departments, medical and surgical admission units and in-patient wards. This includes adults and children where sepsis screening is deemed clinically appropriate.</p> <p>The focus is then to ensure that intravenous antibiotic treatment is initiated quickly in those with the most severe forms of sepsis and that these drug regimes are properly reviewed. We have set up processes aligning to national standards in assessing patients for sepsis and, if clinically necessary, to initiate treatment in a timely way. Monitoring of this priority will be overseen by the Trust Sepsis Group.</p>				

3	<b>Improve quality, efficiency and reduce variations in our services by implementing recommendations from the GIRFT programme</b>	<b>Specialty Specific Action Plans</b>	<b>Operational Management Group</b>	<b>Clinical Governance Steering Group</b>
	<b>Target: Implement speciality-specific recommendations from GIRFT (according to agreed action plan)</b>			
	<p>Reason why we chose this priority:</p> <p>Getting It Right First Time (GIRFT) is a national programme designed to improve medical care within the NHS by reducing unwarranted variations. Fundamentally it is about improving quality and by doing so this leads to a reduction in costs.</p> <p>A national report highlighted that unwarranted variation affects patient outcomes, service costs and overall productivity. This doesn't mean that everyone should be treated the same as local needs will shape services and priorities, however, the programme is designed to identify changes that will help improve care and patient outcomes, as well as delivering efficiencies such as the reduction of any potentially unnecessary procedures.</p> <p>It is important to recognise that GIRFT is led by frontline clinicians who are expert in the areas they are reviewing. This means the data that underpins GIRFT is being reviewed by people who understand and manage those services on a daily basis. The GIRFT methodology is being rolled out nationally and will include most clinical medical specialties. South Tyneside has already been part of the process and is committed to using the intelligence within GIRFT to raise quality and standards.</p>			
4	<b>Learn and act on the results from reviews of patient deaths</b>	<b>Mortality Review Outcomes</b>	<b>Mortality Review Group</b>	<b>Clinical Governance Steering Group</b>
	<b>Target: Review all deaths that meet national criteria for stage 2 independent review</b>			
	<p>Reason why we chose this priority:</p> <p>Nationally it is recognised that there are major limitations to hospital mortality statistics and how these can be interpreted. In response, the main method of assessing the safety and quality of care received by patients who die in our care is to undertake retrospective in-depth case note review.</p> <p>For some time, the Trust has undertaken systematic mortality reviews to better understand and learn from hospital deaths. Last year, we published the outcomes of this information in the form of 'Learning from Deaths Dashboard' which included evidence of learning and action as a result of any problems in care.</p> <p>We will continue to develop this process and to learn and modify practice where necessary. Progress will be overseen by the Trust Mortality Review Group.</p>			

<b>5</b>	<b>Integrate the four priority standards for seven day working.</b>	<b>Action Plan Updates</b>	<b>Patient Flow Group</b>	<b>Clinical Governance Steering Group</b>
	<b>Target: Four priority standards to be implemented by 2020</b>			
	<p>Reason why we chose this priority:</p> <p>The NHS has committed to providing a 7 day service by 2020. The expectation is that all in-patients admitted through Emergency and Urgent Care routes have access to consistent and equal clinical services on each of the 7 days of the week, at the time of admission and throughout the stay in an acute hospital bed. The rationale for this ambition is to improve safety, quality and efficiency of care, ensuring that senior decision makers are available to provide the same level of assessment, diagnosis, treatment and intervention on each day of the week. The expectation is that these senior staff will also be readily available to provide information to patients and relatives and to supervise junior staff. A number of standards have been set of which four are designated as priority standards as these are most closely linked to the improvement in safety and efficiency. It is these four standards that the NHS expects to be in place for all Acute Trusts by 2020.</p>			
	<b>Patient Experience</b>	<b>Measured by</b>	<b>Monitored by</b>	<b>Reporting to</b>
<b>1</b>	<b>Learn from patient feedback</b>	National and local surveys, NHS Friends & Family Test, Complaints, Compliments and online sources (e.g. NHS Choices)	Patient, Carer and Public Experience Group	Patient, Carer and Public Experience Committee
<b>2</b>	<b>Ensure that patients are involved as much as they want to be in decisions about their care and treatment by monitoring and audit</b>			
<b>3</b>	<b>Provide a safe, secure, clean and comfortable environment for our patients and their carers/families by monitoring hand hygiene compliance and infection rates</b>			
<b>4</b>	<b>Ensure that patients receive adequate information and support for safe discharge from hospital by monitoring and audit</b>			
<b>5</b>	<b>Ensure that all patients and specifically those with physical and mental disabilities receive person-centred care based on their needs and preferences and that we work within the Mental Capacity Act (2005) and consult with others where appropriate. One of the key vulnerable groups will be patients with dementia</b>			
		Audit of compliance and Annual PLACE Inspection Results		
		National Patient Surveys and local Real Time Feedback		
		Local Dementia Group Action Plan		

Reason why we chose these priorities:

Whilst safe, high quality clinical care must always be guaranteed in the NHS, this isn't enough by itself. Patients want and deserve to be treated with compassion, dignity and respect in a safe and caring environment, with staff putting their needs first to ensure a consistent positive patient experience. Our aim is to improve the patient and carer/family experience, from their very first contact with us right through to their safe discharge from our care.

A range of feedback mechanisms will be used to help the Trust understand the patient experience whilst in hospital, particularly with regard to some of the key areas highlighted above. It will also provide a useful way to measure improvement following the actions that we will take. Our progress, achievements and challenges for making improvements will be monitored by the Patient, Carer and Public Experience Group.

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

### **Review of services**

During 2017/18 South Tyneside NHS Foundation Trust provided and/ or sub-contracted 130 relevant health services.

South Tyneside NHS Foundation Trust has reviewed all the data available to them on the quality of care in all of these relevant health services.

The income generated by the relevant health services reviewed in 2017/18 represents 100% of the total income generated from the provision of relevant health services by South Tyneside NHS Foundation Trust for 2017/18.

The Trust routinely analyses organisational performance on key quality indicators, benchmarked against national comparisons, leading to the identification of priorities for quality improvement.

The Board of Directors and the Executive Committee review the service report and dashboards monthly. There is a Quality Risk and Assurance Report presented monthly to the Board of Directors and the Governance Committee to provide further assurance from external sources such as the Care Quality Commission's Intelligent Monitoring Report, nationally reported mortality and outcomes data, information from our STFT clinical benchmarking system, the results of national audits and external inspections, data from the NRLS, complaints, inquests and information from the Parliamentary and Health Service Ombudsman, the Trust Assurance Programme and patient experience data such as the Friends and Family Test and the Patient Experience Survey, etc. The Governance Committee therefore provides assurance on the adequacy and effectiveness of risk management and integrated governance within the organisation.

### **Participation in Clinical Audit and the National Confidential Enquiries**

Participation in national/regional clinical audit enables the Trust to review and compare performance and standards across a wide range of areas. The Trust participates in national and local clinical audit and implements a range of developments and improvements as a result.

**This Clinical Audit Quality Account covers the period from 1 April 2017 to 28 February 2018.**

Of the national clinical audits and national confidential enquiries the Trust was eligible to take part in during 2017/18, South Tyneside NHS Foundation Trust participated in 97% (n=33/34) of national clinical audits and 100% (n=7/7) of national confidential enquiries (breakdown as below).

During 2017/18, 40 national clinical audits and nine national confidential enquiries focused on health services that the Trust provides.

Of the 40 national clinical audits that the Trust was eligible to take part in participation was not applicable to six audits for the following reasons:

<b>Audit</b>	<b>Not applicable (rationale)</b>
National Audit of Intermediate Care	Trust has opted out, due to current re-organising of intermediate care
National Audit of Seizures and Epilepsies in Children and Young People	Data collection has not yet commenced
National Clinical Audit of Care at the End of Life (NACEL)	Data collection has not yet commenced
NHSBT Audit of Patient Blood Management in Scheduled Surgery	No data collection scheduled for 2017/18
NHSBT Audit of the use of blood in Lower GI bleeding	No data collection scheduled for 2017/18
UK Parkinson's Audit	Trust has opted out as the organisation does not have a Parkinson's Service

The Trust participated in 33 of the remaining 34 national clinical audits. The Trust did not participate in one continuous national diabetes audit due to lack of resources.

Of the nine confidential enquiries that the Trust was eligible to take part in, participation was not applicable to two confidential enquiries for the following reasons:

<b>Audit</b>	<b>Not applicable (rationale)</b>
National Confidential Inquiry into Suicide and Homicide (NCISH)	No relevant cases identified
NCEPOD Pulmonary embolism	Data collection has not yet commenced

The Trust participated in all seven of the remaining confidential enquiries.

The national clinical audits and national confidential enquiries that South Tyneside NHS Foundation Trust participated in and for which data collection was completed during 2017/18 are listed in the table 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.

Due to the varied submission/reporting deadlines for on-going/continuous national audits, unless otherwise stated, the figures for such audits have been based upon the number of cases actually submitted out of the number of identified cases from 1st April 2017 to 28th February 2018.

The reports of 33 national clinical audits and the reports of 71 local clinical audits were reviewed by the Clinical Audit Group and South Tyneside NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

- Ensuring the lead clinician produces an action plan
- The action plan is signed off by the appropriate strategic group or committee
- Progress is monitored through the appropriate committee.

The national clinical audits and national confidential enquiries that South Tyneside NHS Foundation Trust participated in during 2017/18 are as follows:

National Clinical Audits and Confidential Enquiries for inclusion in Quality Accounts Report 2017/2018			
Audit Title	Eligible for participation	Participated	% pts submitted to audit
Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	Yes	Yes	<b>57%</b> (72/126)
Bowel Cancer (NBOCAP)	Yes	Yes	<b>100%</b> (99/99)
Cardiac Rhythm Management (CRM)	Yes	Yes	<b>100%</b> (99/99)
Diabetes (Paediatric) (NPDA)	Yes	Yes	<b>100%</b> (61/61)
Elective Surgery (National PROMs Programme) Groin Hernia	Yes	Yes	26 questionnaires April to September 2017
Elective Surgery (National PROMs Programme) Hips	Yes	Yes	Unable to determine – insufficient data available from NHS Digital
Elective Surgery (National PROMs Programme) Knees	Yes	Yes	Unable to determine – insufficient data available from NHS Digital
Falls and Fragility Fractures Audit Programme Inpatient Falls	Yes	Yes	<b>100%</b> (30/30)
Falls and Fragility Fractures Audit Programme National Hip Fracture Database	Yes	Yes	<b>92%</b> (167/181)
Inflammatory Bowel Disease (IBD) programme / IBD Registry	Yes	Yes	<b>28%</b> (11/39)
Intensive Care Audit Case Mix Programme (CMP)	Yes	Yes	<b>100%</b> (287/287)
Learning Disability Mortality Review Programme (LeDeR)	Yes	Yes	<b>67%</b> (2/3)
Mothers and babies: Reducing risk through audits and confidential enquiries (MBRRACE)	Yes	Yes	<b>71%</b> (5/7)
National Audit of Dementia	Yes	Yes	<b>100%</b> (50/50)
National Audit of Intermediate Care	Yes	N/A	Trust has opted out, due to current re-organising of intermediate care.
National Audit of Seizures and Epilepsies in Children and Young People	Yes	N/A	Data collection has not yet commenced.
National Cardiac Arrest Audit (NCAA)	Yes	Yes	<b>99%</b> (68/69)
National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme COPD Secondary Care Audit	Yes	Yes	<b>72%</b> (155/216)

**National Clinical Audits and Confidential Enquiries for inclusion in Quality Accounts Report 2017/2018**

<b>Audit Title</b>	<b>Eligible for participation</b>	<b>Participated</b>	<b>% pts submitted to audit</b>
National Chronic Obstructive Pulmonary Disease (COPD) Audit programme Pulmonary rehabilitation	Yes	Yes	<b>100%</b> (44/44)
National Clinical Audit of Care at the End of Life (NACEL)	Yes	N/A	Data collection has not yet commenced.
National Confidential Inquiry into Suicide and Homicide (NCISH)	Yes	N/A	No relevant cases identified
National Core Diabetes Audit	Yes	No	Unable to participate due to lack of resources
National Diabetes Foot Care Audit	Yes	Yes	<b>100%</b> (17/17)
National Diabetes Inpatient Audit (NaDIA) -reporting data on services in England and Wales	Yes	Yes	<b>100%</b> (46/46)
National Emergency Laparotomy Audit (NELA)	Yes	Yes	<b>100%</b> (65/65)
National Heart Failure Audit	Yes	Yes	<b>89%</b> (323/363)
National Joint Registry	Yes	Yes	<b>100%</b> (204/204)
National Lung Cancer Audit (NLCA)	Yes	Yes	<b>100%</b> (158/158) Figures are for the audit period 01/01/17 – 31/12/17
National Maternity and Perinatal Audit (NMPA)	Yes	Yes	Methodology required submission of a single data extract covering the period 01/04/2016 to 31/03/2017. The data was submitted to the audit in January 2018.
National Neonatal Audit Programme - Neonatal Intensive and Special Care (NNAP)	Yes	Yes	<b>92%</b> (88/96)
National Pregnancy in Diabetes Audit	Yes	Yes	<b>100%</b> (11/11)
NCEPOD Cancer in Children, Teens and Young Adults	Yes	Yes	N/A – STFT had no relevant cases for submission.
NCEPOD Chronic Neurodisability	Yes	Yes	N/A – no cases from STFT included in the study
NCEPOD Heart Failure	Yes	Yes	<b>100%</b> (6/6)
NCEPOD Non-invasive ventilation	Yes	Yes	N/A clinician questionnaires not issued by NCEPOD to STFT
NCEPOD Perioperative diabetes	Yes	Yes	N/A – data collection is still underway

**National Clinical Audits and Confidential Enquiries for inclusion in Quality Accounts Report 2017/2018**

<b>Audit Title</b>	<b>Eligible for participation</b>	<b>Participated</b>	<b>% pts submitted to audit</b>
NCEPOD Pulmonary embolism	Yes	N/A	Data collection has not yet commenced.
NCEPOD Young People's Mental Health	Yes	Yes	<b>100%</b> (1/1)
NHSBT 2017 National Comparative Audit of Transfusion Associated Circulatory Overload (TACO)	Yes	Yes	<b>100%</b> (35/35)
NHSBT Audit of Patient Blood Management in Scheduled Surgery	Yes	N/A	No data collection scheduled for 2017/2018
NHSBT Audit of the use of blood in Lower GI bleeding	Yes	N/A	No data collection scheduled for 2017/2018
NHSBT Re-audit of the 2016 audit of red cell and platelet transfusion in adult haematology patients	Yes	Yes	<b>100%</b> (9/9)
Oesophago-gastric Cancer (NAOGC)	Yes	Yes	<b>85%</b> (55/65) STFT patients submitted by NUTH
RCEM Fractured Neck of Femur	Yes	Yes	<b>98%</b> (90/92)
RCEM Pain in children	Yes	Yes	<b>100%</b> (135/135)
RCEM Procedural sedation in adults	Yes	Yes	<b>100%</b> (30/30)
Serious Hazards of Transfusion (SHOT): UK National haemovigilance scheme	Yes	Yes	<b>100%</b> (4/4)
Trauma Audit and Research Network	Yes	Yes	<b>62%</b> (79/128)
UK Parkinson's Audit	Yes	N/A	The Trust does not provide a Parkinson's Service
NCEPOD Long-term ventilation in children, young people and young adults	Not known	N/A	Study has not yet commenced. Awaiting further details from NCEPOD to ascertain relevance to organisation

*The remaining national audits were not applicable to South Tyneside NHS Foundation Trust during the reporting period.*

## Participation in Clinical Research

The UK Policy Framework for Health and Social Care Research was published in October 2017 and confirms the Department of Health commitment to the delivery of high quality research in the NHS. Research is a core function of healthcare, the NHS Five Year Forward Plan *states 'research is vital in providing the evidence we need to transform services and improve outcomes'* and confirms continued support to the National Institute for Health Research (NIHR).

South Tyneside NHS Foundation Trust is a partner organisation of the Clinical Research Network: North East and North Cumbria (CRN NENC) and has a long and successful relationship with the network. The Research and Development Department work closely with the CRN NENC to deliver a number of NIHR Portfolio studies across a range of specialties. South Tyneside NHS Foundation Trust was awarded approximately £418, 000 to support and deliver NIHR Portfolio studies in 2017/18.

Research is underway in a number of clinical specialities; to date in 2017/18 1340 patients were recruited to 44 NIHR portfolio trials across 12 specialties. This is a 61% increase in recruitment since 2016. To date in 2017/18 South Tyneside have opened one new industry study in respiratory medicine.

## 2017/18 Recruitment by Specialty/Study

Managing Specialty	Primary Subspecialty	Short Name	No of Participants
Gastroenterology	Gastroenterology	The B-ADENOMA Study	331
Gastroenterology	Gastroenterology	SCOPE-ME PREM development	207
Gastroenterology	Gastroenterology	IBD Bioresource	148
Gastroenterology	Endoscopy and imaging	ObeSity related Colorectal Adenoma Risk	76
Reproductive Health	Reproductive and sexual medicine	GLOWING Pilot Cluster RCT	57
Respiratory Disorders	Respiratory disorders	NIV outcomes study	55
Children	Allergy, infection and immunity	Rightpath Version 1 - 22 12 15	53
Reproductive Health	Reproductive and sexual medicine	QUIDS	48
Cancer	Lung	LuCID: Lung Cancer Indicator Detection	47
Cardiovascular Disease	Arrhythmia	AF-GEN-UK: UK extension of Long-term Registry of Atrial Fibrillation	34
Gastroenterology	Gastroenterology	ContactME-IBS	31
Respiratory Disorders	Respiratory disorders	EMBARC: European Bronchiectasis Registry	30
Health Services Research	Health services and delivery research	Equality for CYP with learning disabilities (LD) - Phases 2-4	27
Infection	Infection prevention	PrEP Impact Trial	21
Respiratory Disorders	Respiratory disorders	MERMAIDS ARI	20
Reproductive Health	Reproductive and sexual medicine	ANODE Trial	20
Respiratory Disorders	Asthma	NOVELTY	17
Health Services Research	Health services and delivery research	OPTBreathe: Preference & cost-effective support for breathlessness	16
Reproductive Health	Maternal/fetal medicine	QUIDS 2	16
Gastroenterology	Gastroenterology	I-CARE - IBD Cancer and Serious Infections in Europe	9
Cardiovascular Disease	Heart failure	Assessment of real life care (ARIADNE)	9
Cancer	Lung	CR UK Stratified Medicine Pilot study	8
Cancer	Lung	Cancer Diagnosis via Emergency Presentation Study (Empress) v1.0	6
Cardiovascular Disease	Atherothrombosis	The BHF SENIOR-RITA TRIAL	6
Cardiovascular Disease	Atherothrombosis	CARD 4843	6

Infection	Infection prevention	PrEP Impact Trial	5
Cancer	Colorectal	Prepare-ABC	4
Hepatology	Hepatology (migration)	Albumin To prevenT Infection in chronic liveR failurE (ATTIRE)	4
Mental Health	Anxiety - social	Alleviating Specific Phobias Experienced by Children Trial (ASPECT)	4
Cancer	Colorectal	FOCUS-4: Molecular selection of therapy in colorectal cancer	3
Gastroenterology	Gastroenterology	Predicting serious drug side effects in gastroenterology	3
Primary Care	Cancer	Barrett's oESophagus Trial 3 (BEST3)	2
Cancer	Prostate	STAMPEDE	2
Hepatology	Hepatology (migration)	PBC Genetics Study	2
Reproductive Health	Reproductive and sexual medicine	The FUTURE Study	2
Respiratory Disorders	Respiratory disorders	Treating pulmonary fibrosis with co-trimoxazole	2
Health Services Research	Health services and delivery research	Implementation, impact & costs of policies for safe staffing	1
Health Services Research	Health services and delivery research	Knowledge and perception of antimicrobial resistance in Europe	1
Health Services Research	Health services and delivery research	Early evaluation of the Integrated Care and Support Pioneers	1
Mental Health	Learning disorders	EPICC-ID Randomised Controlled Trial	1
Cancer	Breast	Add-Aspirin	1
Cancer	Lung	MARS 2	1
Hepatology	Hepatology (migration)	The UK-PBC Nested Cohort Study (version 1)	1
Reproductive Health	Reproductive and sexual medicine	Gabapentin for Pelvic Pain (GaPP 2)	1
Stroke	Rehabilitation	RATULS: Robot Assisted Training for the Upper Limb after Stroke	1
<b>TOTAL</b>			<b>1340</b>

The number of patients receiving relevant health services provided or sub-contracted by South Tyneside NHS Foundation Trust in 2017/18 that were recruited during the period to participate in research approved by a Research Ethics Committee was 1340.

High Level Objective	STFT Performance in 2017/18	National CRN Target
HLO 1 – Recruitment to CRN portfolio studies	1430	650, 000
HLO 2A – Proportion of commercial studies recruiting to time and target	4 (75%) 1 closed grey (Target 0)	80%
HLO 2B – Proportion of non-commercial studies recruiting to time and target	3 (66.6%)	75%
HLO 4 – Study set up within 40 days	100%	80%

## Research and Development – Key Achievements

Colin Rees was awarded a professorship at Newcastle University working with the Institute for Cancer Research. This appointment will further develop the capabilities of Professor Rees and the Gastroenterology Research Team to develop and lead more research. Professor Rees is leading early diagnosis, screening and prevention work for the University.

B-adenoma, a large multi-centre GI trial, led by Professor Rees, recruited 3222 patients achieving recruitment to time and target nine months ahead of schedule, further cementing the reputation of South Tyneside NHS Foundation Trust's success for delivering large multi-centre trials. This is the fastest recruiting interventional endoscopy trial in the world and has been commended widely by the Clinical Research Network and Industry. <https://sites.google.com/a/nih.ac.uk/nenc-newsroom/b-adenoma-case-study>

The Adenoma Trial, a multi centre study led by South Tyneside during 2015/16 was published in GUT in December 2017. GUT is the leading international journal of gastroenterology and hepatology with a reputation for publishing first class clinical research. <http://gut.bmj.com/content/early/2018/01/23/gutjnl-2017-314889>

South Tyneside is leading the Obesity Related Colorectal Adenoma Risk (OSCAR) study. This multi-centre trial will recruit 1430 patients. The trial is actively recruiting in South Tyneside and Sunderland and will be set-up in a further seven sites by April 2018.

Professor Rees is leading one of the world's leading Colorectal Cancer Research collaborations, encompassing leading colorectal cancer researchers from the UK and Europe with strong support from major UK stakeholders. The collaboration has led to the COLO-SPEED (Colorectal Cancer Screening, Prevention, Endoscopy and Early Diagnosis) application to Cancer Research UK for a £5 million infrastructure grant. This has been shortlisted to final stage with the outcome announced in December 2018.

SCOPE-ME continues to recruit well and is now open in four sites. This ground breaking study seeks to understand and measure patient experience of GI endoscopy. This has led to the development of the first ever validated patient experience tool.

In June 2017 the Cardiology Research Team at South Tyneside were awarded North East and North Cumbria Clinical Research Network Industry Team of the Month for their success in cardiology research.

South Tyneside opened its first surgical study. Supportive exercise programmes for accelerating recovery after major abdominal cancer surgery (PREPARE-ABC) is a cancer study that requires a surgical PI. This multi-disciplinary trial offers a physiotherapy-led intervention and is the first trial at South Tyneside to involve surgery and physiotherapy.

South Tyneside successfully achieved the 2017/18 NENC CRN Quality Improvement Incentive targets; this scheme was linked to the accurate recording of research activity data. In achieving the assessment criteria the research department was awarded £20,000.

In January 2018 Liz Fuller, Respiratory Consultant, was awarded a Certificate of Achievement for Successful Recruitment to time and target.

Dr. Andrew McNair was awarded a 'Green shoot' award, receiving a 0.5PA to develop his research career in respiratory medicine.

South Tyneside was awarded the Acute Sector Medilink Business Award for our research collaboration with industry and academia in delivering the ADENOMA and B-adenoma trials. South Tyneside is now a nominee in the National Medilink UK Awards to be held in April 2018.

### **Information on the use of the CQUIN framework**

A proportion of South Tyneside NHS Foundation Trust's income for 2017/18 is conditional upon achieving quality improvement and innovation goals agreed between South Tyneside NHS Foundation Trust and any person or body who entered into a contract, agreement or arrangement for the provision of NHS services, through the Commissioning for Quality and Innovation (CQUIN) payment framework.

Further details of the agreed goals for 2017/18 and for the following 12 month period are available by contacting: [nhsfoundationtrustinfo@stft.nhs.uk](mailto:nhsfoundationtrustinfo@stft.nhs.uk)

The monetary total for the amount of income in 2017-18 conditional upon achieving quality improvement and innovation goals is £3,219,578. The monetary total for the associated payment in 2016/17 was £3,417,809.

Quarter 4 reconciliation has not yet been agreed, however, the indicative year end position shows that we will have achieved over £2,077,907 or 90% of available scheme funds.

## Information on the use of the Commissioning for Quality and Innovation (CQUIN) Framework

No	Goal	Indicator	Status
1	Staff Health and Wellbeing	<ul style="list-style-type: none"> <li>The introduction of health and wellbeing initiatives</li> <li>The introduction of healthy food for staff, patients and visitors</li> <li>Uptake of staff flu vaccinations</li> </ul>	Full
2	Reducing the impact of serious infections	<p>For patients in A&amp;E and Inpatient Departments:</p> <ul style="list-style-type: none"> <li>The screening for Sepsis</li> <li>The provision of antibiotics within 1 hour</li> <li>Empiric review of antibiotics between 24- 72 hours</li> <li>The reduction of total antibiotic consumption</li> <li>The reduction of carbapenem</li> <li>The reduction of piperacillin-tazobactem</li> </ul>	Partial
4	Improving services for people with mental health needs who present to A&E	<ul style="list-style-type: none"> <li>The identification of the most intensive users</li> <li>Improved integrated care pathways across providers, including timely communication and collaboration between other agencies</li> <li>The reduction of attendances of most intensive users</li> </ul>	Full
6	Advice & Guidance	The increased uptake of the number of services offering Advice and Guidance to GPs	Partial
7	e-Referral Service	<ul style="list-style-type: none"> <li>The increased utilisation of e-Referral Service</li> <li>The provision of adequate polling ranges to allow patients to book appointments</li> <li>The reduction of associated slot issues</li> </ul>	Full
8	Supporting proactive and safe discharge	<ul style="list-style-type: none"> <li>The review of discharge pathways and roll-out of new protocols to aide discharge</li> <li>The planning and implementation of new Emergency Care Dataset</li> <li>The increase in the proportion of patients 65+ admitted via non-elective route discharged to their usual place of residence within 7 days of admission</li> </ul>	Full
9	Preventing ill health from risky behaviour	<ul style="list-style-type: none"> <li>Baseline audit of community data provision for smoking and alcohol</li> <li>The training of staff to deliver brief advice</li> <li>The screening of inpatients for smoking and alcohol status</li> <li>The delivery of brief advice to patients at risk</li> <li>The delivery of referral/medication support for smoking cessation and referral to alcohol support services</li> </ul>	Partial

10	<b>Improving the assessment of wounds</b>	<ul style="list-style-type: none"> <li>• Baseline audit of full wound assessment of wounds which have failed to heal after 4 weeks</li> <li>• The development and implementation of action plan to improve the documentation of full wound assessment for wounds which have failed to heal after 4 weeks</li> </ul>	<b>Full</b>
11	<b>Personalised care and support planning</b>	The development of an action plan to ensure care and support planning is recorded	<b>Full</b>
12	<b>Diabetic Retinal Screening</b>	Baseline of patient experience activities with associated action plan to increase participation	<b>Full</b>
13	<b>Lifecycle Primary Mental Health</b>	To develop initiatives to improve the service for each of the identified age groups	<b>Full</b>
14	<b>Integrated MSK</b>	<ul style="list-style-type: none"> <li>• To increase the proportion of referrals going to the MSK service</li> <li>• To increase the use of the Startback Pathway</li> <li>• To reduce the number of inappropriate MRI examinations</li> <li>• To be treated by the most appropriate clinician in the service</li> </ul>	<b>Full</b>
15	<b>School Immunisation</b>	<ul style="list-style-type: none"> <li>• Improvements to uptake of school based immunisations through implementation of an inequalities action plan</li> </ul>	<b>Full</b>
16	<b>Nationally standardised Dose banding for Adult Intravenous Anticancer Therapy (SACT)</b>	<ul style="list-style-type: none"> <li>• Increasing the utilisation of the nationally Standardised dose banding for Adult intravenous Anticancer Therapy (SACT)</li> </ul>	<b>Full</b>

*Goals relating to 3 and 5 relate to Acute Mental Health Trusts and are therefore not applicable*

### **Information relating to registration with the Care Quality Commission (CQC)**

South Tyneside NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is registration in full, with no conditions. Activities that the Trust is registered to carry out:

- Accommodation for persons who require nursing or personal care
- Diagnostic and screening procedures
- Family planning services
- Maternity and midwifery services
- Nursing care
- Personal care
- Surgical procedures
- Termination of pregnancies
- Treatment of disease, disorder or injury
- Assessment and Care of Patients under the Mental Health Act.

The Trust has participated in a Well Led inspection by the CQC with a Provider Information Request being issued on 1<sup>st</sup> August 2017, an unannounced visit in October/November 2017 and an announced visit on 5-7<sup>th</sup> December 2017. The formal report from this was published in March 2018 which recognised that significant improvements had taken place and allocated an overall rating of 'requires improvement' to the Trust, with a 'good' rating for Elmville and Community Learning Disability services and an 'outstanding' rating for the Caring domain.

### Ratings for a combined trust

	Safe	Effective	Caring	Responsive	Well-led	Overall
Acute	Requires improvement ↔ Mar 2018	Requires improvement ↔ Mar 2018	Good ↔ Mar 2018	Good ↑ Mar 2018	Requires improvement ↔ Mar 2018	Requires improvement ↔ Mar 2018
Community	Good Dec 2015	Good Dec 2015	Good Dec 2015	Good Dec 2015	Good Dec 2015	Good Dec 2015
Mental health	Good Mar 2018	Good Mar 2018	Good Mar 2018	Good Mar 2018	Good Mar 2018	Good Mar 2018
<b>Overall trust</b>	Requires improvement ↔ Mar 2018	Requires improvement ↔ Mar 2018	Outstanding ↔ Mar 2018	Good ↔ Mar 2018	Requires improvement ↔ Mar 2018	Requires improvement ↔ Mar 2018

### Ratings for South Tyneside District Hospital

	Safe	Effective	Caring	Responsive	Well-led	Overall
Urgent and emergency services	Requires improvement ↔ Mar 2018	Requires improvement ↔ Mar 2018	Good ↔ Mar 2018	Good ↑ Mar 2018	Good ↑ Mar 2018	Requires improvement ↔ Mar 2018
Medical care (including older people's care)	Good ↑ Mar 2018	Requires improvement ↔ Mar 2018	Good ↔ Mar 2018	Good ↑ Mar 2018	Good ↑ Mar 2018	Good ↑ Mar 2018
Surgery	Requires improvement ↔ Mar 2018	Good ↔ Mar 2018	Good ↔ Mar 2018	Good ↑ Mar 2018	Requires improvement ↑ Mar 2018	Requires improvement ↔ Mar 2018
Critical care	Requires improvement ↔ Mar 2018	Requires improvement ↔ Mar 2018	Good ↔ Mar 2018	Requires improvement ↔ Mar 2018	Requires improvement ↔ Mar 2018	Requires improvement ↔ Mar 2018
Maternity	Good Dec 2015	Good Dec 2015	Good Dec 2015	Good Dec 2015	Requires improvement Dec 2015	Good Dec 2015
Services for children and young people	Requires improvement Dec 2015	Requires improvement Dec 2015	Good Dec 2015	Good Dec 2015	Requires improvement Dec 2015	Requires improvement Dec 2015
End of life care	Good Dec 2015	Good Dec 2015	Outstanding Dec 2015	Good Dec 2015	Good Dec 2015	Good Dec 2015
Outpatients	Good Dec 2015	N/A	Good Dec 2015	Good Dec 2015	Good Dec 2015	Good Dec 2015
<b>Overall*</b>	Requires improvement ↔ Mar 2018	Requires improvement ↔ Mar 2018	Good ↔ Mar 2018	Good ↑ Mar 2018	Requires improvement ↔ Mar 2018	Requires improvement ↔ Mar 2018

\*Overall ratings for this hospital are from combining ratings for services. Our decisions on overall ratings take into account the relative size of services. We use our professional judgement to reach fair and balanced ratings.

\* No rating was provided during the 2015 inspection. This may be due to a lack of sufficient objective or statistical data

### Ratings for community health services

	Safe	Effective	Caring	Responsive	Well-led	Overall
Community health services for adults	Good Dec 2015	Good Dec 2015	Good Dec 2015	Good Dec 2015	Good Dec 2015	Good Dec 2015
Community health services for children and young people	Good Dec 2015	Good Dec 2015	Outstanding Dec 2015	Good Dec 2015	Good Dec 2015	Good Dec 2015
Community end of life care	Good Dec 2015	Good Dec 2015	Outstanding Dec 2015	Good Dec 2015	Good Dec 2015	Good Dec 2015
Community dental services	Good Dec 2015	Good Dec 2015	Good Dec 2015	Good Dec 2015	Outstanding Dec 2015	Good Dec 2015
<b>Overall*</b>	Good Dec 2015	Good Dec 2015	Outstanding Dec 2015	Good Dec 2015	Good Dec 2015	Good Dec 2015

\*Overall ratings for community health services are from combining ratings for services. Our decisions on overall ratings take into account the relative size of services. We use our professional judgement to reach fair and balanced ratings.

### Ratings for mental health services

	Safe	Effective	Caring	Responsive	Well-led	Overall
Wards for people with a learning disability or autism	Good Mar 2018					
Community mental health services for people with a learning disability or autism	Good Mar 2018					
<b>Overall</b>	Good Mar 2018					

Overall ratings for mental health services are from combining ratings for services. Our decisions on overall ratings take into account the relative size of services. We use our professional judgement to reach fair and balanced ratings.

South Tyneside NHS Foundation Trust has not participated in any special reviews or investigations by the CQC during the reporting period. The Care Quality Commission has not taken enforcement action against South Tyneside NHS Foundation Trust during 2017/18.

### NHS Number and General Medical Practice Validity

Good quality information underpins sound decision making at every level in the NHS and contributes to the improvement of health care. South Tyneside NHS Foundation Trust submitted records during 2017/18 to the Secondary Uses service for inclusion in the Hospital Episode Statistics which are included in the latest published data.

The percentage of records in the published data which included the patient's valid NHS number was:

- 99.8% for admitted patient care
- 99.9% for outpatient care and
- 99.4% for accident and emergency care

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

- 99.74% for admitted patient care
- 99.88% for outpatient care and
- 99.42% for accident and emergency care (up to and including November 2017)

## Quality of data - Information Governance Toolkit

The Information Governance (IG) toolkit is a mechanism whereby all NHS Trusts assess their compliance against national standards such as the Data Protection Act, Freedom of Information Act and other legislation which together with NHS guidance are designed to safeguard patient information and confidentiality. As part of the annual year-end self-assessment exercise, South Tyneside NHS Foundation Trust has completed a review of all evidence against the IG requirements within the Toolkit. Each requirement is scored from level '0' (i.e. worst) to level '3' (best). The final submission of the Toolkit was made by 31 March 2018.

South Tyneside NHS Foundation Trust Information Governance Assessment Report overall score for 2017/18 was 76% and was graded green. In total there are 45 requirements, all 45 are assessed as being at Level 2 or Level 3. In detail:

- 31 show evidence that is complete to Level 2
- 13 show evidence that is complete to Level 3
- 1 requirement is Not Relevant.

The IG Toolkit has been substantially revised and updated, and from April 2018 will be known as the 'Data Security & Protection (DSP) Toolkit'. The emphasis of the new DSP Toolkit will be on organisational compliance with the National Data Guardian's 10 Data Security Standards, compliance with the General Data Protection Regulation, and ensuring Cyber Security within the organisation.

## Quality of data - Clinical coding error rate

South Tyneside NHS Foundation Trust was not subject to a Payment by Results clinical coding audit by the Audit Commission during 2017/18.

Audits conducted during 2017/18 have been undertaken in accordance with the HSCIC Clinical Classifications Service Clinical Coding Audit Methodology 2017/18 Version 11.0. During the reporting period the error rates reported in the latest audit report for that period for diagnoses and treatments coding (clinical coding) were:

- |                                  |       |
|----------------------------------|-------|
| • Primary Diagnoses Incorrect    | 4.5%  |
| • Secondary Diagnoses Incorrect  | 6.1%  |
| • Primary Procedures Incorrect   | 3.1%  |
| • Secondary Procedures Incorrect | 7.0%. |

All episodes within the audit sample were identified from the General Surgery specialty. The results of the coding audits should not be extrapolated further than the actual sample audited.

South Tyneside NHS Foundation Trust will be taking the following actions to improve data quality. An action plan will be developed on the basis of the recommendations made in the final audit report which will support continuous improvement in the accuracy of our clinical coding.

## Quality of data

Following issues highlighted by the External Auditor's during the review of the 2016/17 Quality Report, the Trust has taken forward the following actions during 2017/18 to address the issues highlighted in relation to data quality:

- Validation of waiting lists;
- Plans to improve the capture of RTT outcomes from clinic; and
- Updates on progress against the action plan reported to Finance and Performance Committee and Audit Committee

Further actions will be undertaken including training of administrative staff to ensure pathways are updated and outcomes recorded in real time and an implementation of a cycle of data quality audits.

### **Statement regarding how South Tyneside NHS Trust is implementing the priority standards for Seven Day Services**

The 7 Day Services national programme is designed to ensure patients admitted as an emergency receive safe, high quality, consistent care, irrespective of the day they present to hospital. In 2013 the NHS Seven Days a Week Forum developed ten clinical standards describing the minimum level of service patients admitted through urgent and emergency routes should expect to receive on every day of the week. Subsequently, with the support of the Academy of Medical Royal Colleges (AoRMC), four of the standards were identified as priorities on the basis of their potential to positively affect patient outcomes. These are:

- Standard 2: Time to initial consultant review of all emergencies within 14 hours
- Standard 5: Access to diagnostic tests with a 24 hour turnaround time (12 hours for urgent patients and 1 hour for critical patients)
- Standard 6: Access to consultant directed interventions
- Standard 8: Daily consultant review – twice daily for high dependency patients, daily for others.

These 4 priority standards have been audited in the last year as part of this programme. We are committed to delivering the above 7-day national standards by implementing affordable systems to deliver these standards. In the Trust the 7-day services programme is led by the Medical Director with strong clinical leadership through the Clinical Directors in the Acute Division, with monitoring of performance undertaken at the Patient Flow Group chaired by the Divisional Director for the Acute Division. Our performance in the last national audit is highlighted below:

	Standard 2: Time to first Consultant Review (STFT)	Standard 2 (National)	Standard 5: Access to Diagnostic tests (STFT)	Standard 5: (National)	Standard 6: Access Consultant directed interventions (STFT)	Standard 6 (National)	Standard 8: Consultant daily reviews (STFT)	Standard 8 (National)
Full week % mean	77	72	91	95	72	93	80	86
Week days % mean	80	73	100	99	78	95	94	91
Weekend % mean	67	70	82	91	67	91	42	73

A number of initiatives have been put in place to improve performance and these will be reviewed as part of the next national audit with a report prepared for Clinical Governance Steering Group. One of the key programmes which will support achievement of the 7-day services priority standards will be our Path to Excellence Programme.

## 2.3 Reporting Against Core Indicators

This section of the Quality Report covers our performance against a core set of mandated indicators, using a standardised format that includes our performance alongside the performance of other trusts or the NHS nationally.

### Domain 1: Preventing People from dying prematurely

#### The value and banding of the Summary Hospital-level Mortality Indicator (SHMI) for the Trust

Period	Jan 15 – Dec 15	Apr 15 – Mar 16	Jul 15 – Jun 16	Oct 15 – Sep 16	Oct 16- Sep 17
STFT Value	115.6	117.8	117.1	116.0	116.5
STFT without Hospice	99	101	101	101	101
STFT Band (Target “2”)	1	1	1	1	1
Highest National	117.3	117.8	117.1	116.4	122.8
Lowest National	66.9	67.8	69.4	69.0	72.6
National Average	100	100	100	100	101
Data Source	<a href="http://www.content.digital.nhs.uk/catalogue/PUB30168">http://www.content.digital.nhs.uk/catalogue/PUB30168</a>				

SHMI is a ratio of the observed number of deaths to the expected number of deaths for a provider. The observed number of deaths is the total number of patient

admissions to the hospital which resulted in a death either in hospital or within 30 days post discharge from the hospital. South Tyneside NHS Foundation Trust considers that this data is as described for the following reasons.

The table above demonstrates our SHMI values and bandings over several reporting periods. We have identified that the SHMI value for STFT is affected by the management of St Benedict’s Hospice in Sunderland. If the data concerning those hospice patients was removed from the SHMI calculation, the most recent data suggests that the Trust SHMI value is ‘101’. The deterioration to a band 1 (“higher than expected”) has been discussed with commissioners and NHS England, and can again be linked to St Benedict’s, specifically the increase in the number of beds in a newly built facility, and the reduction in admissions to the acute hospital. Furthermore, the Trust commissioned an independent report from the North East Quality Observatory Service in November 2017 that confirmed the Trust SHMI is “101” taking into account the impact of St Benedict’s Hospice in Sunderland.

South Tyneside NHS Foundation Trust has an established process for undertaking mortality reviews and for monitoring trends in mortality. The Mortality Review Group oversees mortality reviews in the Trust and has representation from South Tyneside CCG. The Group reports to the Clinical Governance Steering Group which reports into the Governance Committee, a sub-committee of the Board. Regular mortality reports and learning from deaths reports are tabled and discussed in public Board meetings. The Trusts Mortality Review Policy has been published on our website <https://www.stft.nhs.uk/corporate/trust-policies>.

There is a strong level of commitment throughout the Trust to Learning from Deaths. We have robust systems that deliver effective identification of lessons and actions from learning from deaths from ward to Board level, with national reporting to provide assurance. This is detailed in section 2.2.

**The percentage of patient deaths with palliative care coded at either diagnosis or specialty level for the Trust**

	Jan 15 – Dec 15	Apr 15 – Mar 16	Jul 15 – Jun 16	Oct 15 – Sep 16	Oct 16- Sep 17
<b>STFT Value</b>	22.4%	24.5%	25.0%	25.2%	29.6%
<b>National Average</b>	27.7%	28.8%	28.3%	29.7%	31.5%
<b>Highest National</b>	54.7%	54.6%	46.5%	56.3%	59.8%
<b>Lowest National</b>	0.2%	0.6%	0.6%	0.4%	11.5%
<b>Data Source</b>	<a href="http://www.content.digital.nhs.uk/catalogue/PUB30168">http://www.content.digital.nhs.uk/catalogue/PUB30168</a>				

South Tyneside NHS Foundation Trust considers that this data is as described for the following reasons:

- Trust mortality data is submitted in accordance with established information reporting procedures;
- SHMI data is provided through NHS indicators and formally signed off by the Medical Director; and

- Some acute Trusts including ours provide specialist palliative care inpatient services within designated wards, or within the community. This potentially affects the SHMI value and means that it may be difficult to compare one Trust with another.

The Trust has taken action to improve the indicator by appointing and embedding an End of Life Care Facilitator to further implement systems and processes to improve access to specialist palliative care for our patients admitted to hospital. This has resulted in an improvement in palliative care coding.

### **Learning from Deaths**

From 1<sup>st</sup> January 2017 to 31<sup>st</sup> December 2017, 684 of South Tyneside NHS Foundation Trust patients died. This comprised the following number of deaths which occurred in each quarter of that reporting period: 203 in Quarter 1; 144 in Quarter 2; 142 in Quarter 3; 195 in the fourth quarter.

By 12<sup>th</sup> March 2018, 512 case record reviews and 111 investigations have been carried out in relation to 684 of the deaths. In 111 cases a death was subjected to both a case record review and an investigation. The number of deaths in each quarter for which a case record review or an investigation was carried out was: 184 in Q1; 124 in Q2; 105 in Q3; 99 in Q4.

Two (representing 0.29%) of the patient deaths during the reporting period were judged to be more likely than not to have been due to problems in the care provided to the patient. This consisted of: one case in Q1, none in Q2; none in Q3; and one case in Q4. These cases have been identified using a two stage process where initially the case reviewer determined for each death whether there was a problem in care judged to have contributed to the patient's death using the National Confidential Enquiry into Patient Outcomes and Death (NCEPOD) score:

- 1= Good practice
- 2= Room for improvement in clinical care
- 3= Room for improvement in organisational care
- 4= Room for improvement in both clinical and organisational care
- 5= Less than satisfactory care.

Then, for each death, reviewers judged the preventability of death using the HOGAN classification:

- 1= Definitely not preventable
- 2= Slight evidence of preventability
- 3= Possibly preventable, less than 50-50
- 4= Probably preventable, more than 50-50
- 5= Strong evidence for preventability
- 6= Definitely preventable.

HOGAN scores 4-6 represent deaths where a problem in care is judged more likely than not to have contributed to the patient's death. This methodology is referenced in:

<http://qualitysafety.bmj.com/content/early/2012/07/06/bmjqs-2012-001159>

## Lessons learnt and actions taken from reviews of deaths

Key Learning Points	Action Taken
<ul style="list-style-type: none"> <li>MDT discussion between surgeons, anaesthetist, patient and relatives is a healthy approach for NHS practice and culture. It helps to manage not only the clinical condition but also helps understanding and addressing expectations but also maintains the doctor patient trust.</li> </ul>	<ul style="list-style-type: none"> <li>A regular joint governance meeting between surgeons, intensivists and anaesthetists occurs to foster this relationship.</li> </ul>
<ul style="list-style-type: none"> <li>Surgical patients dying in ITU. Death certificate issued by ITU doctors without consultation with parent team has shown details such as operation being missed from cause of death. This was highlighted to the surgical consultant as well as ITU team.</li> </ul>	<ul style="list-style-type: none"> <li>A separate letter is now done by the consultant following this to overcome the inaccuracy of documentation in a legal document.</li> </ul>
<ul style="list-style-type: none"> <li>Monitoring of fluid balance is important in the management of acutely unwell patients.</li> </ul>	<ul style="list-style-type: none"> <li>Consultant teaching of IV fluid management on induction of new junior doctors. This is done every 4 months on change of junior doctors. This has been extensively appreciated with good feedback.</li> </ul>
<ul style="list-style-type: none"> <li>Consider EHCP (Emergency Health Care Plan) in palliative care patients to avoid unnecessary admissions and improve patient experience.</li> </ul>	<ul style="list-style-type: none"> <li>This has been cascaded amongst teams.</li> </ul>
<ul style="list-style-type: none"> <li>Do Not Attempt Cardio Pulmonary Resuscitation (DNACPR) decisions not always made in timely fashion but improving. Often from patients transferred to a ward from the Emergency Assessment Unit late before a weekend who then deteriorate without a decision being made.</li> </ul>	<ul style="list-style-type: none"> <li>Medical Director has sent reminders to doctors by email and included a reminder in the Clinical Incident Review Group (CIRG) newsletter that is circulated every quarter.</li> </ul>
<ul style="list-style-type: none"> <li>To review the ambulance handover sheet for documentation of the time line and assessment of the downtime before patient arrives in A&amp;E with a cardiac arrest.</li> </ul>	<ul style="list-style-type: none"> <li>Regular discussion at A&amp;E huddles, reminders with individuals during supervision and there is a plan to audit this and present at governance meeting.</li> </ul>

## Lessons learnt and actions taken from reviews of deaths

Key Learning Points	Action Taken
<ul style="list-style-type: none"> <li>Cardiopulmonary Resuscitation (CPR) should not be interrupted to FAST scan for cardiac contractility. There is a rule of quick ultrasound in such patients to assess the cardiac contractions, but Advanced Life Support protocol strongly advises to minimise interruption in CPR.</li> </ul>	<ul style="list-style-type: none"> <li>Regular discussions at A&amp;E huddles; discussion at de-brief post arrest; and covered in middle-grade teaching.</li> </ul>
<ul style="list-style-type: none"> <li>To use intra-osseous access in the event of failed venous cannulation. These are time critical situations and we should not be having numerous attempts to get a referral for an intravenous line.</li> </ul>	<ul style="list-style-type: none"> <li>Regular discussions at A&amp;E huddles; discussion at de-brief post arrest; and covered in junior doctor teaching.</li> </ul>
<ul style="list-style-type: none"> <li>It is important that all the patients dying in A&amp;E should be referred to the Coroner/Police because their death is within 24 hours of admission to the hospital.</li> </ul>	<ul style="list-style-type: none"> <li>Regular discussions at A&amp;E huddles; discussion at de-brief post arrest; and covered in junior doctor teaching.</li> </ul>
<ul style="list-style-type: none"> <li>DNACPR could be better documented in terms of communication with families</li> </ul>	<ul style="list-style-type: none"> <li>Medical Director has sent reminders to doctors by email and included a reminder in the CIRG newsletter that is circulated every quarter.</li> </ul>
<ul style="list-style-type: none"> <li>Cardiac arrest audit forms should be completed in a timely fashion.</li> </ul>	<ul style="list-style-type: none"> <li>Regular discussions at A&amp;E huddles; discussion at de-brief post arrest; and covered in junior doctor teaching.</li> </ul>
<ul style="list-style-type: none"> <li>Despite 90% of deaths from sepsis being managed effectively according to national guidance there is still room for improvement.</li> </ul>	<ul style="list-style-type: none"> <li>E-learning packages for sepsis and acute kidney injury are promoted to all staff (and mandatory for medical staff). Sepsis recognition is part of the annual classroom life support mandatory training for all staff.</li> </ul>
<ul style="list-style-type: none"> <li>The earlier involvement of the palliative care team in patients was identified.</li> </ul>	<ul style="list-style-type: none"> <li>An electronic referral system for the palliative specialist care team has been implemented.</li> </ul>
<ul style="list-style-type: none"> <li>Better medical handover was identified as a consistent improvement theme in all departments.</li> </ul>	<ul style="list-style-type: none"> <li>Internal Audit undertook a review of medical handover in A&amp;E, EAU, General Surgery, Anaesthetics and ITU using national standards.</li> </ul>

Lessons learnt and actions taken from reviews of deaths	
Key Learning Points	Action Taken
	Following the report there are plans to introduce a Trust wide medical handover policy from which individual departments will develop local operating procedures. These will be implemented from August 2018 and covered in each junior doctor induction session.

Monitoring of the effectiveness of various actions occurred:

- Through participation in the National Cardiac Arrest Audit and a review of the results in the Deterioration Recognition and Resuscitation Group, with the next audit results being available in September 2018;
- Through participation in the CQUIN and monitoring of sepsis indicators via quarterly data submissions;
- Through participation in the national End of Life Care audit and evaluation of the results;
- Through continuous reviews of learning and actions taken reported by individual departments to the Trust Mortality Review Group that meets every 2-months; and
- Through each departmental governance group with review from the Divisional Governance Group reviewing common themes and escalating to the Mortality Review Group.

This is the first time that information related to avoidable death has been included in the Quality Report. In the 2018/19 report, the information for the reported period in the 2017/18 Quality Report will be updated to include the mortality reviews completed after the publication of the 2017/18 Quality Report with an update of the reported data.

## Domain 2: Enhancing quality of life for people with long term conditions

This indicator is not applicable to STFT.

## Domain 3: Helping people to recover from episodes of ill health or injury

### (i) Patient Reported Outcome Measures (PROMS)

In 2017 both Varicose Vein and Groin Hernia PROMS have been removed from the national reporting structure following a national consultation. Orthopaedic PROMS have been retained.

The below graphs show the organisational performance for improvement in function “Condition Specific Measures” and patient overall health self-perception “EQ 5D and EQ VAS” (provisional data).

**Percentage Improvement April 2016 - March 2017 Provisional Data – TKR**

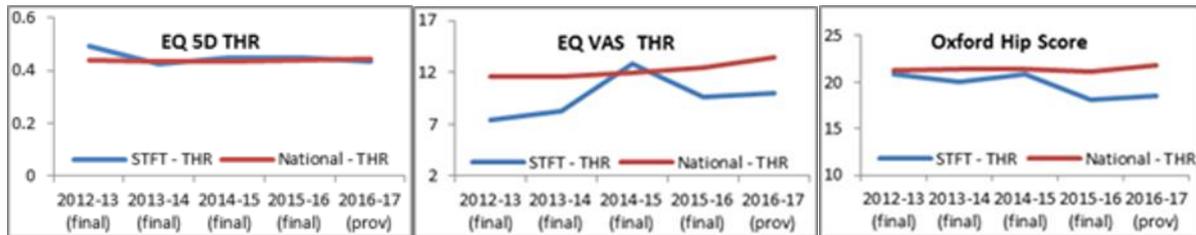
	EQ 5D		EQ VAS		Condition Specific Measures	
	STFT	National	STFT	National	STFT	National
Improved	80.4%	81.5%	63.3%	57.7%	91.1%	94.1%
Unchanged	7.8%	9.6%	12.2%	13.0%	0.0%	1.0%
Worsened	11.8%	8.9%	24.5%	29.3%	8.9%	5.0%

**Percentage Improvement April 2016 - March 2017 Provisional Data – THR**

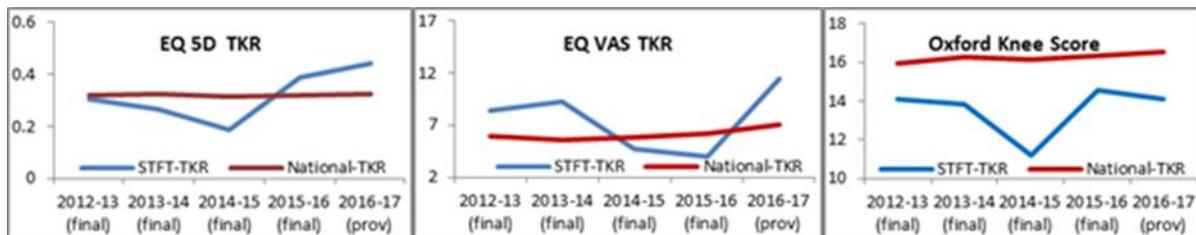
	EQ 5D		EQ VAS		Condition Specific Measures	
	STFT	National	STFT	National	STFT	National
Improved	87.2%	90.0%	68.9%	67.8%	91.3%	97.4%
Unchanged	4.3%	5.1%	13.3%	10.3%	0.0%	0.4%
Worsened	8.5%	4.9%	17.8%	21.9%	8.7%	2.2%

The graph below illustrates the trend of the patient outcomes as measured by the PROMs process from 2012:

Primary Total Hip Replacement



Primary Total Knee Replacement



South Tyneside NHS Foundation Trust considers that this data is as described for the following reasons:

- The Trust follows nationally determined PROMS methodology; and
- The administration of the process is undertaken by the Clinical Governance Facilitator working with Quality Health our external provider.

The Trust has taken the following action to improve the indicator by:

- Improving the response rate for PROMs returns by ensuring patients have the time and support to complete the questionnaires. This has been achieved by

moving the initial stage of PROMS to the Hip and Knee School, where patients are supported by the Orthopaedic Outreach Team, Physiotherapist and Occupational Therapist, in completing the information. This has improved the return rate by 355%; and

- Additionally the PROMS results are reviewed in the Orthopaedic Governance Meeting indicators to improve the quality of its services.

#### (i) Emergency Readmissions to Hospital Within 28 Days of Discharge

		2013/14	2014/15	2015/16	2016/17	2017/18*
Age 0 - 15	Readmission Rate	5.80%	5.80%	5.70%	5.70%	8.3%
	Peer Rate	8.40%	8.30%	10.80%	10.90%	10.0%
Age 16+	Readmission Rate	5.70%	5.50%	5.70%	9%	21.8%
	Peer Rate	7.00%	6.90%	7.00%	8%	17%
Data Source	This indicator on the NHS Digital Indicator Portal was last updated in December 2013 and the next update is yet to be confirmed. Therefore, in the absence of national data, information has been provided from our Methods Analytics 'Stethoscope' benchmarking system. This uses different inclusion and exclusion criteria for the indicator which explains the marked increases in values compared to previous years.					

\*April – Dec 2017

South Tyneside NHS Foundation Trust considers this data is as described for the following reason:

- The figures presented are from the Trust's electronic performance monitoring system in the absence of datasets from NHS Digital which have not been updated since December 2013.

South Tyneside NHS Foundation Trust intends to take the following actions to improve this data, and so the quality of its services, by:

- Continuing to review readmission data to identify emerging trends, i.e. the rate rising in a particular specialty, for a particular procedure or for a particular consultant. Where a trend occurs, we will undertake an audit of practice to see if we could have done anything differently to prevent the readmission;
- Using our CHKS clinical benchmarking system to drill down to patient level data so individual cases can be reviewed in detail, if required; and
- Discussing readmission activity data and plans to reduce unnecessary readmissions at quarterly performance reviews with relevant directorates.

### Domain 4: Ensuring that people have a positive patient experience

#### (i) Responsiveness to patient's personal needs

The measure is based on a composite score calculated on the average from five individual survey questions from the National Adult Inpatient Survey (Care Quality Commission). A high responsiveness rate suggests that a Trust is meeting the needs of its patients and acting effectively on their feedback.

Were you involved as much as you wanted to be in decisions about your care and treatment?

Did you find someone on the hospital staff to talk to about your worries and fears?

Were you given enough privacy when discussing your condition or treatment?

Did a member of staff tell you about medication side effects to watch out for when you went home?

Did hospital staff tell you who to contact if you were worried about your condition or treatment after you left hospital?

The results are shown in the table below; the higher the score out of 100 the better the patient experience.

Composite score	2013/14	2014/15	2015/16	2016/17	2017/18
South Tyneside NHS Foundation Trust	73.8	73.6	73	70	Not available (available June 18)
National average	68.7	68.9	69.6	No longer published	No longer published
Highest national	84.2	86.1	86.2	No longer published	No longer published
Lowest national	54.4	59.1	58.9	No longer published	No longer published

South Tyneside NHS Foundation Trust considers that this data is as described for the following reason:

- The Trust has a strong culture of quality and improvement and a good track record of receiving positive patient feedback a majority of the time. Where we have not achieved certain standards in the eyes of our patients we will do what we can, as quickly as we can, to address these issues. Strategic oversight of results from the National Adult Inpatient Survey is undertaken by the Patient, Carer and Public Experience Committee.

The Trust intends to take the following actions to improve this data, and so the quality of its services, by:

- Demonstrating through changes in practice and our delivery of services that we have listened and acted on the patient feedback we receive. The results of this national survey will be used alongside our programme of local patient experience surveys, including our new 'Patient Experience Survey' to identify areas for improvement; and
- Sharing results of local patient feedback with internal groups, wards and departments to enable them to reflect and then act on the results.

**(ii) Percentage of Staff employed by, or under contract, to the Trust who would recommend the Trust as a provider of care to their family or friends**

Indicator (Acute Trusts only)	2014	2015	2016	2017	National average 2017	Highest National 2017	Lowest National 2017
"If a friend or relative needed treatment, I would be happy with the standard of care provided by this Trust"*	63%	61%	58%	62%	69%	86%	47%

Source – <http://www.nhsstaffsurveys.com/>

Percentage calculated by adding together the staff who agree and who strongly agree with this statement

South Tyneside NHS Foundation Trust considers that this data is as described for the following reason:

- The data published by the Picker Institute is consistent with the staff survey results received by the Trust for the 2016 staff survey.

The Trust intends to take the following actions to improve this data, and so the quality of its services, by:

- Maximising staff participation in the Staff Friends and Family Test and the NHS Staff Survey and using the additional information provided to make changes to the work environment for all staff; and
- Continuing to develop and monitor the Trust's action plan in response to the findings of the staff survey with updates for staff available on the Trust Intranet.

Two additional measures were added last year:

**KF21** Percentage of staff believing that the Trust provides equal opportunities for career progression or promotion

On this key finding, the Trust scored 87%, which was slightly lower than the national average for all combined acute and community trusts 85% (the higher the score the better).

**KF26** Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months

On this key finding the Trust scored 22% which was slightly better than the national average for all combined acute and community trusts 24% (the lower the score the better).

## Domain 5: Treating and caring for people in a safe environment and protecting them from avoidable harm

### (i) Percentage of Patients who were admitted to hospital and who were risk assessed for venous thromboembolism (VTEs)

National guidance indicates that all adults (older than 18 years of age) who are admitted to hospital should have a risk assessment completed to identify those patients most at risk of developing a blood clot. A high level of VTE risk assessments shows that a Trust is doing all it can to identify and address the factors that increase a patient's risk.

	2015/16				2016/17				2017/18			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Trust Score</b>	97.10 %	96.40 %	95.60 %	96.50 %	96.30 %	96.40 %	95.80 %	96.20 %	96.41 %	95.40 %	96.94%	96.16 %
<b>National Average</b>	96.00 %	95.90 %	95.50 %	95.50 %	95.70 %	95.50 %	95.60 %	95.53 %	95.20 %	95.25 %	95.36%	95.53%
<b>Highest National</b>	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
<b>Lowest National</b>	86.10 %	75%	61.50 %	78.10 %	80.60 %	72.10 %	76.50 %	63.05 %	51.38 %	71.88 %	76.08%	63.0%
<b>Data Source</b>	<a href="https://www.england.nhs.uk/statistics/statistical-work-areas/vte/vte-risk-assessment-201617/">https://www.england.nhs.uk/statistics/statistical-work-areas/vte/vte-risk-assessment-201617/</a>											

*Percentage of patients admitted to Hospital and who were risk assessed for Venous Thromboembolism (VTE)*

South Tyneside NHS Foundation Trust considers that this percentage is as described for the following reasons:

- Compliance with VTE assessments is reported monthly via the Performance Report. The above data is consistent with locally reported data and the Trust has consistently met and exceeded the national 95% target during the year.

The Trust intends to take the following actions to improve this percentage, and so the quality of its services, by:

- Reviewing the Trust policy on the prevention of venous thromboembolism and restating the guidance on which patients should be subject to risk assessment (for some patients a risk assessment may not be clinically appropriate) so that they receive prompt and effective preventative measures;
- Undertaking an audit of practice to ensure that patients who are assessed as 'at risk' of developing venous thromboembolism are prescribed appropriate anti-coagulation therapy in a timely and safe way;
- Updating and revising the patient information leaflet on preventing venous thromboembolism; and
- Responding to the findings from local clinical reviews if it is indicated that cases of VTE could have been prevented.

## (ii) Rate of Clostridium Difficile infection

*Clostridium difficile* is a bacterium (bug) that can be found in the bowel. It is found in healthy people and those who are unwell. Approximately 3% of the population carries *Clostridium difficile* in their bowel without causing harm. There are millions of normal bacteria that live in the bowel which help keep *Clostridium difficile* under control. *Clostridium difficile* can become harmful when found in large numbers. When there is an imbalance of the normal bacteria of the bowel, *Clostridium difficile* may become present in large numbers. When this happens it produces toxins (like a poison) that affects the lining of the bowel and gives rise to symptoms such as mild to severe diarrhoea.

Value	2013/14	2014/15	2015/16	2016/17	2017/18
Trust Score	12.2	7.8	5.3	3.5	4.9
National Average	14.7	15.1	14.9	13.2	13.5 (up to Feb 18)
Highest National	37.1	62.2	66	82.7	28.9 (up to Feb 18)
Lowest National	0	0	0	0	4.0 (up to Feb 18)
Data Source	<a href="https://www.gov.uk/government/statistics/clostridium-difficile-infection-annual-data">https://www.gov.uk/government/statistics/clostridium-difficile-infection-annual-data</a>				

*The rate per 100,000 bed days of cases of C. Difficile infection reported within the Trust amongst patients aged 2 or over*

South Tyneside NHS Foundation Trust considers that this data is as described for the following reasons:

- Reduction rates have been steady and sustained
- Root cause analysis has not identified anomalies with identification of infection.

The Trust intends to take the following actions to improve this percentage, and so the quality of its services, by:

- Continuing with initiatives to reduce infection including good standards of hand hygiene and environmental cleanliness
- Regular audit and monitoring of practices
- Root cause analysis to learn and where necessary modify pathways of care.

## (iii) Rate of patient safety incidents and percentage resulting in severe harm or death

All Trusts have a responsibility to ensure that there are measures put in place to report and learn from incidents and near misses. The table below shows the comparative reporting rate, per 1,000 bed days, for acute (non-specialist) NHS organisations.

Period	Apr 15 - Sep 15	Oct 15 – Mar 16	Apr 16 – Sep 16	Oct 16- Mar 17	Apr 17 – Sept 17
Trust All patient Harm incidents	1,940 (36.7)*	1,900 (33.9)*	1,579 (29.1)*	1,301 (24.6)*	1108
National Average per 1000 bed days	39	39.6	40.8	42.8	42.8
National Highest	12,080 (75)	11,998 (75.9)	13,485 (71.8)	14,506 (88.2)	10,016 (111.7)
National Lowest	1,559 (18)	1,499 (14.8)	1,485 (21.2)	1,301 (11.2)	1133 (23.5)
Data Source	<a href="https://improvement.nhs.uk/resources/organisation-patient-safety-incident-reports-22-march-2018/">https://improvement.nhs.uk/resources/organisation-patient-safety-incident-reports-22-march-2018/</a> n.b. *Reported against Acute non-specialist hospitals				
Period	Apr 15 - Sep 15	Oct 15 - Mar 16	Apr 16 – Sep 16	Oct 16 – Mar 17	Apr 17 – Sep 17
Trust From severity on Datix reported to NRLS	3 (0.2%)	7 (0.2%)	1 (0.1%)	2 (0.2%)	1 (0.09%)
National Average	0.5%	0.4%	0.4%	0.4%	0.4%
National Highest	2.0%	1.7%	1.4%	2.1%	1.5%
National Lowest	0	0	0	0	0
Data Source	<a href="https://improvement.nhs.uk/resources/organisation-patient-safety-incident-reports-22-march-2018/">https://improvement.nhs.uk/resources/organisation-patient-safety-incident-reports-22-march-2018/</a> n.b. Reported against Acute non-specialist hospitals				

The Trust considers that this data is as described for the following reasons:

- Electronic reporting system available for all staff
- Promotion of open and honest culture.

The Trust intends to take the following actions to improve this percentage, and so the quality of its services, by:

- Further promotion and focus on culture of safety in Patient Safety Strategy;
- Promotion of reporting of adverse events during patient safety walk rounds;
- Development of improved incident reporting system with categories for incidents and complaints clearly defined; and
- Further training on incident reporting for all staff.

### Part 3: Other Information – Review of Quality 2017/18

#### An Overview of the Quality of Care

Part 3 provides an opportunity to report on progress against additional quality indicators.

The data set below is included in our monthly performance report to the Trust Board. The indicators have been selected by our Board and key stakeholders on the basis that any non-compliance would adversely affect patient safety, clinical effectiveness

and patient experience. Many of these indicators are also either operational standards, or national or local quality requirements of the NHS Standard Contract. Part three contains performance against national key priorities that have not already been reported in part two.

### Fractured neck of Femur patients operated on within 36 hours of admission

Patient Safety Indicator 1	Data Source / Data Standard	Average 2013/14	Average 2014/15	Average 2015/16	Average 2016/17	Average 2017/18	National Contract Target
Fractured Neck of Femur-Patients Operated on Within 36 Hours of Admission	Performance Dashboard / NHS Standard Contract	75.60%	78.10%	74.50%	74.20%	81.60%	75.00%
	Reference: National Hip Fracture Database	Average 71.7%	Average 72.1%	Average 71.5%	Average 74.20%	Average 81.55%	75.00% (local target)
<b>Reason For Selection:</b>							
Fractured neck of femur is no longer a requirement within the NHS standard contract but was selected as a local quality requirement for 2018/19							

### Improving Access to Psychological Therapies (i.e., proportion of people who have depression and/or anxiety related disorders who receive psychological therapies)

Clinical Effectiveness Indicator 2	Data Source / Data Standard	Average 2013/14	Average 2014/15	Average 2015/16	Average 2016/17	Average 2017/18	National contract Target
Improving Access to Psychological Therapies – Moving to Recovery	Performance Dashboard / NHS Standard Contract	52%	54.60%	53.30%	52.90%	55.94%	50.00%
	<a href="http://www.cointent.digital.nhs.uk">http://www.cointent.digital.nhs.uk</a>	N/A	N/A	46.30%	19.06%	19.15%	≥16.8% (local target)
<b>Reason For Selection:</b>							
This is an indicator in the NHS Standard Contract. Improving Access to Psychological Therapies (IAPT) is an NHS programme rolling out services across England offering interventions for treating people with depression and anxiety disorders. Performance in both of our services (Gateshead and South Tyneside) has exceeded national targets in 2017/18.							

## **Electronic Medical Information Web System (EMIS Web System)**

The deployment of the EMIS Web system to our Community Services to support the move to Electronic Patient Records, as noted in our last report, continues to make good progress across the areas we provide services.

- EMIS Web Community is now used in 13 of the community services operating across South Tyneside and Sunderland. These services range from community services providing care in patient's homes to more clinic based services like Podiatry, MSK and Therapy Services. The single patient record within the system allows easy sharing of information to all services looking after the patient which greatly improves the quality of care.
- We now have 260 users in Sunderland accessing information from, and recording information in, EMIS Web via the EMIS Mobile application on iPads. This is proving very successful for giving clinical staff instant access to full patient details from our own community system and information shared from GP practices. The mobile app also ensures that staff running clinics in buildings with no NHS connectivity can still record and view the information they need at point of care.
- We have a further 140 iPads ready for deployment to South Tyneside to provide the same mobile access to clinicians working in that area.
- From a data sharing point of view, we now have sharing agreements in place with every GP practice in Sunderland that allows information to be shared between their EMIS Web GP systems and the Trust's Sunderland EMIS Web Community System. We also have an agreement in place between Sunderland Care Support (part of Sunderland Local Authority) and the EMIS Web system they use, and the Trust's Sunderland EMIS Web Community system, which allows sharing of information between health and social care.
- In South Tyneside, we have sharing agreements in place with all but 3 GP Practices to share information between their EMIS Web GP systems and the Trust's South Tyneside EMIS Web Community system.
- We are in the process of extending our use of the EMIS Web Child Health system, which is currently used by our Sunderland Child Health Records Team, by migrating our South Tyneside and Gateshead Child Health Teams across from an older legacy system to EMIS Web Child Health.

## **Duty of Candour (DOC)**

The Duty of Candour process continues to be applied and monitored. All reported moderate or above harm incidents are reviewed by the Trust Risk/Compliance Team at a weekly Rapid Review Group (RRG) meeting. The reported level of harm of each incident is reviewed and those which may have caused moderate or worse harm are referred to the Trust Clinical Incident Review Group (CIRG) for further review. CIRG meetings being held weekly or fortnightly, as required. Duty of Candour compliance in respect of any harms caused by an incident which are confirmed through investigation to be moderate or worse are managed by the Trust Risk and Incident Team. The team is responsible for identifying and contacting the relevant person responsible for carrying out the DOC. The relevant person is supported to carry out any of the DOC initial actions (face to face discussion, apology, confirmation of investigation and confirmation in writing) within 10 days of declaration that DOC applies. The Risk and Incidents team monitors compliance to ensure DOC

timescales are met. An escalation process is in place for any incidents that are in danger of breaching the statutory 10 day DOC deadline.

Once the incident investigation is complete the Trust Risk and Incidents team draft a letter describing findings from the incident which is approved by CIRG before despatch to the patient and/or family/carers.

The Trust's arrangements for DOC compliance are captured in the Incident Reporting Policy and Investigating and Learning from Incidents Policy. The table below shows the numbers per quarter of reported moderate or above harms, the numbers that were subsequently downgraded following review along with the percentage compliance rates with DOC requirements:

	Number of reported moderate or above harms	Number Subsequently Downgraded	Total No of DOCs	Completed within 10 days	Completed in over 10 days	% Compliance
Q1 Apr-Jun	0	0	0	0	0	100%
Q2 Jul-Sep	2	0	2	2	0	100%
Q3 Oct-Dec	10	3	7	6	1	90%
Q4 Jan - Mar	3	0	3	2	1 in line with Patient request	100%

### Friends and Family Test (FFT) – Patient

Delivering the FFT question in accordance with national guidance is a contractual requirement for 2017/18 and the Trust continues to provide the national Strategic Data Collection Service (Previously UNIFY) return each month in line with this requirement. There is no mandated response rate and the emphasis is to improve patient experience and service improvement

		October 2017		November 2017		December 2017	
		% Response Rate	% Recommended	% Response Rate	% Recommended	% Response Rate	% Recommended
A&E	Trust	1.6%	94.0%	0.9%	91.7%	0.4%	93.3%
	Local	8.9%	91.4%	8.2%	92.3%	6.7%	92.6%
	National	12.5%	88.5%	13.1%	88.5%	11.7%	87.5%
Community	Trust	11.1%	97.4%	N/A	98.4%	3.1%	98.0%
	Local	4.7%	97.4%	3.4%	98.0%	4.6%	98.1%
	National	7.5%	95.8%	6.6%	95.9%	5.0%	96.3%

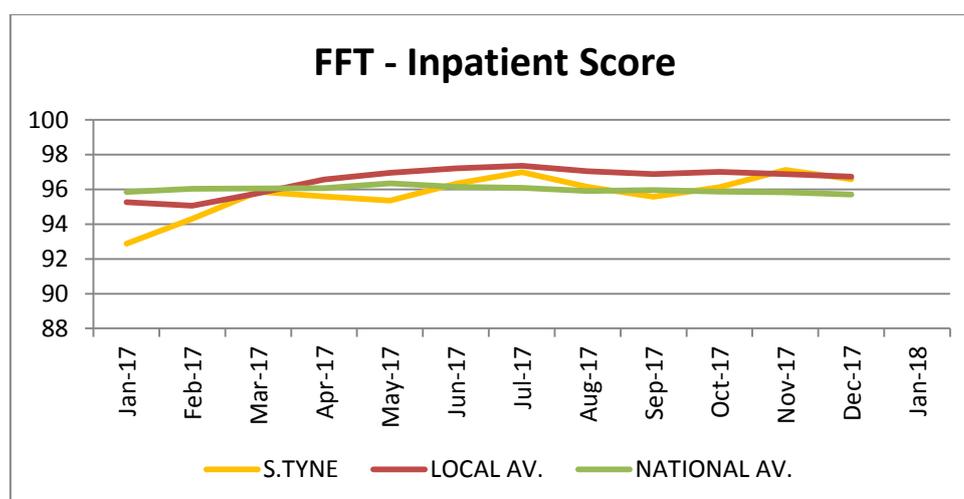
<b>Inpatient</b>	<b>Trust</b>	<b>25.3%</b>	<b>96.1%</b>	<b>26.3%</b>	<b>97.1%</b>	<b>22.5%</b>	<b>96.6%</b>
	<b>Local</b>	<b>21.8%</b>	<b>97.0%</b>	<b>20.9%</b>	<b>96.9%</b>	<b>17.5%</b>	<b>96.7%</b>
	<b>National</b>	<b>27.7%</b>	<b>95.9%</b>	<b>27.8%</b>	<b>95.8%</b>	<b>24.7%</b>	<b>95.7%</b>
<b>Maternity</b>	<b>Trust</b>	<b>7.4%</b>	<b>100%</b>	<b>N/A</b>	<b>N/A</b>	<b>0%</b>	<b>0%</b>
	<b>Local</b>	<b>19.8%</b>	<b>98.0%</b>	<b>N/A</b>	<b>N/A</b>	<b>15.8%</b>	<b>98.4%</b>
	<b>National</b>	<b>24.6%</b>	<b>96.4%</b>	<b>N/A</b>	<b>N/A</b>	<b>20.7%</b>	<b>96.8%</b>
<b>Outpatient</b>	<b>Trust</b>	<b>3.3%</b>	<b>97.2%</b>	<b>3.9%</b>	<b>95.9%</b>	<b>4.7%</b>	<b>98.4%</b>
	<b>Local</b>	<b>4.4%</b>	<b>95.5%</b>	<b>4.1%</b>	<b>96.5%</b>	<b>3.4%</b>	<b>95.6%</b>
	<b>National</b>	<b>6.7%</b>	<b>95.6%</b>	<b>6.9%</b>	<b>95.7%</b>	<b>5.0%</b>	<b>95.7%</b>
<b>Mental H</b>	<b>Trust</b>	<b>27.1%</b>	<b>84.3%</b>	<b>16.1%</b>	<b>97.7%</b>	<b>22.8%</b>	<b>93.4%</b>
	<b>Local</b>	<b>14.5%</b>	<b>93.2%</b>	<b>11.0%</b>	<b>97.7%</b>	<b>16.4%</b>	<b>97.2%</b>
	<b>National</b>	<b>17.5%</b>	<b>86.4%</b>	<b>14.0%</b>	<b>96.8%</b>	<b>14.7%</b>	<b>94.3%</b>
<b>Data Source</b>	<a href="https://www.england.nhs.uk/ourwork/pe/fft/friends-and-family-test-data/">https://www.england.nhs.uk/ourwork/pe/fft/friends-and-family-test-data/</a>						

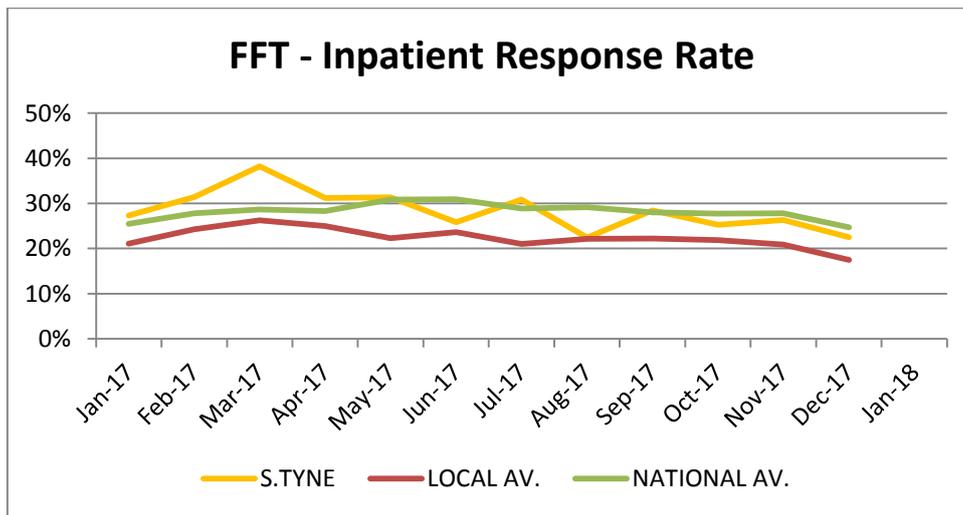
N/A = due to the transition from UNIFY2 to Strategic Data Collection Service (SDCS) in November, NHS England advised that the data for November should be treated with caution. Maternity data was not available for November.

## Benchmarking Headlines Friends and family Test

### Inpatient

For December South Tyneside recommended score remains above the national and local average at 96.6 for patients who would recommend the ward to friends and family if they needed similar care or treatment.





### **Actions Taken as a Result of Patient Feedback**

Feedback gained from Friends and Family test comments is used to formulate actions plans and drive service improvement. The following actions have been taken:

- Appointment times reviewed and extra clinic sessions opened to address waiting time in sexual health clinics;
- Provision of hand wipes at baby weigh in stations in the community clinics;
- Provision of suitable age related games for various OPD clinics;
- Tea flasks ordered for the surgical in-patient centre to ensure patients refreshments were served at the correct temperature; and
- Shelf put into patient shower room for patients to use for toilet bag and toiletries.

### **Other patient experience activities**

In addition to gathering patient feedback via the Friends and Family test and undertaking targeted bespoke interviews with patients in specific services the Patient Experience Team have also been involved in other patient and public involvement activities including:

#### Transformation and Sustainability/Pathway to Excellence Programme

Contributing to the Transformation and Sustainability/Pathway to Excellence programme by carrying out face to face interviews with patients attending for treatment in the emergency departments, general surgery, medicine and out-patient departments.

#### FAB Change Week

Throughout FAB change week, a programme of activities was available for staff to attend. The activities included; Carer Awareness, Pressure Ulcer Awareness, Excellence Reporting and #endpjaralysis. In addition, Fab Change walls were set up in the Alexander Restaurant and Clarendon Main Reception where staff could make a pledge. A competition was held for the 'Best Fab Change Wall', where staff could showcase their pledges and areas of best practice. Eleven teams sent in their

entries with the winner being chosen by our Executive Director of Nursing, AHPs and Patient Experience, Melanie Johnson. The winner of the Best Fab Change Wall was the Integrated Teams, who received a hamper full of festive goodies and treats. Events were published through a variety of mechanisms including, staff desktop, intranet carousel, twitter feed, trust communication, and direct email promotion

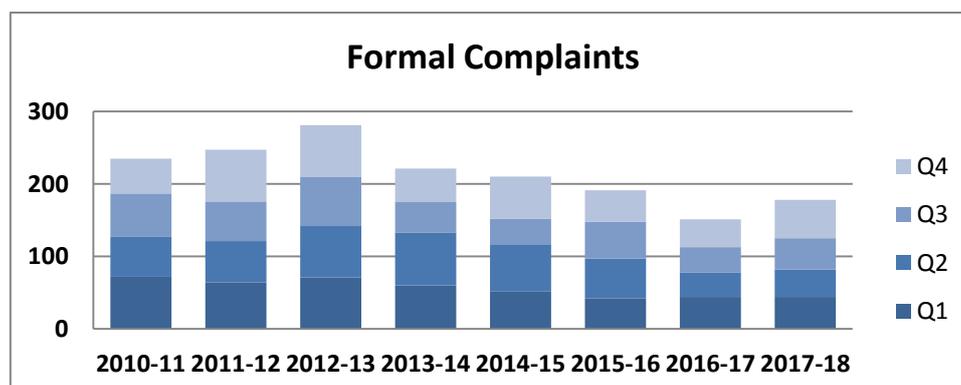
### Patient Experience Collaborative

The Trust alongside City Hospital Sunderland NHS Foundation Trust has signed up to participate in a national collaborative led by the Patient Experience Network. Throughout November baseline data was collected from 10 wards (4STFT & 6CHSFT) selected to be involved. The baseline data was collected in January by the patient experience teams across both sites and involved carrying out patient interviews using a patient experience questionnaire including the FFT question. Data will be collected monthly from at least 50% of the in-patients in the Patient Experience Collaborative Programme participating wards and will run for 12 months.

### **Customer Services/Complaints**

In 2017-18 a total of 178 people raised formal complaints with us as indicated below:

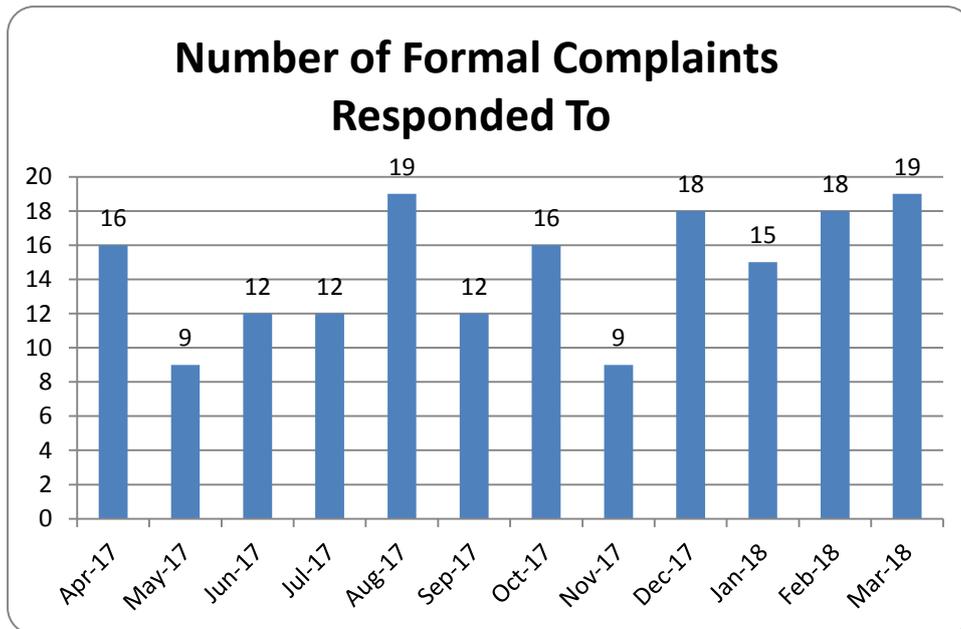
	2009 /10	2010 /11	2011 /12	2012 /13	2013 /14	2014 /15	2015 /16	2016 /17	2017/ 18
<b>Q1</b>	70	72	64	71	60	52	42	44	44
<b>Q2</b>	77	55	57	71	73	65	55	34	38
<b>Q3</b>	60	60	55	68	42	35	51	35	43
<b>Q4</b>	70	48	71	71	46	58	43	38	53
<b>Total</b>	<b>277</b>	<b>235</b>	<b>247</b>	<b>281</b>	<b>221</b>	<b>210</b>	<b>191</b>	<b>151</b>	<b>178</b>



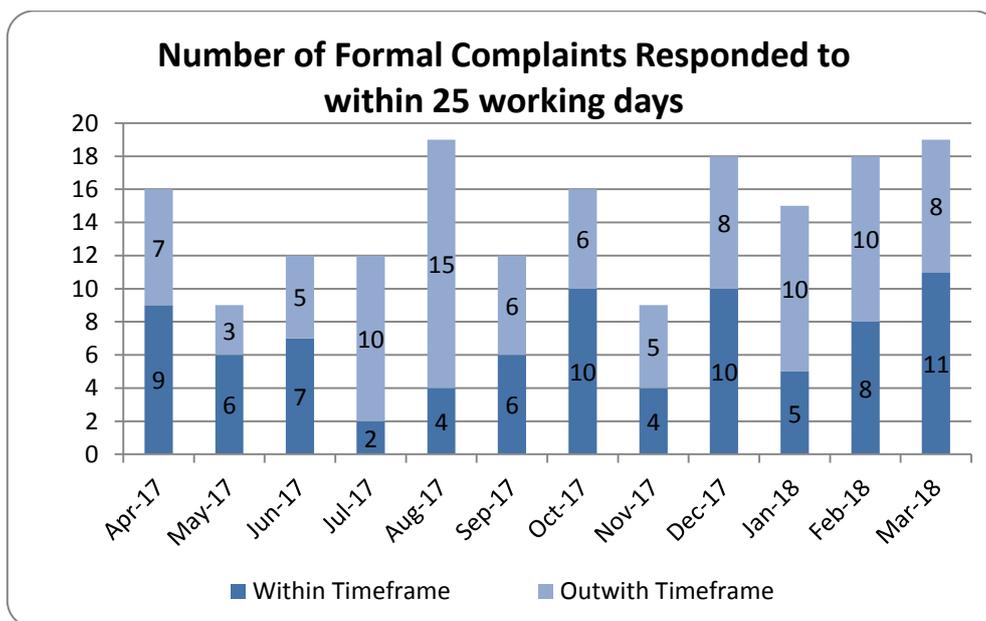
*The number of complaints in 2017/18 is higher than 2016/17.*

During 2017-18, two complainants referred their complaints to the Parliamentary and Health Services Ombudsman (PHSO), and one complaint previously reviewed by the PHSO has been re-opened. These complaints are currently being reviewed and we are awaiting a response from the PHSO.

We are required to acknowledge receipt of all complaints within two working days and in 2017-18 only four complaints were acknowledged beyond two working days.



Our policy is to investigate and respond to formal complaints within 25 working days wherever possible.



There were a number of reasons why we have been unable to respond to all formal complaints within the 25 working day timeframe and these are largely due to the complexity of the complaint to investigate, where an investigation spans more than one organisation and where access to information is delayed.

We ensure that at individual, team and organisational level we learn from all feedback, including formal complaints. We have a process in place to ensure any actions to improve patient care are captured and identified with an action plan. When this is implemented the relevant Business Manager/Matron provides an update to the Customer Services team to inform them the action plan has been completed. In order to support shared learning the Acute Directorate has monthly governance meetings and complaints data is shared at each meeting by the Governance Facilitator. The Clinical Director for Urgent Care and Medicine discusses complaints

at these meetings. Our Matrons, across hospital and community services, ensure information is available and discussed at ward/team level regarding feedback and actions following a complaint. Examples of learning that has been shared with staff as a result of complaints are listed below:

- Awareness raised regarding patients with Chronic Fatigue Syndrome and their experiences;
- Awareness raised about Accessible Information Standards and how the Trust should meet the communication needs of patients with disability, impairment or sensory loss;
- Ensuring effective communication between staff and relatives of vulnerable patients where communication can be challenging; and
- Booking Office Supervisors to carry out regular spot checks to ensure that the correct information is being sent to patients.

### **National Patient Surveys**

Feedback from our patients and their relatives who use our hospital services is very important to us. Our aim is that every patient's experience is a positive one and understanding what matters most for them and their families is a key factor in achieving this. We collect patient feedback in many different ways, including local patient experience questionnaires and through the Friends and Family Test; alongside this we also take part in the annual National Patient Survey Programme. These mandatory surveys allow us to compare our performance with other Organisations and, equally as important, it allows us to see whether any actions we have taken in response to previous surveys have actually improved our services.

**For 2017/18 South Tyneside NHS Foundation Trust participated in the following national patient surveys;**

<b>Type of survey</b>	<b>Published</b>
Adult Inpatient 2016	May 2017
Cancer Patients 2016	July 2017
Emergency Department 2016	Oct 2017
Adult Inpatient 2017	May / June 2018
Cancer Patient Experience Survey 2017 (in progress)	To be confirmed

### **Adult Inpatients Patient Experience Survey 2016 (Published May 2017)**

The National Adult Inpatient Survey remains one of the biggest surveys of the patients' experience in hospital in the UK and involved 149 acute and specialist NHS Trusts and over 77,850 patient responses. Trusts selected a sample of 1,250 patients who received care in hospital during July 2016. People were eligible if they were aged 16 years or older, had spent at least one night in hospital and were not admitted to maternity or psychiatric units. Similar surveys of adult inpatients have been carried out since 2002. The results of the survey are used by hospitals to help identify and improve areas of performance across the patient journey.

The national response rate to the survey was 44% and in South Tyneside responses were received from 450 patients, which gave us a response rate of 36%.

There were a total of 65 questions in the survey. Scores for each question are themed according to 11 specific 'sections' of the questionnaire, for example, 'the hospital and ward,' 'doctors and nurses', overall experience and so forth. For the Trust, 10 of the 11 sections are rated as 'amber' which means that performance is about the same as most other Trusts, with one section (waiting list and planned admissions) rated 'green' which is better than other Trusts.

Out of the 65 individual questions measuring inpatient experience, the Trust achieved 57 (88%) of the scores in the amber 'as expected' category, with 8 (12%) achieving scores in the green 'better than' category and none in the red 'worse than' category.

#### Areas where the Trust has improved or remained the same as last year:

- 60 of the survey questions could be directly compared to questions asked in last year's survey. The Trust scored better than last year in a total of 38 of these questions, with 18 of the questions scoring less than last year and 4 with no change.
- Of the 11 themed sections the Trust achieved the most improved scores in questions in the sections relating to 'Leaving hospital', 'Care and treatment' and 'The hospital and ward'.
- Examples of questions within the sections that scored the highest increase since last year included; length of time on waiting list, hospital food, getting enough help from staff to eat meals, information given about care/treatment, discharge delays, staff taking family or home situation into account when planning discharge, doctors talking in front of you as if you weren't there.

#### Areas where performance has declined from last year:

- Areas where the Trust showed a decrease in score from the questions answered last year were also in the 'Leaving hospital' and 'Care and Treatment' sections.
- Questions in which the Trust had the highest decrease in score since last year were: were you given any written or printed information about what you should and shouldn't do after leaving hospital?; did a member of staff tell you about medicine side effects to watch for when you went home?; were you given enough privacy when being examined or treated in the A&E department?; and were you as involved as you wanted to be in decisions about your care and treatment?

The findings, together with other information gathered about the patient experience, are used to set out a plan to improve these important areas. The Patient, Carer and Public Experience Committee is overseeing the development and implementation of an action plan to ensure that improvement is maintained. A reflection and review of monitoring mechanisms will also help to ensure continuous improvement. Progress will be reported in the monthly Quality Report.

#### **Cancer Patients Survey – (Published July 2017)**

The National Cancer Patient Experience Survey 2016 was published in July 2017, and covered all adult NHS patients (aged 16 and over), with a confirmed primary diagnosis of Cancer, discharged from an NHS Trust after an inpatient episode or day case attendance for cancer related treatment in the months of April, May and June

2016. In South Tyneside 188 eligible patients were sent a questionnaire. There were 112 subsequently completed and returned, giving a response rate of 65%. The survey included fifty two patient experience questions. South Tyneside results in 6 (12%) of the questions were higher than expected, 44 (84%) were within an expected score range and 2 (4%) scored lower than expected.

The Trust scored highly and was a positive outlier in questions relating to; diagnostic tests; finding out what was wrong; deciding best treatment options; Clinical Nurse Specialist; Hospital care as a day patient/outpatient and overall NHS care. The two lower scoring negative outlier questions related to information provision prior to an operation and providing an understandable explanation of the operation outcome. Comparison of the results with those for the previous year show that patient experience improved in 29 areas but worsened in 16.

Overall, the findings of the 2016 survey reflect the high level of care provided to the residents of South Tyneside. Of particular note is patient experience of the care provided by the Clinical Nurse Specialist team, which scored the highest in the region. As the number of respondents to the questions regarding surgery was small, the response percentage was not broken down by specialty. This makes it impossible to determine whether the Trust's outlier status is due to issues within one particular specialty, involves a number of specialties, or is an anomaly due to the small sample size. The returned questionnaires were submitted and categorised into eleven sections:

- Seeing your GP
- Diagnostic tests
- Finding out what was wrong with you
- Clinical Nurse Specialist (CNS)
- Support for people with cancer
- Operations
- Hospital care as an inpatient
- Hospital care as a day patient/outpatient
- Home care and support
- Care from your general practice
- Your overall NHS care.

Cancer groups not included within the survey for South Tyneside were brain/central nervous system, skin, sarcoma and head and neck.

Within the 11 sections there were 52 measurable patient experience questions applicable to the Trust. Of these, 6 scored higher than expected, 44 were within the expected range and 2 scored lower than expected.

#### Questions where performance was higher than expected range:

Patient responses to the following questions were positive with most exceeding the upper limit of the expected national average range.

- Diagnostic Tests - The length of waiting time for the test to be done was about right. (scoring 94% matching the upper limit of expected range).
- Finding out what was wrong with you - Patient told they could bring a family member or friend when first told they had cancer (Scored 89% exceeding upper limit of expected range of 85%).
- Deciding the best treatment for you - Patient given practical advice and support in dealing with side effect of treatment (scoring 76% exceeding upper limit of expected range of 75%).
- Clinical Nurse Specialist – Patient found it easy to contact their CNS (scoring 96% exceeding upper limit of expected range - 94%). The Trust achieved the highest score in the region for this.
- Hospital care as a day patient/outpatient – beforehand patient had all information needed about chemotherapy treatment (scoring 95% exceeding upper limit of expected range – 93%)
- Your overall NHS care – Length of time for attending clinics and appointments was right (scoring 82% exceeding upper limit of expected range – 78%).

#### Questions where performance was lower than expected range

Patient responses were less positive in the two questions regarding operations:

- Operations – Beforehand had all the information needed about the operation (scoring 89% below the expected range lower limit of 90%)
- Operations – Staff explained how operation had gone in understandable way (scoring 66% below the expected range lower limit of 67%).

Overall the findings of the 2016 National Cancer Patient Experience Survey reflect the high level of care provided to the residents of South Tyneside. Of particular note is patient experience of the care provided by the Clinical Nurse Specialist team, which scored the highest in the region. Comparison of the results with the previous year show that patient experience improved in 29 areas but worsened in 16. The 2016 survey shows that the Trust is a positive outlier in 6 areas of care with satisfaction scores above the expected range, but a negative outlier for two questions relating to operations. However these are not necessarily attributable to the Trust as previously stated. Additionally, the number of respondents to the questions regarding surgery was small and therefore the response percentage has not been broken down by specialty. This makes it impossible to determine whether the Trust's outlier status is due to issues within one particular specialty, involves a number of specialties, or is an anomaly due to the small sample size

As it is not possible to identify from the results exactly where improvement work needs to be undertaken, the plan to address the outlier status will take the following general approach:

- The findings of the Cancer Patient Experience Survey will be shared with all relevant services and each service will be asked to objectively review the information they provide to identify areas for improvement in information provision and clarity.
- Each team to develop and execute an action plan to address areas identified for improvement. Action plans will be monitored by the Patient, Carer and Public Experience Committee.

## **Emergency Department Survey 2016 – (Published October 2017)**

A total of 137 NHS Trusts with a Type 1 emergency department were surveyed. Forty nine of these also have a Type 3 department and patients from these departments were included within the survey for the first time in 2016. Nationally, responses were received from 45,597 people, a response rate of 27%. The Trust result was comparable with this, also at 27%.

Eligible patients were aged 16 years or older, had attended an emergency department during September 2016 and were not staying in hospital during the sampling period. Trusts, including South Tyneside, with Type 1 and Type 3 departments sampled 950 patients from their Type 1 department and 300 patients from the Type 3 department.

Feedback was encouraging with the majority of patients indicating being both positive about their experience and having confidence in the care they received. Positive Results showed:

- 90% of patients surveyed waited less than 60 minutes before initially being spoken to
- over 98% of patients felt they were given enough time to discuss their health problem with clinical staff
- over 95% said the doctors and nurses explained their condition/treatment in a way they could understand
- 98% felt the doctors and nurses listened to them
- 96% agreed feeling confidence in the doctors and nurses who treated them
- all patients surveyed agreed they were given enough privacy during examination/treatment
- 95% had been involved as much as they wanted to be in decisions about their care/treatment
- 92% agreed that if they were feeling distressed a member of staff helped to reassure them. The Trust scored better than most other Trusts nationally in this respect.
- 97% said the department was clean
- 97% said they were treated with respect and dignity.

The feedback indicated that, while patients were mainly positive about their experience, there were some things that were less positive, notably in the section on leaving hospital, as summarised below:

- 60% were not told how long they would have to wait to be examined
- 33% were not given advice about when they could resume normal activities such as when to go back to work or drive a car
- 33% said staff did not take their family/home circumstances into consideration on discharge
- 25% were not advised who to contact if they were worried about their condition or treatment after leaving the department.

In response to the feedback the department have implemented the following remedial actions:

- Issues raised were shared with staff at the department huddle meetings and governance to raise awareness of the areas that fell short of expectation
- A Frailty Team is now in place to support discharges 7 days a week
- A white board is now in place at the front entrance to keep information for patients up to date.

## **Carer's**

South Tyneside Foundation Trust is committed to giving carers the recognition, involvement opportunities and support necessary to improve the experience of the many patients and carers who have access to our services. A carer is someone who, without payment, provides help and support to a friend, neighbour or relative who could not manage otherwise because of frailty, illness or disability. Some of the carer related initiatives and activities that the Trust has been involved with during 2017/18 include:

### Carers Week 12-18<sup>th</sup> June 2017

South Tyneside NHS Foundations Trust launched Carers Week, by hosting a market stall event within the Alexander Restaurant. This was supported by South Tyneside Adult Carers' Centre, South Tyneside Young Carers Project and South Tyneside Carers Co-ordinator. Many staff, carers and relatives approached the stands for further information.

Staff awareness sessions were then scheduled across the week in Clarendon and South Tyneside Hospital which were published through a variety of mechanisms (staff desktop, intranet carousel, twitter feed, trust communication, Shields Gazette and direct email promotion). Over the course of the week a total of 74 members of staff attended an awareness session. All staff who attended the training were able to watch the newly developed Carers Charter DVD, and received a new staff lanyard (entitled NHS Working with Carers).

Sessions held on Friday 14<sup>th</sup> June 2017 were supported by South Tyneside Young Carers Project who delivered further information about their service and were accompanied by a Young Carer to share their story and help present the session.

### Carers Rights Day 24<sup>th</sup> November 2017

To support 'Carers Rights Day' we hosted a variety of events including a 'Market Stall' drop in session within the Alexander Restaurant. This was attended by members of the Carer and Patient Involvement Team, South Tyneside Adult Carers, South Tyneside Young Carers Project, and the Trusts Carer Co-ordinator. Many staff, carers and relatives approached the stands for information and advice.

### Carer Awareness Training

The Patient Experience Team continue to offer Carer Awareness sessions to all staff employed by South Tyneside Foundation Trust. A total of 30 briefing sessions have been delivered across a variety of Acute and Community settings to a total of 361 members of staff. Thirty eight members of staff stated they were a working carer, with 10 members of staff being referred onto the Trusts Carer Coordinator for additional support.

Promotion of awareness sessions will continue as necessary in order to maintain the pace of delivery.

## The Carers' Charter

The Carers' Charter was updated in 2017 to reflect the alliance with City Hospitals Sunderland NHS Foundation Trust and is displayed in all wards and departments as part of our on-going initiatives to raise awareness and improve the experience of carers. It has also been reprinted to a larger A3 format to increase visibility for staff, patients and carers. The key messages are to:

- Identify carers early;
- Signpost and provide information about South Tyneside Carers' Centre and South Tyneside Young Carers Project; and
- Involve carers in delivery and discussions about the patient's care (as appropriate).

**NHS**

City Hospital Sunderland NHS Foundation Trust  
South Tyneside NHS Foundation Trust

# Carers' Charter

*'A carer is someone who looks after a family member, partner, friend or neighbour who due to illness, disability, frailty or addiction is unable to manage alone'*

Our staff recognise the great value and importance of carers who provide care to people who use our services. We are strongly committed to supporting and working in partnership with carers in order to ensure that we can provide the highest quality and most effective care possible.

<b>Recognition and Value</b> We will recognise and value carers as 'experts' involving where appropriate in all aspects of care including: assessment, planning, treatment, and discharge. We will ensure that all carers are offered a 'Carer's Passport' to assist with easy identification and offer of additional entitlements.	<b>Recognise Young Carers</b> We will recognise the vital role young carers play and signpost to the relevant support agencies and groups at the earliest stage possible.	<b>Working in Partnership</b> We will work with carers and other care agencies to help inform, develop and evaluate services.
<b>Help and Advice Service</b> We will work closely with carer organisations in promoting contacts in order to help carers obtain information and access support for themselves and the people they care for.	<b>Carer Involvement</b> We will aim to involve carers with the delivery of care. In addition, carers will be invited to be involved in the future development of services.	<b>Raising Staff Awareness</b> We will provide all frontline staff with appropriate and relevant awareness training to help them to develop an understanding of the role of a carer and recognise and respond to carers' individual needs.

For more information visit [www.stft.nhs.uk](http://www.stft.nhs.uk) or [www.chsft.nhs.uk](http://www.chsft.nhs.uk)

Lifeline Project | Young Carers South Tyneside | Sunderland Carers' Centre

## John's Campaign and Carer's Passport

John's Campaign is a national campaign, which seeks to increase the number of hospitals where carers of people with dementia are welcome to continue supporting the person they care for outside regular visiting hours and, in some instances, 24 hours a day if they wish to do so.

South Tyneside Foundation Trust seeks to follow the work set by City Hospitals Sunderland to deliver this campaign, through the carer's passport. The passport aims to encourage carers to "have a conversation" with staff about their caring role and their needs, to ask about visiting outside of normal hours and staying overnight if appropriate. South Tyneside Trust has also signed up to John's Campaign with a joint pledge with City Hospitals to patients and carers.

*"The South Tyneside and Sunderland Healthcare Group is committed to the development of good quality, flexible services to support all patients and carers by involving them in any decision making processes. We welcome carers to stay with their loved ones and provide support and encouragement if they would like to continue to be involved in providing care."* This pledge can be found on John's campaign website.

## Carers Newsletter

The Carer and Patient Involvement Team continue to update staff on issues affecting carers via the Trusts Carers Newsletter on a quarterly basis.

## **Volunteer service**

Volunteers play an important role in supporting our services and we know that their hard work and friendliness enhance the patients and family/carers experience while being in hospital. Our volunteers are not directly involved in patient care but help provide extra support to patients and staff. There are a number of reasons why people wish to volunteer, for many it is a chance to do something positive and to help others, or to gain experience to enhance their own career pathway. For others they simply have spare time and wish to give something back to the hospital community. We encourage local people to volunteer their time and talents for the benefit of our patients, families and staff. Volunteering can be very rewarding and can be used to develop new skills, confidence and meet new friends. One of our younger volunteers has recently been accepted at Manchester University to start Medical training; by volunteering they felt it had enhanced their experience and knowledge of the hospital environment.

We have successfully recruited 18 new volunteers. All volunteers are asked to commit to at least one 2 hour shift per week and to engage in the volunteer role on a regular basis for a minimum period of 6 months. Some of the roles undertaken by our current hospital based volunteers include; helping vulnerable and frail patients on wards, acting as meet and greet volunteers in the out-patient department. Other volunteering opportunities exist within the Chaplaincy service and the League of Friends.

## **Patient Safety Kitchen Table events**

As part of our participation in the National Sign up to Safety Campaign we held kitchen table events earlier this year. Kitchen table events provide the opportunity for staff to stop for a few minutes and really be listened to and have the opportunity to share examples and personal experiences of patient safety related matters. Staff are encouraged to discuss their patient safety concerns in a safe environment, similar to a chat round the kitchen table where problems are shared and often solved. Discussions included:

- the need to improve the Safer handover between doctors and nurses
- inadequacies in transfer of patients documentation
- lack of understanding of the care home support team role
- communication problems with the Single Point of Contact
- benefits of integrated teams
- lone worker risks
- how to improve communication in the community at a weekend
- Winter pressures
- audit and safety checklists
- service changes
- good team ethic.

## **Mixed Sex Accommodation**

The NHS Operating Framework for 2012-2013 confirmed that all providers of NHS funded care are expected to eliminate mixed-sex accommodation, except where it is in the overall best interest of the patient. This overall requirement remains unchanged.

NHS organisations are required to submit data on the number of occurrences of unjustified mixing in relation to sleeping accommodation. The collection enables the analysis and publication of consistently defined data to allow patients and members of the public to understand the extent to which Mixed Sex Accommodation is occurring at individual organisations.

National reporting of unjustified mixing (i.e. breaches) in relation to sleeping accommodation commenced on 1 December 2010. MSA breach data is collected monthly from all NHS providers and other organisations that provide NHS-funded care (including Independent and Voluntary Sector organisations), and is collected, validated and published in accordance with the Code of Practice for Official Statistics. From April 2011, the MSA data return was made mandatory for all NHS Trusts.

“Sleeping accommodation” includes areas where patients are admitted and cared for on beds or trolleys, even where they do not stay overnight. It therefore includes all admissions and assessment units (including clinical decision units), plus day surgery and endoscopy units. It does not include areas where patients have not been admitted, such as accident and emergency cubicles.

Every patient has the right to receive high quality care that is safe, effective and respects their dignity. Same sex accommodation means that patients should not have to share sleeping accommodation or sanitary facilities other than when special circumstances exist, for example, due to clinical need (specialised or urgent care).

During 2017/18 there were no reported same sex accommodation breaches in the Trust.

## **Major Technological Investments:**

### New Ultrasound Machines

An investment of more than £200,000 in cutting edge ultrasound technology is improving patient care and experience at our District Hospital by enabling quicker, more reliable diagnosis. Our Trust is one of the first in the country to have bought the very latest ultrasound machines, which are smaller and more manoeuvrable than the older models, making it easier for staff to operate them. They bring investment this year in radiology services at the District Hospital to around £1.7m.

The four new machines are being used throughout the hospital, including radiology, the Intensive Therapy Unit (ITU) and the ante-natal department. One is a mobile unit which can be taken to the patient and is, therefore, of particular benefit in ITU as it prevents the need to move more seriously ill patients. In the Radiology Department, it is used by doctors to help guide certain procedures - such as inserting catheters - which entail only a very small incision, reducing recovery time and the risk of infection.

The two machines used in the Ante-Natal Department monitor the unborn baby and aid in the detection of abnormalities. The fourth machine is in the Radiology Department where it is used for investigating undiagnosed 'lumps and bumps', which cause many patients anxiety and distress, and for musculoskeletal conditions, which affect the joints, bones and muscles. There are more than 200 musculoskeletal conditions and they affecting one in four of the adult population, many of whom are young and of working age.

### South Tyneside Hospital's super scanner launched December 2017

South Tyneside District Hospital's new MRI scanner - the first of its kind in the UK – is now up and running and patients are benefiting from some of the most sophisticated technology in the world. By providing highly accurate digital images, it is enabling doctors to diagnose more diseases and conditions, from cancers to sports injuries, in more parts of the body, more quickly, thereby revolutionising treatment, care and experience for patients from South Tyneside and Sunderland. The tunnel of the new scanner is shorter, wider and better lit, making it more suitable for claustrophobic patients who previously had to be referred to an off-site 'open' scanner. The wider tunnel is also more suitable for patients larger than those which the previous scanner could accommodate. The previous scanner had different pieces of equipment for scanning different parts of the body, sometimes requiring patients to be moved if multiple areas of the body were to be scanned. The new scanner incorporates more of these pieces of equipment together and once the patient is on the scanner table, less movement is required when more than one part

of the body is being scanned. This is particularly important for the comfort and care of patients who are very ill.

Work on the installation of the new MRI machine, including removal of the previous one which had been in use since 2004, began in September 2017 but the service for patients was seamless due to the introduction on site of a temporary mobile scanning unit. One wall of the scanner room is devoted to a work called 'Coal, Ships, Fish and Chips', by famed South Shields artist Bob Olley, which captures the famous landmarks of the Borough.

### New Initiatives in Gateshead Sexual Health Service

The Sexual Health Team in Gateshead is currently involved in two new initiatives for its service users. Working with partners, they have launched a free condom scheme for young people which will be piloted in a wide range of locations in Gateshead from 1 September 2017. They are also getting ready for the start of term by teaming up with Gateshead College to offer new students sexual health advice and support.

In terms of the free condom scheme, the team has worked with partners in the community, including GP practices, pharmacies and Gateshead College, to offer free condom 'grab packs' for 16 to 25-year-olds. They will be able to pick them up after filling in a short form at one of 18 sites across the Borough. They will not have to make an appointment. Additionally, to mark the start of the academic term, the team attended Gateshead College's Baltic Campus Freshers' Week event on Wednesday, 13<sup>th</sup> September to highlight the services they offer. Following on from the 12-week pilot, we hope to extend the scheme in Gateshead and introduce it in South Tyneside, where we also provide sexual health services.

A new sexual health clinic has been opened at Palmer Community Hospital in Jarrow. It was introduced by the Trust in addition to its service at Stanhope Parade Health Centre, South Shields. Staff at both clinics, including doctors, nurses and health advisors, are able to offer a full range of services

In addition to the above initiatives the Sexual Health Service has also introduced the use of electronic requests and results reporting for microbiology lab tests in South Tyneside. This has markedly improved the turnaround time for results and reduced errors in requests for and reporting of results. The service has also created and implemented improvements in web sites to enable on line appointments and screening requests, which has also improved turnaround times for these requests.

The Sexual Health team have also maintained strong and active involvement of the service in research and participated in National clinical trials such as the Impact PrEP trial.

### **Other Community Services Initiatives and achievements:**

#### Community Dental Service

Improvements have been implemented by treatment of a cohort of dental patients who would have undergone General Anaesthetic, with Intranasal Sedation and this has reduced both the risk to the patients and reduced cost. The dental staff have also received recognition for their service with various awards.

### Gateshead Equipment Service

The introduction of new telephone answering system in the Gateshead Equipment Service has addressed previous access problems and improved user experience by enabling a more timely service.

### South Tyneside Lifecycle Service and Gateshead Talking Therapies

Both services have created websites and these, along with promotion of self-referral, have improved access.

Both South Tyneside Lifecycle Service and Gateshead Talking Therapies are part of a trailblazer project called 'back to employment' involving Northumberland combined Local Authorities

Gateshead Talking Therapies has met all the service targets and are among the top performing IAPT services nationally.

### Community Learning Disability (LD) Services

The team at Elmville, South Tyneside's 7 bedded LD respite unit, were recognised for how excellent they were in handling the recent CQC inspection and received an excellence award. It was noted that everyone was welcoming and demonstrated high levels of knowledge and expertise, all whilst continuing to care for service users throughout the inspection.

Following their visit, the CQC rated services at the Elmville Unit 'good' in their report and also 'good' for our community LD service. There were no 'must do' requirements from the report for the service and there were seven 'should do' recommendations which are all now completed.

### School Immunisation Programme

The Trust was successful in the procurement of the school based immunisation programme and has successfully delivered the programme across all schools in South Tyneside, Sunderland and Gateshead and achieved all uptake targets including seasonal influenza.

### St Benedict's Hospice

Recent achievements include:

- Accredited regional centre for Gold Standards framework assessment for Care homes
- Provider of palliative care education for Sunderland university
- Provider of a comprehensive range of education programmes delivered across the South of Tyne and Wear area
- In excess of 95% of patients die in their place of choice when they are involved in the team
- No vacancies in the service

- Specialist Palliative Care service has been highly commended at national level in the Linda McEnhill award for the work they carry out with learning disabilities
- The Recovery at Home Team has been shortlisted for the student placement of the year award by the Nursing Times.

### Children's Physiotherapy

- Joint working and development of Higher Level Teaching Assistant roles supporting Physiotherapy programmes and strategies in Keelman's Way school
- Developmental Co-ordination Disorder/Dyspraxia service which is run jointly with Occupational Therapy – providing a multi professional diagnostic service.

### Children's Speech & Language Therapy

- Natterjacks and Little Explorers assessment and intervention groups
- Makaton sign –sharing sessions with parents and Nurseries
- Development of Higher Level Teaching Assistant roles supporting Speech and Language Therapy programmes and strategies in Bamburgh and Keelmans Way Schools
- Dysfluency Teacher Sessions – therapist working with teachers for a specific child with the aim of implementing strategies targeted to individual child
- Children and parent groups which are run jointly with Sunderland. The groups are led by Sunderland Speech and Language Therapists. Young people from Speech Therapy are invited to attend and our therapists have attended to provide support and as a Continuous Professional Development training opportunity.

### Adult Speech & Language Therapy

- Introduction of Integrated Clinical Environment (ICE) to manage referrals from wards to the therapy team - improving the quality and accuracy of information received in order to triage patients and respond to highest risk accordingly.

### **Celebrating Success:**

#### Catherine Blake

District Nurse Catherine Blake was awarded two prestigious educational prizes. She was recognised by Northumbria University for Best Postgraduate Academic Performance on a Nursing and Midwifery programme. She was also the recipient of the Queen's Nursing Institute prize for the top performing student on the district nursing programme. Catherine passed the Community Specialist Practice District Nursing Postgraduate Diploma course with distinction in June.

#### Best of Health Awards 2017

The Trust took part in the Best of Health Awards which was organised by the Sunderland Echo and the Shields Gazette. Trust staff were nominated in all the relevant categories and many of them attended the glitzy awards ceremony which took place at the end of April 2017. Well done to all the nominees and the winners.

Our winners were:

- Hospital Doctor of the Year – Richard Ellis (joint winner)
- Nurse of the Year – Nicola Kirtley (joint winner)
- Community Nurse of the Year – Diane Kirton and Lisa Kempster (joint winners)
- Dentist of the Year – Adam Nicholson, Community Dental Service (joint winner)
- Therapist of the Year – Viki Jackson and Colette Jones (Podiatrists)
- Team of the Year – Oncology and Haematology Day Unit (joint winner)
- Customer Service/Unsung Hero Award – Marie Farish (joint winner)
- Long Term Achievement – Brigid Marron (joint winner)
- Healthcare Scientist – Cardiology Outpatients (joint winner)

### Health & Safety Team – successful re-accreditation

Following a recent external re-certification audit, the Health and Safety Team have successfully achieved re-certification of our internal consultancy style Management Systems for the provision of Health and Safety Services across the Trust, aligned to BS OHSAS 18001:2007. This is an internationally recognised standard for Occupational Health and Safety Management Systems which the Health and Safety Team have again achieved re-certification for the 7<sup>th</sup> consecutive year.

## 3.2 Performance against key national priorities 2017/18

### Performance against key targets 2017/18

Indicator	Last Year 2016/17	Target 2017/18	2017/18	Variance	Year <sup>1</sup>
<b>National Operational Standards</b>					
Referral to Treatment waits % incomplete pathways waiting less than 18 weeks <sup>2</sup>	96.29%	92%	95.87%	3.87%	●
Diagnostic Test waiting times <sup>2</sup>	0.00%	0%	0.01%	0.01%	●
A&E: Maximum waiting time of four hours from arrival to admission/transfer/discharge	92.66%	95%	94.35%	-0.65%	●
All Cancer Two Week Wait	96.88%	93%	94.99%	1.99%	●
All Cancer 62 day urgent referral to treatment wait	89.52%	85%	89.11%	4.11%	●
62 day wait for first treatment following referral from an NHS Cancer Screening Service	84.62%	90%	100.00%	10.00%	●
31 day standard for cancer diagnosis to first definitive treatment	100.00%	96%	100.00%	4.00%	●
31 day standard for subsequent cancer treatments - surgery	100.00%	94%	100.00%	6.00%	●
31 day standard for subsequent cancer treatments - anti cancer drug regimens	100.00%	98%	100.00%	2.00%	●
Cancelled operations not rescheduled within 28 days	0	0	0	0	●
Mixed sex accommodation breach	0	0	0	0	●

National Quality Requirements					
HCAI - MRSA Bacteraemia <sup>3</sup>	0	0	3	3	●
HCAI - Clostridium Difficile <sup>3</sup>	4	≤8	5	-3	●
Zero tolerance RTT waits over 52 weeks for incomplete pathways	0	0	0	0	●
Ambulance Handover Delays 30-60 minutes	313	0	532	532	●
Ambulance Handover Delays 60+ minutes	66	0	115	115	●
Trolley waits in A&E not longer than 12 hours	0	0	0	0	●
No urgent operation should be cancelled for a second time	0	0	0	0	●
VTE risk assessment for inpatient admissions	96.16%	95%	95.95%	0.95%	●
Improving Access to Psychological Therapies – patients seen within 6 weeks	56.12%	75%	98.69%	23.69%	●
Improving Access to Psychological Therapies – patients seen within 18 weeks	95.25%	95%	99.92%	4.92%	●
Duty of Candour	4	N/A	0	N/A	
Completion of a valid NHS Number field in mental health and acute commissioning data sets submitted via SUS	99.89%	99%	99.89%	0.89%	●
Completion of a valid NHS Number field in A&E commissioning data sets submitted via SUS	99.24%	95%	99.42%	4.42%	●
Local Quality Requirements					
A&E unplanned re-attendance rate	8.44%	5%	8.62%	3.62%	●
A&E left without being seen	2.19%	5%	1.91%	-3.09%	●
A&E time to initial assessment (median)	9 mins	10 mins	10 mins	0 mins	●
A&E time to treatment (median)	59 mins	60 mins	62 mins	2 mins	●
eReferral - % utilisation	86.24%	85%	80.38%	-4.62%	●
Delayed Transfers of Care	4.56%	5%	0.81%	-4.19%	●
Patients with a Fractured Neck of Femur operated on within 36 hours	74.20%	75%	81.55%	6.55%	●
MRSA Screening	76.73%	85%	75.50%	-9.50%	●
IAPT - proportion of people who have depression and/or anxiety disorders who receive psychological therapies	19.06%	16.8%	19.15%	2.35%	●
Improving Access to Psychological Therapies – Completed treatment and moving to recovery	52.94%	50%	55.94%	5.94%	●
Ambulance diverts and deflections from the Trust	116	N/A	38	N/A	N/A
Ambulance diverts and deflections to the Trust	70	N/A	30	N/A	N/A

<sup>1</sup> Rated as amber if performance is close to target i.e. within 2 percentage points or 5 individual cases / minutes

<sup>2</sup> Excludes non English commissioners as per NHS England published statistics

<sup>3</sup> Cases apportioned to Acute Trust only. C. diff cases also exclude cases agreed at local appeals panels as not being genuine CDI or Trust apportioned cases  
Local indicators where there are <10 cases have been excluded i.e. serious incident reporting

## **Annex 1: Statements from Commissioners, Governors, local Healthwatch organisations and Overview and Scrutiny committees**

### **Statement from the Commissioners: South Tyneside Clinical Commissioning Group, Sunderland Clinical Commissioning Group and Newcastle Gateshead Clinical Commissioning Group.**

Thank you for sharing the Trust's Quality Report. The Clinical Commissioning Groups (CCGs) welcome the opportunity to review and provide commentary on the Quality Report for 2017/18. As commissioners, South Tyneside Clinical Commissioning Group (STCCG), Newcastle Gateshead Clinical Commissioning Group (NGCCG) and Sunderland Clinical Commissioning Group (SCCG) are committed to commissioning high quality services from South Tyneside NHS Foundation Trust (STFT) and take seriously their responsibilities to ensure that patients' needs are met by the provision of safe, high quality services and that the views and expectations of patients and the public are listened to and acted upon.

Throughout 2017/18, the CCGs held bi-monthly Quality Review Group (QRG) meetings with the Trust; these meetings provided positive engagement for the monitoring, review and discussion of quality issues. In addition to this, STCCG carried out commissioner-led, unannounced assurance visits to monitor the quality of the services provided and to encourage continuous quality improvement.

The report provides a comprehensive description of quality improvement work within the Trust and an open account of where improvements in priorities have been made. The CCGs recognise the challenges faced by the Trust in the delivery of their 2017/18 priorities and their achievement to date. We welcome the Trust's increased number of specific priorities for 2018/19 spanning patient safety, clinical effectiveness and patient experience and note that these priorities have been developed with, and harmonised across the South Tyneside and Sunderland Healthcare Group. The CCGs consider that these are appropriate areas to target for continued improvements which link to the CCGs commissioning priorities.

The CCGs acknowledge the work carried out to date by the Trust, and the improvements made as a result of the CQC action plan. We were assured at the removal of the warning notice in September 2017 and would like to highlight that whilst the Trust overall 'requires improvement' as a result of the most recent inspections, a number of service specific domains have moved to 'good' and the Trust again received an 'outstanding' rating in the caring domain.

We would like to note the positive contributions to research made by the Trust, who have led and continue to lead on a number of multi-centre trials. In particular the research collaboration with industry and academia in delivering the ADENOMA and B-adenoma trials which led to the Trust receiving the Acute Sector Medilink Business Award and a further nomination in the National Medilink UK Awards.

The CCGs acknowledge the Trust's commitment to implement the priority standards for Seven Day Services, and congratulate the Trust on the work carried out to date. We look forward to receiving updates around improvements to weekend rates through the QRG.

There is ongoing CCG representation at the Trust Mortality Review Group and we

would like to thank the Trust for their transparent process and commitment to Mortality Reviews and sharing information at the QRG. We were assured by the recent North East Quality Observatory Service (NEQOS) independent report in November 2017, which confirmed the Trust's Summary Hospital-level Mortality Indicator (SHMI) as within range, once the effect of St Benedict's Hospice was removed from the data. Whilst the Trust has demonstrated an improvement in palliative care coding, this is still below the national average, so we will look forward to receiving further updates on the impact of the End of Life Care Facilitator, at the QRG.

We welcome the investment in the innovative use of technology to allow for the easy sharing of information, which in turn improves the quality of care, in particular, the use of EMIS Web Community across South Tyneside and Sunderland Community Services. The CCGs also note the investment in ultrasound technology which is being used across the hospital site as well as the new MRI scanner which, as well as speeding up the diagnostic process is also providing a better experience of care for patients.

The CCGs acknowledge the commitment of the Trust in seeking patient views on the services provided, and highlight the high percentage recommended scores achieved in the Friends and Family Test. Whilst there is no mandated percentage response rate, we would like to encourage the Trust to improve the response rate, particularly in the Accident and Emergency Department and across Community Services, to ensure that data provided remains meaningful. We would like to commend the Trust on the initiatives and activities that the Trust has been involved with during the year to give carers the recognition, involvement opportunities and support to improve the experience of patients and carers who access services provided by the Trust.

It was disappointing to note the further decrease in the reporting of patient safety incidents and the CCGs will continue to monitor the effectiveness of the measures that the Trust is putting in place through its new Governance structure. However we recognise and congratulate the Trust on the progress to date of the key priorities of the Sign Up to Safety Campaign and the 'Patient Safety Kitchen Table' events, and look forward to receiving the outcomes of the further safety improvement plans for areas detailed in the report.

Overall the report is well written and presented and is reflective of quality activity across the organisation. As required under the Quality Report Regulations, staff within the CCGs have checked the accuracy of data relevant to the contract. In so far as we have been able to check the factual details, the CCGs view is that the report is materially accurate. It is clearly presented in the format required by NHS England and the information it contains accurately represents the Trust's quality profile. The CCGs look forward to continuing to work in partnership with the Trust to assure the quality of services commissioned in 2018/19.

Yours sincerely

**Jeanette Scott**

Director of Nursing, Quality and Safety  
South Tyneside CCG

For and behalf of South Tyneside Clinical Commissioning Group, Sunderland Clinical Commissioning Group and Newcastle Gateshead Clinical Commissioning Group.

**Matthew Walmsley**

GP Chair

South Tyneside CCG

## **Response from the Council of Governors on the draft Quality Account 2017/18**

Thank you for sharing the Trust's Quality Report with members of the Governors' Governance Sub-Group on behalf of the Council of Governors. We are in agreement that the draft Quality Report for 2017/18 includes a comprehensive overview of the quality improvement work undertaken by the Trust during the year. This includes satisfactory updates on progress against the 2016/17 objectives. Additional comments and areas for further clarity prior to publication of the report are as follows:

### Priority 3 Patient Safety

Governors asked for a clear definition of the priority to "Improve the completion, documentation and visibility of 'Do Not Attempt Cardio Pulmonary Resuscitation' (DNACPR) orders across the organisation".

### Priority 6 – Patient Safety

Ensure that "medicines reconciliation" is achieved for 95% of patients within 24 hours of admission to our hospitals. Governors asked for further clarity on the term '*medicines reconciliation*' to make it easier for the public to understand the target.

### Care Quality Committee ratings

With regard to the CQC ratings table, Governors asked that a footnote be included to explain the reason for some areas being identified as 'not applicable'.

### End of Life Care

With regard to the appointment of an End of Life Care Facilitator, Governors asked that a brief description of the role be included in the report.

### Other comments

Governors particularly supported the inclusion of the integration of the four priority standards for seven day working into the priorities for clinical effectiveness.

Whilst acknowledging that there were still gaps in the draft report in terms of data, the Governors all agreed that the report had significantly improved in terms of format, content and readability this year and noted that the report felt like a 'living document'. The Governors acknowledged that definitive actions plans were yet to be developed for all priorities, but that this would be an iterative process throughout the year, with Governors being kept informed of progress against the priorities during 2018/19. Governors also agreed that the quality priorities are reflective of the issues currently faced by the Trust at the current time.

**For and on behalf of the Council of Governors,  
South Tyneside NHS Foundation Trust  
11<sup>th</sup> May 2018**

## **Response from South Tyneside Council Health Overview and Scrutiny Committee**

Thank you for the opportunity to comment on your 17/18 Quality Report. As ever, it is very difficult to comment in detail on the contents of the report as much of it is regarding the implementation clinical improvements on which it would not be appropriate for us to comment in any great depth.

However, we would agree with the priorities set for 18/19 which reflect many of the areas that residents tell us are important to them, including assurance that patients' whose condition is deteriorating are identified at an early stage and that patients are fed appropriately.

We are particularly interested in how the National Maternity Services Safety Strategy will be implemented and how this will affect services, particularly following the announcement of the fragility of the Special Care Baby Unit and Maternity service, and the suspension of births during December 2017 and January 2018.

Despite the decision of the Joint Health Overview and Scrutiny Committee to refer the decisions made by the Clinical Commissioning Groups on the future of Maternity Services, Gynaecology, Children's Emergency Paediatric Services and Stroke services, to the Secretary of State for Health, our primary concern is to ensure that the best interests of the health care of South Tyneside residents are fully taken into account. On that basis, we would ask that the Trust considers the implications of the clinical service reviews in light of the quality priorities to ensure these interests are maintained.

We understand the need to work more closely with City Hospitals Sunderland and the subsequent announcement that the two trusts have agreed to merge. We hope that this leads to a more efficient and responsive services with the best use of the skilled workforce. However, we hope that full and due consideration will be given to the needs of very vulnerable, frail and ill residents, when considering relocation of services to Sunderland Royal Hospital through the path to Excellence programme. We know the need to travel out of the borough for services, often relying on public transport for low income families in particular, can be very challenging for our residents.

We always appreciate the time that senior officers take in talking to Members and hope that we can continue to work together to understand how our different perspectives can be taken into account when planning future services.

I hope these comments are helpful.

Yours sincerely

Cllr Rob Dix  
**Chair**  
**South Tyneside Council Overview and Scrutiny Coordinating and Call-in Committee**  
**21<sup>st</sup> May 2018**

## **Response from Healthwatch South Tyneside (HWST)**

HWST is pleased to offer the following comments on the Trust Quality Report 17/18 but in future would appreciate being provided with adequate time to provide its response and fit in with internal governance processes; more in line with the statutory 30 day timeline.

HWST is disappointed that the actions identified in the CQC Improvement Plan have not been fully met; but appreciate that CQC recognised that improvements had been made in their July 2017 visit and have removed the Section 29A warning notice. HWST has noted that additional action plans have been drawn up to address the identified improvements and that progress will be monitored through the Trust Assurance Programme.

HWST is pleased to note that under the “Sign up to Safety” improvement plan; mortality review processes now incorporate the Learning Disabilities Mortality Review Programme and inter alia; the Trust is endeavouring to be more patient and carer centred through the Integrated Governance Framework.

HWST acknowledges that the Trust has worked, through training in quality improvement methodology, to improve front-line staff quality improvement skills; and recognises the commitment to provide training to further improve quality and safety for patients; and to reduce costs.

HWST has noted the implementation of improved reporting from team to Board through the Quality Risk and Assurance Report and that the progress of this is monitored through the Governance Committee and Board of Directors.

HWST has noted the priorities for 2018/19 and is, in particular, pleased to note that the Trust will be implementing the 10 criteria for safer maternity care as this service has had some difficulties over the last year; and is one of the services that will be re-configured under the Path to Excellence Programme. HWST want to see a safe high quality service for women and children in South Tyneside.

HWST recognises that the timely identification and treatment of sepsis continues to be a priority as the reducing the impact of serious infections goal was only partially met last year.

HWST is pleased to note the implementation of the Learning from Deaths Dashboard and the process for learning and changing practice where necessary continues in this year’s priorities. HWST finds it difficult to comment on the Summary Hospital-level Mortality Indicator (SHMI) owing to the inclusion of hospice deaths, when these are removed it appears the Trust operates at around the national average and that the SHMI has remained about the same since January 2015. HWST hopes to see the SHMI moving towards the lowest national figures as this is about preventing people from dying prematurely.

HWST understands that implementing the four priority standards for seven day working is a challenging priority. However HWST is disappointed that Access Consultant directed interventions over the weekend stands at 67%, compared to the national average of 91%; and weekend Consultant daily reviews are audited at 42% which is 31% lower than nationally. HWST acknowledges that the Trust is on

weekdays audited higher on three seven day working priorities than nationally the exception being Access Consultant directed interventions.

In terms of patient experience, HWST has found membership, as critical friend, of the Patient, Carer and Public Experience Committee beneficial in understanding challenges and improvements.

HWST notes that the Trust continues to be involved in clinical audits and applauds the work undertaken in the multi-centre Adenoma Trail led by the Hospital.

HWST is pleased to note the quality improvements made under the Commissioning for Quality and Innovation (CQUIN) Framework all of which resulted in full payment other than: reducing the impact of serious infection; advice and guidance and preventing ill health through risky behaviour which were partially met.

HWST although recognising improvements, was overall disappointed in the CQC ratings for South Tyneside District Hospital. Some of the services rated at “Requires improvement” are being looked at through the Path to Excellence Programme. In terms of Urgent and Emergency services HWST will be meeting with Trust and Clinical Commissioning Group representatives in June 2018 to discuss the findings and recommendations outlined in the HWST Check the Pulse Urgent Care Hub report.

HWST is pleased to note the return (completion) rate for Patient Reported Outcome Measures (PROMs) has improved by 355%. HWST considered the PROMS for hip and knee replacements disappointing: the measurement tools used indicated that for hip replacements 8.9% of patients considered their conditions had worsened, 3.9% above the national average; and that for knee replacements 8.7% considered they had worsened compared to 2.2% nationally. None of the measures in terms of improvements in these conditions met the national average. This is not a good outcome for South Tyneside patients.

HWST is unable to comment on the “responsiveness to patient’s personal needs” as the figures for this were incomplete.

HWST is disappointed that in 2017 only 62% of Trust staff would recommend the Trust as a provider of care to their families and friends this equates to 7% below that national average (the highest national score being 86% with the lowest at 47%).

Despite the rates for Clostridium Difficile for 2017/18 not being published, HWST acknowledges that historically the Trust have remained well below the national average for reported cases (bed days) which is a good outcome for South Tyneside patients. The Trust have put in place plans to further reduce Clostridium Difficile rates.

The Trust has had a good result in relation to Improving Access to Psychological therapies (IAPT) moving to recovery for people with depression and anxiety exceeding the national contract target of 50% by 5.94%.

HWST notes the use of EMIS and iPads by community services, which allows “the easy sharing of all information of all services looking after the patient”. However HWST would like to know what is being put in place in terms of individual specific

consent and General Data Protection Regulation (GDPR) guidelines around information sharing, particularly in relation to individual patient health information being shared with local authorities?

Despite there being no mandate for the patient Friends and Family Test response rate, in general HWST finds the Trust response rates disappointing particularly in A&E (December 2017) with a 0.4% rate against a local rate of 6.7% and 11.7% nationally. However Mental Health rates for December 2017 outstrip both local and national rates at 22.8%, compared to with 16.4% locally and 14.7% nationally.

HWST acknowledges the push to promote the updated Carer's Charter.

HWST looks forward to seeing evidence of positive health outcomes for the people of South Tyneside with the arrival on the new MRI scanner in December 2017.

In terms of national priorities for the Trust - HWST is unable to comment on the Cancer:62 day wait for first treatment from NHS Cancer screening service referral as the figures have not been published, however in 2016/17 these were below the 90% target at 84.62% which is not what South Tyneside residents deserve. People with common mental health problems being treated within 6 weeks of referral to IAPT, the Trust met this with 52.94% in 2016/17 and in 2017/18 with an outstanding 98.69% against a target of 75%.

HWST looks forward to working with the Trust to continue to improve services for the people of South Tyneside in 2018/19.

**Jan Pyrke, Operations Manager, 13<sup>th</sup> May 2018**  
**Healthwatch South Tyneside**

## **Annex 2: Statement of directors' 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 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 March 2018;
  - papers relating to quality reported to the board over the period April 2017 to March 2018;
  - feedback from commissioners dated 18<sup>th</sup> May 2018;
  - feedback from governors dated 11 May 2018;
  - feedback from local Healthwatch organisations dated 16<sup>th</sup> May 2018;
  - feedback from Overview and Scrutiny Committee dated 21<sup>st</sup> May 2018;
  - the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 8<sup>th</sup> May 2018;
  - the 2016 national patient survey dated 20<sup>th</sup> July 2017;
  - the 2017 national staff survey dated 6<sup>th</sup> March 2018;
  - the Head of Internal Audit's annual opinion over the Trust's control environment dated 22<sup>nd</sup> May 2018; and
  - CQC inspection report dated 2<sup>nd</sup> March 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, and these controls are subject to review to confirm that they are working effectively in practice;
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review; and
- the Quality Report has been prepared in accordance with 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 that they have complied with the above requirements in preparing the Quality Report.

By order of the Board

23<sup>rd</sup> May 2018

Date

A handwritten signature in black ink, appearing to be 'Jai', with a horizontal line underneath it.

Chairman

23<sup>rd</sup> May 2018

Date

A handwritten signature in purple ink, appearing to be 'Kagben', with a horizontal line underneath it.

Chief Executive

### **3. ACCOUNTABILITY REPORT**

#### **DIRECTORS' REPORT**

##### **Board of Directors**

The Board of Directors provides leadership of the Trust within a framework of prudent and effective controls, enabling risk to be assessed and managed. It determines the strategic direction of the Trust and reviews and monitors operating, financial and risk performance. A formal schedule of matters reserved to the Board includes:

- Defining the values, strategic aims and objectives of the Trust;
- Approving of the Trust's Annual Plan;
- Adoption of policies and standards on financial and non-financial risks; and
- Approval of significant transactions, mergers, acquisitions, separations or dissolutions.

The Executive Committee of the Trust is responsible to the Board for:

- Delivering the strategy;
- Overall performance of the Trust, and managing the day to day business of the Trust.

The matters reserved to the Council of Governors are:

- To hold the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors;
- To represent the interests of the members of the Trust, and the public as a whole;
- To appoint, re-appoint or remove the Chairman and other Non-Executive Directors of the Trust and decide the remuneration and allowances thereof;
- To appoint, re-appoint or remove the Trust's auditor;
- To be presented with the Trust's Annual Report and Accounts;
- To approve an appointment by the Chairman and Non-Executive Directors of the Chief Executive;
- To give the views of the Council of Governors to Directors for the purpose of preparing the Trust's Annual Plan;
- To approve significant transactions or approve an application by the Trust to enter into a merger, acquisition, separation or dissolution;
- To decide whether the Trust's non-NHS work would significantly interfere with its principal purpose; and
- To approve amendments, with the Board of Directors, to the Trust's Constitution.

The Board of Directors has a balance of skills and experience to undertake the business of the Trust. As at 31<sup>st</sup> March 2018, the Board of Directors, excluding the Chairman, has a 50/50 balance of Executive and Non-Executive Directors. The Non-Executive Directors are drawn from a diverse background bringing a broad range of views and experience to Trust deliberations. Through a successful appointments process we have maintained the balance and appropriateness of the membership of the Board.

**Composition of the Board of Directors during the year 1<sup>st</sup> April 2017 – 31<sup>st</sup> March 2018**

<b>Neil Mundy</b>	<b>Chairman of Trust Board and Council of Governors First term of office 1<sup>st</sup> January 2016 until 31<sup>st</sup> December 2018</b>
<p>Mr Mundy has extensive experience in both executive and non-executive roles in public, private and third sector organisations in the North East and London. Mr Mundy is Vice Chair of the Joint Audit Committee for the Police and Crime Commissioner and Chief Constable of Northumbria Police, Treasurer and Trustee of Holy Island Development Trust and a Non-Executive Director of Northumberland Theatre Company. Mr Mundy was previously a Non-Executive Director, Chair of Audit Committee and Senior Independent Director for Northumbria Healthcare NHS Foundation Trust, Director of Finance at One North East and Non-Executive Director and Chair of the Audit Committee at the Port of Tyne Authority. He was also Principal Finance Officer for a large London borough; Deputy Chief Executive of the Tyne and Wear Development Corporation and, as a senior management consultant, has advised on major city regeneration projects.</p>	
<b>Allison Thompson</b>	<b>Independent Non-Executive Director/Vice Chair First term of office from 1 November 2012 until 31 October 2015 Second term of office from 1 November 2015 until 31 October 2018</b>
<p>Mrs Thompson built her career on solid, business, commercial and marketing foundations over a 24 year period and latterly held Executive positions as Chief Operating Officer and HR Director. Mrs Thompson has a track record of significant commercial and restructuring success throughout her career.</p>	
<b>Alan Clarke</b>	<b>Independent Non-Executive Director/Senior Independent Director First term of office from 13 July 2012 until 12 July 2015 Second term of office from 13 July 2015 until 12 July 2018</b>
<p>Mr Clarke has had a long career in local government, working for South Tyneside and Newcastle City Councils before becoming Assistant Chief Executive at Sunderland City Council in 1995 and Chief Executive of Northumberland County Council in 2000. Alan was Chief Executive of One Northeast from 2003 to 2012 and was awarded a CBE in 2011 for services to regeneration in the North East.</p>	
<b>Keith Tallintire</b>	<b>Independent Non-Executive Director/Audit Committee Chair First term of office from 1 April 2015 until 31 March 2018</b>
<p>Mr Tallintire held a number of senior financial and board positions in the manufacturing sector and is an associate member of the Chartered Institute of Management Accountants and Chartered Institute of Purchasing and Supply and a member of the Chartered Institute of Housing. He also has previous experience in the NHS as a board member of NHS Durham Dales, Easington and Sedgefield Clinical Commissioning Group and, before that; he was a Non-Executive Director of County Durham and Darlington Primary Care Trust.</p>	
<b>Pat Harle</b>	<b>Independent Non-Executive Director First term of office from 1 November 2013 until 31 October 2016 Second term of office from 1 November 2016 until 31 December 2017 (stood down from 1 January 2018)</b>
<p>Mrs Harle was previously a Non-Executive Director with NHS Primary Care Trusts in South of Tyne and Wear and has also held a number of national offices, including former President of the British Association of Dental Nurses, Training Advisory Board Chairman and Deputy Chairman of an examining board. Mrs Harle was awarded an MBE in 2002 and a Lifetime Achievement Award from The Probe dental publication and she was presented with the British Dental Association's Medal of Distinction.</p>	

<b>Iain Malcolm</b>	<b>Independent Non-Executive Director</b> First term of office from 1 November 2012 until 31 October 2014 Second term of office from 1 November 2014 until 31 October 2017 Third term of office from 1 November 2017 until 31 October 2018
Cllr Malcolm was elected Local Authority Councillor in May 1988 and is currently Leader of South Tyneside Council. Cllr Malcolm is also Chairman of the Local Government Commission Urban Commission. After leaving university, he commenced work with a Member of the European Parliament and in 1998, was appointed Chief of Staff to the Leader of the European Parliamentary Labour Party. In January 2001 Cllr Malcolm was appointed Chief Executive of a Public Affairs Consultancy, Sovereign Strategy.	
<b>Mike Davison</b>	<b>Independent Non-Executive Director</b> First term of office from 26 July 2017 to 25 July 2020
Mr Davison is a qualified Chartered Management Accountant and until his retirement at the end of March 2008 was Finance Director at the Port of Tyne Authority from 1995 and is a Trustee of the pension scheme. He is a lay member of the Newcastle University Council and Senate and is a member of its Audit Committee after serving a number of years as Chairman. Mr Davison was formally Vice Chairman and Senior Independent Director of City Hospital Sunderland NHS Foundation Trust. He is also a Church Elder and is a Governor of Dame Allens Schools and Chairs its Finance Committee.	
<b>Ken Bremner</b>	<b>Chief Executive</b> From 12 <sup>th</sup> September 2016
Mr Bremner is a qualified accountant and has worked in the NHS since 1982. He joined Sunderland in 1988, initially working with Sunderland Health Authority and then at City Hospitals Sunderland. He was Director of Finance and Deputy Chief Executive at City Hospitals until February 2004 when he was appointed to the post of Chief Executive. Mr Bremner is Chair of the Sunderland Partnership Board, a member of the SAFC Foundation of Light Development Board and member of the North East and North Cumbria Academic Health Science Network. Mr Bremner took up post as Chief Executive of South Tyneside NHS Foundation Trust on 12 <sup>th</sup> September 2016.	
<b>Bob Brown</b>	<b>Director of Quality and Transformation</b> From 21 <sup>st</sup> November 2016 until 31 August 2017
Dr Brown was previously Director of Nursing and Professional Practice at Torbay and Southern Devon Health and Care NHS Trust. Before that, he worked for South Eastern Health and Social Care Trust in Northern Ireland, where he was an Assistant Director of Nursing and Primary Care. He is a Trustee and Council Member of the Queen's Nursing Institute. Following his appointment as Director of Nursing and Patient Experience for the Trust, he became Director of Quality and Transformation in November 2016.	
<b>Kath Griffin</b>	<b>Director of Human Resources and Organisational Development</b> From 1 <sup>st</sup> May 2016
Ms Griffin joined the NHS in Sunderland in 2003 before extending her role to South Tyneside Foundation Trust in 2016. Prior to joining the NHS, Ms Griffin spent 20 years working in a variety of roles, primarily HR, in Scotland and England firstly with the Post Office Group before moving onto Social Services in Sunderland. Ms Griffin is a qualified HR professional and became Director of Human Resources and Organisational Development for the Trust in May 2016.	

<b>Melanie Johnson</b>	<b>Director of Nursing, AHPs and Patient Experience</b> From 21 <sup>st</sup> November 2016
Ms Johnson is a Registered Nurse who has worked in the NHS since 1985 and joined City Hospital Sunderland NHS Foundation Trust in January 2016. She has worked in a variety of clinical and management posts in London, Leeds and was Director of Nursing in Newcastle and Edinburgh. Ms Johnson became Director of Nursing, AHPs and Patient Experience in November 2016. In 2018, Ms Johnson was appointed as Visiting Professor University of Sunderland and Chair of RCN UK Professional Nursing Committee.	
<b>Julia Pattison</b>	<b>Director of Finance</b> From 21 <sup>st</sup> November 2016
Mrs Pattison is a Qualified Accountant and has worked in the NHS since 1989. She joined City Hospital Sunderland NHS Foundation Trust in May 2006 as Head of Finance and Contracting and became Director of Finance in July 2008. She previously worked as Head of Finance and Service Level Agreements at North of Tyne Commissioning Consortium. Mrs Pattison became Director of Finance in November 2016.	
<b>Shahid Wahid</b>	<b>Medical Director</b> From 1 <sup>st</sup> December 2015
Dr Wahid was previously the Clinical Lead Emergency Care at the Trust with specialist skills in Acute Medicine, General Medicine, Diabetes and Endocrinology. Dr Wahid came to South Tyneside District Hospital in October 2003 as Consultant Physician with an interest in Diabetes and Endocrinology. Having reshaped this specialty into a service acknowledged as one of the best in the region by 2006, he was instrumental in the development of a state-of the art, integrated Emergency Care Centre at the District Hospital, which opened to patients in November 2012.	

The Non-Executive Directors bring independent judgement on issues of strategy development, performance management, risk and quality through their contribution to Board, Sub Committee and Governor Meetings. The Board has concluded via its annual review of compliance against the requirements of the NHS Foundation Trust Code of Governance, that each of the Non-Executive Directors is independent in character and judgement.

The Board has appointed an Independent Non-Executive Director, Mrs Allison Thompson, to be Vice Chair, and Mr Alan Clarke to be the Senior Independent Director in accordance with the provisions of the NHS Foundation Trust Code of Governance. It is for the Council of Governors at a general meeting to appoint or remove the Chairman and other Non-Executive Directors. Removal of a Non-Executive Director requires the approval of three-quarters of the members of the Council of Governors. All appointments are made for a period of office in accordance with the Terms and Conditions of appointment decided by the Council of Governors.

Individual evaluation of the both the Executive and Non-Executive Directors was undertaken during 2017/18. As part of this process, the Chairman undertook appraisals with each of the Non-Executive Directors and Chief Executive. The Chief Executive carried out formal appraisals of each of the Executive Directors. The Senior Independent Director met all Non-Executive Directors, and the Lead Governor to undertake the appraisal of the Chairman and a review of his performance during the year.

Each Sub Committee of the Board undertakes an annual self-assessment against the requirements of its Terms of Reference.

Following the above evaluations, the Directors have concluded that the Board, its Sub Committees and the Council of Governors operate effectively and also consider that each Director is contributing to the overall effectiveness and success of the Trust and demonstrate commitment to the role. NHS Improvement's Single Oversight Framework sets an expectation for NHS Foundation Trusts to carry out an external review of their leadership and governance every three to five years. This guidance was set out in the document 'Developmental Reviews of Leadership and Governance using the Well-led Framework'. The Trust's intention to undertake an independent developmental review during 2017/18 was superseded by a Care Quality Commission Well-Led Inspection which was undertaken October – December 2017. Further information on the outcome of the inspection can be found in the 'overview of performance section.

The Trust holds a Register of Interests for both Directors and Governors, which includes company directorships where the company is likely to do business or is possibly seeking to do business with the Trust. These are available for public inspection upon request to the Company Secretary, South Tyneside District Hospital, Harton Lane, South Shields, NE34 0PL or by visiting the website [www.stft.nhs.uk](http://www.stft.nhs.uk)

All Directors, both Executive and Non-Executive, meet the requirements of the "Fit and Proper Persons Test" as described in the Trust's Provider Licence. No Directors, including the Chairman and Chief Executive, have any significant interests or commitments which may conflict with their management responsibilities.

## Attendance of Meetings of Board of Directors

Board of Directors		Number of meetings applicable	Actual Attendance
N Mundy	Chairman	12	12
A Thompson	Non-Executive Director/Vice Chair	12	11
A Clarke	Non-Executive Director/Senior Independent Director	12	12
M Davison	Non-Executive Director (from 26 July 2017)	7	6
P Harle	Non-Executive Director (until 31 December 2017)	9	8
I Malcolm	Non-Executive Director	12	6
K Tallintire	Non-Executive Director	12	11
K Bremner	Chief Executive	12	11
K Griffin	Director of Human Resources & Organisational Development	12	11
M Johnson	Director of Nursing, AHPs & Patient Experience	12	10
J Pattison	Director of Finance	12	11
S Wahid	Medical Director	12	11
B Brown	Director of Quality & Transformation (until 31 August 2017)	5	4
<b>Audit Committee</b>			
K Tallintire	Non-Executive Director (Chair)	6	6
P Harle	Non-Executive Director (until 17 May 2017)	2	1
A Clarke	Non-Executive Director	6	6
A Thompson	Non-Executive Director (from 17 May 2017)	5	3
J Pattison	Director of Finance	6	4
<b>Charitable Funds Committee</b>			
I Malcolm	Non-Executive Director (Chair)	3	3
P Harle	Non-Executive Director	2	2
J Pattison	Director of Finance	3	1
<b>Remuneration and Appointments Committee</b>			
A Thompson	Non-Executive Director (Chair)	2	2
N Mundy	Chairman	2	2
M Davison	Non-Executive Director (from 26 July 2017)	2	2
A Clarke	Non-Executive Director	2	2
I Malcolm	Non-Executive Director	2	2
P Harle	Non-Executive Director (until 31 December 2017)	2	1
K Tallintire	Non-Executive Director	2	2
K Bremner	Chief Executive	2	2
<b>Finance and Performance Committee</b>			
A Thompson	Non-Executive Director (Chair)	12	12
M Davison	Non-Executive Director (from 26 July 2017)	7	5
K Tallintire	Non-Executive Director	12	10
K Bremner	Chief Executive	12	7
B Brown	Director of Quality & Transformation (until 31 August 2017)	5	2
J Pattison	Director of Finance	12	10
<b>Governance Committee</b>			
M Davison	Non-Executive Director (Chair from 26 July 2017)	8	7
P Harle	Non-Executive Director (Chair until 31 December 2017)	8	6
I Malcolm	Non-Executive Director	11	8
K Tallintire	Non-Executive Director	9	6
B Brown	Director of Quality & Transformation (until 31 August 2017)	4	3
M Johnson	Director of Nursing, AHPs & Patient Experience	11	9
J Pattison	Director of Finance	11	9
S Wahid	Medical Director	11	11
<b>Joint Patient, Carer and Public Engagement Committee</b>			
P Harle	None Executive Director (until 31 December 2018)	2	2
M Johnson	Director of Nursing, AHPs & Patient Experience	3	3

<b>Joint Policy Committee</b>			
M Davison	Non-Executive Director (Chair)	6	5
M Johnson	Director of Nursing, AHPs & Patient Experience	6	5
<b>Joint Strategy Committee</b>			
A Clarke	Non-Executive Director (Chair)	3	3
K Bremner	Chief Executive	3	3
J Pattison	Director of Finance	3	1
<b>Joint Workforce Committee</b>			
A Clarke	Non-Executive Director (Chair)	4	4
I Malcolm	Non-Executive Director	4	3
B Brown	Director of Quality & Transformation (until 31 August 2017)	2	1
K Griffin	Director of Human Resources & Occupational Development	4	3
M Johnson	Director of Nursing, AHPs & Patient Experience	4	0
S Wahid	Medical Director	4	2
<b>Joint Remuneration and Appointments Committee</b>			
A Thompson	Non-Executive Director (Chair)	2	2
K Tallintire	Non-Executive Director	2	2
K Bremner	Chief Executive	2	2
<b>Council of Governors</b>			
N Mundy	Chairman	5	5
A Thompson	Non-Executive Director/Vice Chair	5	3
A Clarke	Non-Executive Director/Senior Independent Director	5	2
M Davison	Non-Executive Director (from 26 July 2017)	4	1
P Harle	Non-Executive Director (until 31 December 2017)	3	2
I Malcolm	Non-Executive Director	5	0
K Tallintire	Non-Executive Director	5	3
K Bremner	Chief Executive	5	5
B Brown	Director of Quality & Transformation (until 31 August 2017)	1	1
K Griffin	Director of Human Resources & Organisational Development	5	3
M Johnson	Director of Nursing, AHPs & Patient Experience	5	3
J Pattison	Director of Finance	5	3
S Wahid	Medical Director	5	2

## Salary and Pension Entitlements

Details of the remuneration of senior employees of the Trust and the relationship between the highest paid Director and the median are provided and can be found in the Remuneration Report. Accounting policies for pensions and other retirement benefits are set out in the notes of the financial statements.

## Board Sub-Committees

Following the formalisation of the alliance between South Tyneside NHS Foundation Trust and City Hospitals Sunderland NHS Foundation Trust via the implementation of the Single Executive and Management Team in November 2016, the Board of Directors in both Trusts respectively engaged in detailed discussion with regard to the need for a review of the Board committees. This also included a decision to establish 'joint' committees where appropriate to enhance oversight, avoid duplication where possible, and support the shared vision going forward for both Trusts. The revised Committee structure was implemented from 1<sup>st</sup> April 2017.

## Audit Committee

The Audit Committee is comprised of Non-Executive Directors and is chaired by Mr Keith Tallintire. The role of the Audit Committee is to ensure that the Trust's financial systems and internal controls are working effectively and to monitor progress and

assurance. Other members of the Committee during the year were Mrs Pat Harle, Mr Alan Clarke and Mrs Allison Thompson.

The Director of Finance and/or the Deputy Director of Finance are in attendance at each meeting. Also in attendance at each meeting were the Trust's External Auditors (Deloitte LLP) and Internal Audit (AuditOne).

As well as the standard progress reports received from Internal and External Audit teams and the Trust's Financial Team, significant issues considered by the Audit Committee during the year included: assurance framework benchmarking; a review of audits where significant weaknesses were reported; data quality audits; IR35 Intermediaries Legislation; clinical audit; review of the Local Counter Fraud Work Plan; and sector developments during the course of the year. The Audit Committee provides updates to the Board of Directors following every meeting and provides an annual update to the Council of Governors on the performance of the External Auditors. An Annual Report on the business of the Audit Committee is also submitted to the Board of Directors at the end of each financial year.

### External Auditor

Deloitte LLP were appointed as the Trust's External Auditor in June 2014 for three years from the year ended 31 March 2014 to the year ended 31 March 2017 with an option to extend the contract for up to two years. The Council of Governors approved an extension to the contract for a further year until 31st March 2018, supported by an assurance report from the Audit Committee. The Audit Committee assesses the performance of External Audit by reference to performance indicators including evidence of compliance with mandatory auditing standards and professional standards and external quality assurance by a recognised supervisory body. In addition, information on achievement of planned audit days, the quality of audit reports and consultation / liaison with management is also taken into account.

There were no fees paid in relation to non-audit services during 2017/18.

In accordance with the Trust's policy, the Audit Committee considered the objectivity and independence of the Auditors in relation to the provision of non-audit services. The Committee were satisfied that robust arrangements were in place within the firm to ensure independence and objectivity.

The total remuneration paid to Deloitte LLP in respect of audit work in 2017/18 was £47,420 excluding VAT and comprised the following:

	2017/18 £	2016/17 £
Statutory Audit	33,000	30,000
Quality Report	7,420	7,000
Audit of Subsidiary Companies	7,000	7,000
<b>Total</b>	<b>47,420</b>	<b>44,000</b>

## Internal Audit

Internal Audit provide the Accounting Officer, in an economical, efficient and timely manner, with an objective evaluation of, and opinion on the overall adequacy and effectiveness of the Trust's framework of governance, risk management and control.

An internal audit strategy is designed by the Head of Internal Audit to detail the work necessary to fulfil these requirements in accordance with the Trust's Standing Financial Instructions and the NHS Internal Audit Standards. The Head of Internal Audit Opinion is a key element of the framework of assurance to assist the Board in the completion of its Annual Governance Statement.

An Internal Audit Charter has been agreed by the Audit Committee which states that if the Head of Audit or the Audit Committee considers that the level of Audit resources in anyway limit the scope of internal audit or prejudice its ability to deliver a service consistent with the definition of internal audit they will advise the Board accordingly. The Internal Audit function for 2017/18 was carried out under contract by AuditOne. AuditOne is hosted by Northumberland Tyne and Wear NHS Foundation Trust.

## Countering Fraud

The Trust's contracts with commissioners for healthcare services include specific clauses and schedules regarding counter fraud arrangements.

Local Counter Fraud Specialist Services are provided to the Trust by staff working for AuditOne. Individuals appointed as Local Counter Fraud Specialists (LCFS) have been approved as suitable for this role by NHS Protect and have been accredited by the Counter Fraud Professional Accreditation Board. The Lead LCFS for the Trust is Kathryn Wilson, Local Counter Fraud Specialist who undertakes a variety of activities to manage the risks of fraud, bribery and corruption. An annual plan for counter fraud work on behalf of the Trust is presented to the Audit Committee by the Lead LCFS.

The LCFS provides regular updates to the Audit Committee on counter fraud work being undertaken, and produces an annual report for the committee on the Trust's compliance with the counter fraud requirements in its contracts with commissioners and on work performed in relation to the NHS Counter Fraud Strategy. The current Fraud and Corruption Response Policy is available to all staff via the Trust intranet.

The Local Security Management Specialist is Glenn Mattinson, who is an employee of the Trust. Security policies and procedures are available to all staff via the Trust intranet.

## **Charitable Funds Committee**

The Charitable Funds Committee is comprised of two Non-Executive Directors, the Director of Finance, the Deputy Director of Finance, the Director of Corporate Affairs and Legal and two members of the Council of Governors. The Committee was chaired by Mrs Pat Harle, Non-Executive Director (until 31<sup>st</sup> December 2017) and Cllr Iain Malcolm (from 1<sup>st</sup> January 2018).

The role of the Committee is to provide the Board of Trustees with an independent and objective review of the management and deployment of charitable funds across the Trust which manages all charitable activities of the Trust. It also makes recommendations to the Board of Trustees on issues of policy, investment and strategy relating to the management of Charitable Funds.

### **Governance Committee**

The Governance Committee is comprised of three Non-Executive Directors, the Director of Nursing, AHPs and Patient Experience, the Medical Director, the Director of Quality and Transformation (until 31<sup>st</sup> August 2017), the Director of Finance, The Director of Operations, the Company Secretary/Head of Corporate Governance, Head of Corporate Risk and Head of Assurance. The Committee was chaired by Mrs Pat Harle, Non-Executive Director (until 31<sup>st</sup> December 2017) and Mr Mike Davison, Non-Executive Director (from 1<sup>st</sup> January 2018). The Committee has delegated responsibility for ensuring the achievement of the highest standards of patient safety, quality of service, and risk management.

### **Finance and Performance Committee**

The Finance and Performance Committee is comprised of three Non-Executive Directors, the Director of Finance, the Chief Executive, the Director of Operations, the Director of Quality and Transformation (until 31<sup>st</sup> August 2017) and the Head of Performance and Information Management. The Committee is chaired by Mrs Allison Thompson, Non-Executive Director and has delegated responsibility for providing assurance to the Board on the quality and effectiveness of financial and performance management within the Trust in delivering the Trust's operational and strategic plans.

### **Remuneration and Appointments Committee**

Detail of the Remuneration and Appointments Committee can be found in the Remuneration Report.

### **Joint Workforce Committee**

The Joint Workforce Committee is comprised of three Non-Executive Directors (two STFT Non-Executive Directors and one CHSFT Non-Executive Director), the Director of HR and OD, the Deputy Director of HR & OD, the Director of Nursing, AHPs and Patient Experience, the Medical Director, the Director of Operations and the Director of Finance. The Committee is chaired by Mr Alan Clarke, Non-Executive Director and has delegated responsibility for ensuring that an overarching Workforce and Organisational Development Strategy is developed and approved and that assurance is obtained in the delivery of that Strategy.

### **Joint Policy Committee**

The Joint Policy Committee is comprised of two Non-Executive Directors (one STFT Non-Executive Director and one CHSFT Non-Executive Director), the Director of Corporate Affairs and Legal, the Company Secretary/Head of Corporate Governance, the Director of Nursing, AHPs and Patient Experience, the Director of Operations, the Deputy Medical Director (for CHSFT), and Clinical Director (for

STFT), the Head of Corporate Risk and Directorate/Business Manager. The Committee is chaired by Mr Mike Davison and is responsible for ensuring standardisation in the formulation of policies to support the provision of safe care across the organisation(s) and the reduction of exposure to risk.

### **Joint Patient, Carer and Public Experience Committee**

The Joint Patient, Carer and Public Experience Committee is comprised of two Non-Executive Directors (one STFT Non-Executive Director and one CHSFT Non-Executive Director), the Director of Nursing, AHPs and Patient Experience, the Director of Corporate Affairs and Legal, the Company Secretary/Head of Corporate Governance, a Governor representative from STFT, a Governor representative from CHSFT, the Head of Patient Experience and Practice Development, Healthwatch representatives from South Tyneside and Sunderland. The Committee is chaired by the Non-Executive Director from CHSFT and is responsible for driving forward quality improvements in patient, carer and public experience when using Trust services.

### **Joint Remuneration and Appointments Committee**

The Joint Remuneration and Appointments Committee is comprised of the Independent Non-Executive Director/Vice-Chair of CHSFT, the Independent Non-Executive Director/Vice-Chair of STFT, one other Non-Executive Director of CHSFT, one other Non-Executive Director of STFT. The Committee is chaired by Mrs Allison Thompson, Non-Executive Director/Vice-Chair and is attended by the Chief Executive and Director of HR & OD in an advisory capacity only as and when required.

The Committee is responsible for advising the Remuneration and Appointments Committee of both Trusts' on the identification and appointments of candidates to fill all Executive Director positions on the Single Executive and Management Team (thereby the Board of Directors of each statutory Trust), and advising on the remuneration and other conditions of service for Executive Directors (and other designated Directors) taking account of national guidance and legal advice as appropriate.

Director attendance at all Board Sub-Committee meetings is provided on pages 119 - 120 of the report.

## Council of Governors

NHS Foundation Trusts are 'public benefit corporations' and are required by the National Health Service Act 2006 to have a Council of Governors (the Council), the general duties of which are to:

- Hold the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors; and
- Represent the interests of the members of the Trust as a whole and the interests of the wider public.

The Council is responsible for regularly feeding back information about the Trust's vision, strategy and performance to their constituencies and the stakeholder organisations that either elected or appointed them. The Council discharges a further set of statutory duties which include appointing, re-appointing and removing the Chairman and Non-Executive Directors, and approving the appointment and removal of the Trust's External Auditor.

The Council and Board of Directors communicate principally through the Chairman, with support from the Company Secretary, who is the formal conduit between the two corporate entities. Clear communication between the Board and the Council is further supported by the public meetings of the Board, and Executive and Non-Executive Directors regular attendance at meetings of the Council of Governors.

The Board of Directors relies on the Chair, and other Non-Executive Directors to represent the views of the Council of Governors on any matters it may determine. Council of Governors' responsibilities include the appointment of auditors, review of performance of the Chairman and Non-Executive Directors, contributing to the development of strategic and operational plans and review of quality priorities and the Annual Quality Report. These items are discussed at public meetings and are supported by a Governor Development Programme as well as specific governor working groups who report back to the full Council.

The Chief Executive is invited to every meeting of the Council of Governors. In addition, both Executive and Non-Executive Directors attend meetings of the Governors as appropriate to the matters under discussion. Governors and Non-Executive Directors also participate in visiting programmes to our services and facilities. These visits provide an excellent opportunity to meet patients, staff and volunteers. It also provides a vehicle for understanding how clinical and non-clinical services function and whether they are responding to the needs of the local population.

Both Executive and Non-Executive Directors participate in the induction and on-going training programmes for Governors and attend members meetings arranged to consider specific health topics.

The Board of Directors present the Annual Accounts, Annual Report and Auditor's Report to the Council of Governors and members at the joint Annual General Meeting/Annual Members' Meeting held during the year.

The Council of Governors has developed a good working relationship with the Chairman and the Board of Directors, and through the forums of governors

meetings, working groups, sub-groups and other opportunities for Trust involvement, Governors are provided with information and resources to enable them to engage in a challenging and constructive dialogue with the Board on the business and planning of the Trust. A full copy of the constitution is available on request from the Company Secretary, South Tyneside District Hospital, Harton Lane, South Shields, NE34 0PL and on the website [www.stft.nhs.uk](http://www.stft.nhs.uk).

## Composition of the Council of Governors

The Council of Governors of South Tyneside NHS Foundation Trust is comprised of nine public Governors for South Tyneside, four public Governors for Sunderland, four public Governors for Gateshead and one public governor to represent the rest of the North East of England. The composition of the Council also includes four clinical staff Governors and two non-clinical staff governors, as well as stakeholder representatives from our partner organisations including: CCGs, Local Authorities, higher education and the community and voluntary sector. The composition of the Council is outlined below:

<b>COUNCIL OF GOVERNORS</b>	
<b>Chairman</b>	<b>1</b>
<b>Public Governors</b>	
South Tyneside	9
Sunderland	4
Gateshead	4
Rest of North East of England	1
<b>Total</b>	<b>18</b>
<b>Staff Governors</b>	
Clinical	4
Non Clinical	2
<b>Total</b>	<b>6</b>
<b>Appointed Governors</b>	
Clinical Commissioning Groups	1
South Tyneside Local Authority	1
Sunderland Local Authority	1
Gateshead Local Authority	1
Voluntary organisations	3
Higher Education	1
<b>Total</b>	<b>8</b>

## Public Governors

The Public Constituency consists of people over the age of 16, living within the boundaries of Gateshead, Sunderland, South Tyneside and people living within the North East of England, including patients and their carers.

## Staff Governors

The Staff Constituency includes all staff on a substantive contract, those working for the Trust for a period of 12 months or more, and those, although not directly employed by the Trust, who exercise functions for the Trust. The staff constituency is divided into two classes: clinical staff; and non-clinical staff.

## Appointed Governors

Appointed Governors are appointed by our partner organisations including Local Authorities, Education Authorities, commissioning organisations and representatives from the community and voluntary sector.

Governor General Meeting Attendance for the year 1 <sup>st</sup> April 2017 – 31 <sup>st</sup> March 2018			
Elected Public Governors (and term of office)		Number of Meetings Applicable	Actual Attendance
Rest of North East of England	Vacant	n/a	
South Tyneside	Mo Abuzahra (until December 2019)	5	2
	Alan Cormack (until December 2019)	5	3
	Eleanor Dawson (until December 2018)	5	1
	David Donohue (until December 2018)	5	2
	Terry Haram (until December 2018)	5	5
	David Herbert (until December 2019)	5	5
	Ian Leonard (until December 2019)	5	3
	Bashir Malik (until December 2020)	5	4
	Nigel Thomas (until December 2020)	5	4
Gateshead	Robert Buckley (until December 2018)	5	2
	Katharine Nicholson (until October 2017)*	2	0
	Tom Scott (until December 2019)	5	5
	Vacant	n/a	
Sunderland	Paul Chapman (until December 2020)	2	2
	Graeme Howe (until December 2017)	3	3
	Hemendra Gandhi (until December 2019)	5	3
	Anita Hagon (until December 2020)	2	2
	Christine Morgan (until December 2019)	5	4
	Pauline Scott (until December 2017)	3	2
Elected Staff Governors			
Clinical	Simon Ayre (until December 2019)	5	2
	Sue Goldsbrough (until September 2017)**	1	0
	Maria Patterson (until December 2020)	2	1
	Ashish Rajkumar (until December 2020)	2	0
	Mark Tull (until December 2020)	5	5
Non-clinical	James Hughes (until December 2018)	5	3
	Marion Langley (until December 2019)	5	4

<b>Appointed Governors</b>			
Voluntary Sector – Gateshead	Mark Foster (until November 2017)	3	0
Clinical Commissioning Group	Stephen Clark	5	2
Voluntary Sector – Sunderland	Vacant	n/a	
Higher Education Sector	Stephen Taylor	5	1
Local Authority – Sunderland	John Kelly (until November 2017)	3	0
Voluntary Sector – South Tyneside Lead Governor	Allyson Stewart – <b>Lead Governor</b>	5	4
Local Authority – South Tyneside	Joyce Welsh (until February 2020)	5	3

\* Katharine Nicholson stood down from 1<sup>st</sup> October 2017

\*\* Sue Goldsbrough stood down from 1<sup>st</sup> September 2017

## Meetings of the Council of Governors

Meetings of the Council of Governors are scheduled to follow the Board meetings held in public, and good attendance by Governors at both has meant Governors are kept up to date on current matters of importance and have the opportunity to follow up on queries in more detail with members of the Board.

There were five Council of Governors meetings in the year, and in addition to being attended by Governors and Trust representatives, they are also open to members and the general public, including the Annual Members' Meeting. All governor activity and the business of the Sub Committees and working groups are formally reported to the Council of Governors meetings. There is also a standing agenda item of an update from the Chairman and Chief Executive, providing an opportunity to brief Governors on the significant issues facing the Trust. Other standing agenda items include: patient stories; updates on Trust/service developments; operational and financial performance reports; and regulatory updates. The structure of the agenda for the meeting of the Council of Governors allows time for governors' questions and discussion. This is valued by Governors and Board members alike, and has helped to provide greater interaction between the two groups. Key areas where the Council of Governors have been involved during 2017/18 have included:

- Membership of the Nominations Committee to appoint a new Non-Executive Director;
- Involvement in our PLACE inspections;
- Ensuring arrangements are in place for management of charitable funds;
- Receiving assurance on the Trust's approach to quality, safety and patient experience;
- Receiving assurance on the Trust's approach to risk management and corporate governance;
- Contributing to the Trust's approach to Patient and Public Involvement;
- Involvement in the Path to Excellence Stakeholder Reference Group

To maintain and continue to build on the relationships between the Board of Directors and Council of Governors, a Governor Development Programme was established during 2017 which commenced with a joint session for the Council and Board of Directors on strategic development. Sessions are held monthly or bi-

monthly throughout the year and each has a specific focus on each of the components which make up the Trust's Strategy as below:



### **Nomination, Appointments and Remuneration Committee**

The Governors' Nomination, Appointments and Remuneration Committee is a formal Committee of the Council of Governors established in accordance with the Trust's Constitution, and the NHS Foundation Trust Code of Governance for the purpose of carrying out the duties of Governors with respect to the appointment, re-appointment removal, remuneration and other terms of service of the Chairman and Non-Executive Directors.

Membership consists of Governors selected from the full Council and is chaired by the Chairman of the Trust (when dealing with matters relating to Non-Executive Directors) and the Senior Independent Director (when dealing with matters relating to the Chairman). The Chief Executive and Company Secretary also attend meetings of the Committee in an advisory capacity. Recommendations of the Committee are submitted to the full Council of Governors for ratification. Attendance at meetings of the Committee is detailed below.

<b>Governor</b>	<b>Constituency</b>	<b>Number of Meetings Applicable</b>	<b>Actual Attendance</b>
Alan Cormack	South Tyneside	5	5
Marion Langley	Non Clinical	5	4
Tom Scott	Gateshead	5	4
Allyson Stewart	Appointed Voluntary Sector/Lead Governor	5	5
Nigel Thomas	South Tyneside	5	4

The Committee has continued to follow a new process for annual review of performance for Non-Executive Directors and the Chairman. This involves a self-

assessment against the core competencies of an NHS Foundation Trust Non-Executive Director and 360 degree approach to feedback.

The Committee met on four occasions during the year to consider: the performance of the Non-Executive Directors and the re-appointment of Mrs Pat Harle and Mr Keith Tallintire to a second term of office, and Cllr Iain Malcolm to a third term. The Committee also undertook an open advertising process, without the support of an external search consultancy, for the appointment of two new Non-Executive Directors during the year following the decision of Mr Gordon Booth and Mrs Pat Harle to stand down from their positions as Non-Executive Directors as of 31<sup>st</sup> March 2017 and 31<sup>st</sup> December 2017 respectively. As a result, the Board welcomed Mr Mike Davison as Non-Executive Director in July 2017 and will be welcoming Mrs Lyn Cole as Non-Executive Director on 9<sup>th</sup> April 2018.

Mr Booth and Mrs Harle both continually shone a spotlight on compassionate care, ensuring that patients and staff were at the forefront of all discussions and their colleagues at the Trust wish them both well for the future.

### **Election details**

The public and staff governors are elected by secret ballot of the membership. In respect of appointed governors, nominations were sought from partner organisations, including the Clinical Commissioning Groups, Local Authorities, the community and voluntary sector and higher education. Elections took place in December 2017 for public governors in South Tyneside, Sunderland, Gateshead and Rest of North East England and for staff governors in the Clinical staff group.

Constituency		No of Members	No of Seats	No of Contestants	Election turnout %
<b>December 2017</b>					
Public	Gateshead	n/a	1	0	n/a
	South Tyneside	4912	2	3	15.1
	Sunderland	234	2	3	13.7
	Rest of North East England	n/a	1	0	n/a
Staff	Clinical	2613	3	4	9.3

All Governors hold a term of office for up to three years, at which point they are eligible for re-appointment.

## Membership

Membership profile of South Tyneside NHS Foundation Trust as at 31 <sup>st</sup> March 2018	
<b>Public constituency</b>	
Gateshead	198
South Tyneside	5022
Sunderland	306
Rest of North East of England	92
At year end (March 31)	5618
<b>Staff constituency</b>	
Clinical	2541
Non Clinical	1024
At year end (March 31)	3565
<b>Analysis of current public membership</b>	
<b>Age (years):</b>	
0-16	0
17-21	31
22+	5180
<b>Ethnicity:</b>	
White	4866
Mixed	20
Asian or Asian British	99
Black or Black British	23
Other	7
<b>Socio-economic groupings*:</b>	
AB	1059
C1	1475
C2	1300
DE	1721
<b>Gender:</b>	
Male	1805
Female	3716
<p><i>The analysis section of this report excludes: 229 public members with no dates of birth; 288 members with no stated ethnicity; and 81 members with no gender</i></p> <p><i>* Socio-economic data has been completed using profiling techniques (e.g.: postcode) or other recognised methods</i></p> <p><u>Definitions</u>            AB-Higher managerial, administrative, professional intermediate managerial, administrative, professional            C1-Supervisory, clerical, junior managerial            C2-Skilled manual workers            DE-Semi-skilled and unskilled manual workers, casual labourers, pensioners, unemployed</p>	

## **Membership strategy**

The Governors monitor membership engagement and recruitment activity and performance through the Council of Governor meetings and the Communication Sub-Group, but have acknowledged the need to refresh the Membership Engagement and Governor Development Strategy for 2017/18 with the support of the Foundation Trust Corporate Team. The aim of the strategy will be to support the Trust to continue to ensure that the membership reflects the local community and the local geography, socio-economic, racial and cultural diversity of the region. In addition, it aims to continue to grow the membership and to see a year on year increase in membership.

Staff members are recruited automatically on an opt-out basis when joining the Trust on a substantive contract or after 12 months employment on a temporary contract. Information on membership is included within the staff handbook, given to new starters, and includes information on the option to opt out of membership, if desired.

Our strategy for achieving a representative membership has initially focused on those methods which have proved successful in the past; although we are always keen to explore new ways in which we could increase our membership base. Members of the Council of Governors assist in membership recruitment by raising awareness of the role of the Governor and membership in their local communities. The benefits of membership are also advertised in public areas of the Trust as well as on the Trusts website.

Recruitment initiatives to date have included: offering special 'Members Only' events and visits, including Medicine for Members presentations; a welcome pack; a membership card which provides access to discounts in the Staff Restaurant, in local shops, holidays, electrical goods, entertainment, insurance, etc.; and receipt of a members' newsletter so members can be kept up to date about Trust developments.

Medicine for Members events run three times per year and cover wide ranging subjects which this year have included: nutrition and hydration; initiatives to reduce the number of falls; and latest innovations in knee surgery. Members also have the opportunity to attend the public Governors meeting to receive information about service developments and Trust performance.

Membership engagement and communicating with our local communities remains a high priority for the Trust and we are delighted at the enthusiasm and willingness of members of the Council of Governors and Board of Directors to become actively involved in this important work. Work is in progress to further develop opportunities to educate and inform our members in 2018/19 and offer more opportunity to interact with Governors.

## **Contacting the Trust and becoming a Member**

Existing members and anyone interested in becoming a member of the Foundation Trust can contact the Trust by emailing [membershipOffice.STFT@stft.nhs.uk](mailto:membershipOffice.STFT@stft.nhs.uk), visiting the website at [www.stft.nhs.uk](http://www.stft.nhs.uk) to complete the online application form or by calling the Membership Office on 0191 2024121 (24hour answerphone) or writing to:

South Tyneside NHS Foundation Trust  
FREEPOST  
NAT 13663  
South Shields  
NE34 0AF

## **New or significantly revised services/service improvements as a result of patient/staff feedback**

Changes and additions to services as a result of feedback from the Family and Friends Plus questionnaires and bespoke work carried out by the Carer and Patient Involvement Team include:

- Appointment times reviewed and extra clinic sessions opened to address waiting time in sexual health clinics;
- Provision of hand wipes at baby weigh-in stations in the community clinics;
- Provision of suitable age related games for various Outpatient Department clinics;
- Tea flasks ordered for the surgical in-patient centre to ensure patients refreshments were served at the correct temperature; and
- Shelf put into patient shower room for patients to use for toilet bag and toiletries.

## **Other patient experience activities**

In addition to gathering patient feedback via the Friends and Family Test and undertaking targeted bespoke interviews with patients in specific services the Carer and Patient Involvement Team have also been involved in other involvement activities including:

### The Pathway to Excellence Programme

The Team contributed to the Pathway to Excellence programme by carrying out face to face interviews with patients attending for treatment in the A&E Department, General Surgery, Medicine and Outpatient Departments.

### FAB Change Week

The Team were involved in promoting FAB Change Week, by providing a programme of activities available for staff to attend. This included staff being encouraged to attend a variety of presentations including; Carer Awareness, Pressure Ulcer Awareness, Excellence Reporting and #endpjp paralysis. In addition, 'Fab Change' walls were set up in the Alexander Restaurant and Clarendon main reception where staff could make a pledge.

Finally, a competition was held for the 'Best Fab Change Wall', where staff could showcase their pledges and areas of best practice. Eleven teams sent in their entries with the winner being chosen by our Executive Director of Nursing, AHPs and Patient Experience, Melanie Johnson. The winner of the Best Fab Change Wall was the Integrated Teams who received hamper full of festive goodies and treats. Events were published through a variety of mechanisms including, staff desktop, intranet carousel, twitter feed, trust communication, and direct email promotion.

### Patient Experience Collaborative

South Tyneside District Hospital is participating in a national collaborative led by the Patient Experience Network. Throughout November baseline data was collected from the 10 wards selected to be involved. Following collection of the baseline data

the Team will be visiting the wards each month in order to collect data from at least 50% of the in-patients. The Patient Experience Collaborative Programme will run for 12 months.

The aim will be to interview the patients on each of the wards and produce feedback reports based on data collected in real time (within eight hours of collection) and send to the ward managers. For the collaborative we will not be including patients with dementia however carers and family members will be invited to participate.

The wards involved in the pilot will not be participating in the collection of the usual patient surveys.

### Volunteer Service

Volunteers play an important role supporting our services and we know that their hard work and friendliness enhance the patients and family/carers experience while being in hospital. Our volunteers are not directly involved in patient care but help provide extra support to patients and staff.

There are a number of reasons why people wish to volunteer, for many it is a chance to do something positive and to help others, or to gain experience to enhance their own career pathway. For others they simply have spare time and wish to give something back to the hospital and community. South Tyneside Hospital encourages local people to volunteer their time and talents for the benefit of our patients, families and staff. Volunteering can be very rewarding and can be used to develop new skills, confidence and meet new friends. One of our younger volunteers has recently been accepted at Manchester University to start Medical training; by volunteering they felt it had enhanced their experience and knowledge of the hospital environment.

All volunteers are asked to commit to at least one two-hour shift per week and to engage in the volunteer role on a regular basis for a minimum period of six months. Some of the roles undertaken by our current hospital based volunteers include; helping vulnerable and frail patients on wards, acting as meet and greet volunteers in the Outpatient Department. Other volunteering opportunities exist within the Chaplaincy Service and the League of Friends.

### Carers

South Tyneside District Hospital is committed to giving carers the recognition, involvement opportunities and support necessary to improve the experience of the many patients and carers who have access to our services. A carer is someone who, without payment, provides help and support to a friend, neighbour or relative who could not manage otherwise because of frailty, illness or disability. Some of the carer related initiatives and activities that the Trust has been involved with during 2017/18 can be found in the Quality Report.

## Statement of Compliance with Cost Allocation and Charging Guidance Issued by HM Treasury

The Trust has complied with the costs allocation and charging requirements set out in HM Treasury and Office of Public Sector Information Guidance.

### Political donations

The Trust has made no political donations in the year.

### Income Disclosures

The Trust's income from the provision of goods and services for the purposes of the health service in England ("principal purpose income") is 94% of total income, and is, therefore, greater than its income from the provision of goods and services for any other purposes ("non-principal purpose income"). Sustainability and Transformation Funding has been included within income from the provision of goods and services for the purposes of the health service when calculating the above.

Non-principal purpose income (6% of total income) mainly relates to research and development, education and training of medical and nursing staff, non-clinical services provided to other NHS bodies, rental income and income from services such as car parking and catering which provide a contribution towards the provision of goods and services for the purposes of the health service in England.

### Better Payment Practice Code

The Government's better payment practice code requires public sector bodies to pay all trade creditors within 30 days. The performance of the Trust in 2017/18 against the target of 95% of invoices by value and number is shown below.

The Trust is an approved signatory of the prompt payment code, which is hosted by the Institute of Credit Management on behalf of the Department of Business Innovation and Skills. Signatories to the Code commit to:-

- Pay suppliers within agreed terms
- Ensure suppliers know how to invoice them
- Encourage good practice

Better Payment Practice Code - measure of compliance		
	Number	Value £000
Total bills paid in the year	32,079	80,925
Total bills paid within target	31,180	79,015
Percentage of bills paid within target	<b>97.20%</b>	<b>97.64%</b>
The Better Payment Practice Code requires the Trust to aim to pay all valid non-NHS invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.		

During 2017/18 no interest was payable under the Late Payments of Commercial Debts (Interest) Act 1998.

<b>The Late Payment of Commercial Debts (Interest Act) 1988</b>		
	<b>Year Ended</b>	<b>Year Ended</b>
	<b>31.03.2018</b>	<b>31.03.2017</b>
	<b>£000</b>	<b>£000</b>
Amounts included within other interest payable arising from claims made under this legislation	<b>0</b>	0
Compensation paid to cover debt recovery costs under this legislation	<b>0</b>	0

### **Directors' statement on audit information**

As far as the Directors are aware, there is no relevant audit information of which the auditors are unaware, and the Directors have taken all of the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### **Statement of Directors' responsibilities**

The Directors of the Trust are responsible for maintaining proper accounting records and preparing annual financial statements which give a true and fair view, and which have been prepared on the basis set out in the Foundation Trust Annual Reporting Manual and in particular to observe the Accounts Direction issued by NHS Improvement. In preparing those financial statements, the Directors are required, so far as is consistent with the Accounts Directions made by NHS Improvement, to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed in the financial statements
- Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Trust will continue in business

The Directors are responsible for keeping proper accounting records, in such form as NHS Improvement, with the approval of the Treasury, directs.

The Directors are also under a duty to prepare an Annual Report for each financial year complying in form and content with the requirements of NHS Improvement.

### **Disclosures relating to Quality Governance**

There are no material inconsistencies between the Annual Governance Statement, the annual and quarterly board statements required by the Single Oversight Framework, the Corporate Governance Statement submitted with the Annual Plan, the Quality Report, and Annual Report and reports arising from Care Quality Commission reviews of the Trust. The Directors' approach to quality governance is explained in more detail in the Annual Governance Statement and Quality Report.

## **Quality Governance**

It is vitally important that the Board ensures that governance arrangements remain fit for purpose. Good governance is essential in addressing the challenges the Trust faces and the Board must ensure it has oversight of care quality, operational matters and finance. The Board achieves this through detailed discussion at its various formal sub committees of the Board of Directors.

Details of how the Board ensures arrangements are in place are identified within the:

- Performance report;
- Directors Report;
- Quality report; and
- Annual Governance Statement

Detailed information on progress against our Quality Priorities for 2017/18 and our Quality Priorities identified for 2018/19 can be found within the Quality Report.

## **Arrangements for monitoring improvements in quality of care**

South Tyneside NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is registration in full, with no conditions. Activities that the trust is registered to carry out are:

- Accommodation for persons who require nursing or personal care
- Diagnostic and screening procedures
- Family planning services
- Maternity and midwifery services
- Nursing care
- Personal care
- Surgical procedures
- Termination of pregnancies
- Treatment of disease, disorder or injury
- Assessment and Care of Patients under the Mental Health Act

The Trust has participated in a Well Led inspection by the Care Quality Commission with a Provider Information Request being issued on 1<sup>st</sup> August 2017, an unannounced visit in October/November and an announced visit in December 2017. The formal report was published on 2<sup>nd</sup> March 2018 which recognised that significant improvements had taken place and allocated a rating of 'requires improvement' to the Trust overall with a 'good' rating for Elmville and Community Learning Disability services, and an 'outstanding' rating for the Caring domain as a whole. Following the inspection report, an action plan has been developed to address the "must do" and "should do" actions and will be monitored to completion via the Governance Committee.

## **Assurance Programme**

During 2017/18, the Trust has implemented an Assurance Function which provides a test of the organisations compliance against regulatory an evidence based standards

through a structured and response programme with four main streams of work plus emerging issues as required.

The Assurance Programme is agreed by the Governance Committee and is updated in line with the revised Board Assurance Framework. It includes: Assurance visits, lessons learnt, clinical action plans and corporate action plans.

Going forward into 2018/19, the intention is to build on the newly implemented programme and ensure it becomes fully embedded into the Trust's overarching governance structure.

## **Customer Services and Complaints Handling**

South Tyneside NHS Foundation Trust strives to provide the highest level of service to our patients. However, we recognise that there may be occasions when things go wrong and patients/their relatives may not be entirely satisfied with the level of care they have received. The Trust welcomes both positive and negative feedback from our patients and an important part of our work with complaints in the Trust is to understand what went wrong and, where possible, to take action to prevent reoccurrence, or indeed share learning across the Trust. An annual report of the themes and lessons learnt is provided to the Board of Directors.

The Trust has established complaints handling policies in line with the Department of Health's NHS and Social Care Complaints Regulations. The policies confirm that the Trust has robust systems in place to allow patients (or their nominated representative) the opportunity to have their concerns formally investigated and to receive a comprehensive written response from the Chief Executive.

The Concerns and Complaints policies are based on the principles of Good Complaints Handling published by the Parliamentary and Health Service Ombudsman. The key principles are as follows:

- Getting it right;
- Being customer focused;
- Being open and accountable;
- Acting fairly and proportionately;
- Putting things right; and
- Seeking continuous improvement.

We aim that all complainants receive early contact by telephone to agree the issues and response format for example a written response or a meeting. Most complainants should receive a response within 25 working days. Where response times are beyond 25 working days this additional time will be following negotiation with the complainant and will be due to complexities associated with the investigation. Complainants are given information about Independent Complaints Advocacy (ICA), who can support them in making a complaint if required.

Formal complaints are investigated locally by the directorate or department management team who have responsibility for ensuring that a comprehensive investigation is undertaken, and that where actions for improvement are identified these are implemented as soon as possible. Responses to complainants will identify our findings, learning and confirmation of any plans for improvement. The Chief

Executive provides a formal written response to the complainant who is given the opportunity to contact the Directorate Manager to discuss any outstanding concerns. If the complainant remains dissatisfied, they are offered the opportunity to attend a meeting with staff members to allow a more personal and open discussion in an attempt to provide further clarification and resolve any outstanding concerns. When local resolution is exhausted, if complainants remain dissatisfied they are encouraged to contact the Parliamentary and Health Service Ombudsman (PHSO).

During 2017/18 significant work has been undertaken to review the complaints handling process and the timeliness of responses has significantly improved. As a result we will be working towards revised and shorter timescales for responses in 2018/19 in line with the new Concerns and Complaints Policy to be launched in May 2018.

To ensure that the Trust is learning from concerns and complaints, a summary report of activity is submitted monthly to the Patient, Carer and Public Experience Group, which reports to the quarterly meeting of the Patient, Carer and Public Experience Committee (a sub-committee of the Board). This data is also included in the Trust Quality, Risk and Assurance Report which is presented monthly to the Governance Committee. Themes and trends are also monitored by Governance Leads in Directorates.

There were 178 formal complaints received in 2017/18, which represents an average of 15. We also receive considerable informal feedback which in addition to formal complaints also helps us to understand where improvements are necessary or services are working well. It is a requirement that the Trust reports the number of complaints that are “well founded”. In 2017/18 we have attempted to make a judgement, following investigation, as to whether complaints were justified. Of the 178 complaints responded to:

38 were upheld;  
40 were partially upheld; and  
100 were not upheld.

The Trusts policy stated that formal complaints will be acknowledged within two working days. There were five occasions during the year when acknowledgement was not acknowledged within two working days.

The average response times for completion of complaint investigation and formal written response was 27 working days.

### Learning from complaints

The top 10 categories/themes from complaints are listed in the table below.

Category	Total number
Medical Care	63
Communication	30
Nursing Care	27
Staff Attitude and Behaviours	13
Discharge	13
Appointments	6
End of Life Care	4
Privacy and Dignity	3
Mortuary Services	3
Confidentiality	3

### Actions as a result of learning

There have been several instances when we have made changes as a result of learning from complaints, examples are listed below:

- Revision of the Pressure Ulcer Policy to include Deep Tissue Injury for in-depth analysis and presentation at Pressure Ulcer Review Panel;
- New forms produced to ensure prompt allocation of beds for women at risk of miscarriage;
- Confirmation to external provider of process for handling of patients under yellow and red card scheme;
- Reinforcement to involve Safeguarding Teams whenever there may be cause for concern about care; and
- Reduced response times to complaints to ensure a more robust investigation nearer to the time of the incident/issue.

In addition we share learning from complaints at monthly seminars.

### Referrals to Parliamentary Health Service Ombudsman (PHSO)

During 2017/18 two complainants referred their complaints relating to the Trust to the PHSO. The outcomes from these referrals are awaited.

### Future developments

We have produced following extensive consultation, a new Concerns and Complaints Policy which will be approved and disseminated for use at both South Tyneside and Sunderland Trusts in May 2018. The new policy aligns best practice from both trusts. Acknowledgement times will be within 3 working days and formal response times within 20 working days and no longer than 40 working days.

We also plan to align complaints recording systems such that themes are categorised using the same systems at both Trusts. In addition we will be introducing a new system for reviewing complaints to ensure that all issues are identified in a consistent and timely manner.

## Serious Incidents 2017/18: Summary of lessons / outcomes / themes

Incident reporting is a fundamental tool of risk management, the aim of which is to collect information relating to adverse events, including near misses, which will aid the Trust in focusing on improvements in safety.

The Trust's Risk and Incidents Team receive and monitor all electronic incident forms completed across the Trust which are stored in the Datix Risk Management Information System. All patient safety incidents are graded, recorded and, where relevant, uploaded to the National Reporting and Learning System (NRLS) through Datix.

Incidents which have the potential to be declared externally as Serious Incidents are investigated by the Clinical Incident Review Group, chaired by the Medical Director. The Clinical Incident Review Group commissions investigations into potential Serious Incidents, instructs the Trust Risk and Incident Team to declare Serious Incidents externally where appropriate, and agrees root cause analysis reports into those incidents prior to submission of the reports to the Clinical Commissioning Group.

The table below provides a summary of lessons learned from serious incidents occurring in 2017/18.

LESSONS LEARNED FROM SERIOUS INCIDENTS 2017/2018	
Incident Category	Lessons / Outcome / Theme
Identification and timely treatment of sepsis	<p>Contributory factors:</p> <ul style="list-style-type: none"> <li>➤ Lack of timely review by medical staff upon arrival</li> <li>➤ More detailed investigation of presenting symptoms</li> <li>➤ Lack of utilisation of Patient Group Directives</li> <li>➤ Lack of escalation for senior review</li> </ul> <p>Improvements that have been made:</p> <ul style="list-style-type: none"> <li>➤ Improved use of NEWS documentation</li> <li>➤ Introduction of daily mid-afternoon Board Round in EAU</li> <li>➤ Review of A&amp;E to EAU handover process</li> <li>➤ Targeted support to individuals utilising a human factors framework</li> <li>➤ Developing clinical scenarios to utilise in medical simulation training</li> </ul>
Slips, trips, falls	<p>Contributory factors:</p> <ul style="list-style-type: none"> <li>➤ Need for thorough initial assessment and instituting of care plan</li> <li>➤ Need for re-assessment following any condition changes</li> </ul> <p>Improvements that have been made:</p> <ul style="list-style-type: none"> <li>➤ Amended documentation to support comprehensive falls assessment</li> <li>➤ Training of nursing staff in ongoing assessment of patient condition</li> <li>➤ Process improvement to ensure patients with delirium are fully assessed for falls risk as soon as their condition improves</li> <li>➤ Monthly audit of falls risk assessment completion ongoing</li> </ul>

**LESSONS LEARNED FROM SERIOUS INCIDENTS 2017/2018**

Incident Category	Lessons / Outcome / Theme
Pressure ulcers	<p>Contributory factors:</p> <ul style="list-style-type: none"> <li>➤ Delayed and/or omitted skin checks</li> <li>➤ Staffing levels in clinical areas</li> <li>➤ Recognition of skin deterioration</li> <li>➤ Delay in obtaining equipment</li> <li>➤ Delay in referral to tissue viability team</li> </ul> <p>Improvements that have been made:</p> <ul style="list-style-type: none"> <li>➤ Trust wide focus on improving pressure ulcer management processes</li> <li>➤ Clinical photography training provided</li> <li>➤ Increased SKINN audits to ensure standards are maintained</li> <li>➤ Review of staffing levels with matron</li> <li>➤ Reinforcement of escalation processes</li> </ul>
Missed fracture	<p>Contributory factors:</p> <ul style="list-style-type: none"> <li>➤ Reliance on lack of evidence of typical pain: patient's atypical symptoms were not identified</li> </ul> <p>Improvements that have been made:</p> <ul style="list-style-type: none"> <li>➤ Introduction of further orthopaedic review if pain persists</li> <li>➤ Discussion at clinical meetings particularly in that ongoing knee and ankle pain should prompt investigation of the hip</li> </ul>
Non-viable foetus processes	<p>Contributory factors:</p> <ul style="list-style-type: none"> <li>➤ Reliance on a complex system of paperwork</li> <li>➤ No escalation process in dealing with issues</li> <li>➤ Lack of staff awareness of processes including amongst partners in the pathway</li> </ul> <p>Improvements that have been made:</p> <ul style="list-style-type: none"> <li>➤ Introduction of streamlined paper work with a clear escalation process communicated to all staff</li> <li>➤ Review of policy</li> </ul>
Unnecessary procedure	<p>Contributory factors:</p> <ul style="list-style-type: none"> <li>➤ Non-compliance with WHO check-list</li> <li>➤ Lack of challenge by staff to non-compliance with process</li> </ul> <p>Improvements that have been made:</p> <ul style="list-style-type: none"> <li>➤ Review of WHO surgical checklist-with introduction of an enhanced process with regular monthly audit of performance</li> <li>➤ Introduction of a human factors framework to aid team and individual learning</li> </ul>

## **National Inpatient Survey**

The Trust actively participates in a range of surveys to gather patient experience. All NHS Trusts in England are legally required to carry out local surveys asking patients their views on their recent health care experiences. One main purpose of these surveys is to provide organisations with detailed patient feedback on standards of service and care in order to help set priorities for delivering a better service for patients. Within that is the National Inpatient Survey; for 2017 this is based on a sampling of patients from July 2017, with the results published in June 2018. When those results are available the Trust compares the results with previous surveys and develops an action plan that will be reported to the Board of Directors and the Joint Patient, Carer and Public Experience Committee.

## **Significant Partnerships and Alliances**

### South Tyneside and Sunderland Healthcare Group

Since the announcement in March 2016 of our partnership with City Hospitals NHS Foundation Trust and the development of the alliance under the South Tyneside and Sunderland Healthcare Group, we have worked closely with Sunderland CCG and South Tyneside CCG as part of our “Path to Excellence” programme. Clinical and operational teams have been meeting regularly to review their services with the intention:

- to improve or maintain safety and quality
- to design a more sustainable workforce model
- to improve financial sustainability by reducing costs of delivery and ensuring there is no net cost to the Local Health Economy
- where possible, to maintain or improve patient choice

Further details of the outcome of Phase One of the Path to Excellence Programme can be found within Strategic Report. The key benefit to patients in both South Tyneside and Sunderland will be the assurance of quality and safety from the long term sustainability for both organisations. Each clinical service review must demonstrate that the needs of patients have been at the heart of any change, and ultimately we will maintain our commitment that significant changes to those pathways will require full staff, patient and public consultation.

Despite the development of the Healthcare Group, both Trusts have continued to function as separate statutory NHS Foundation Trusts, accountable to their local communities through their Council of Governors and individual unitary Board of Directors. This year, the Board of Directors of both Trusts, in discussion with the Council of Governors, have shared a mutual desire to begin exploring the possibility of becoming one organisation in the future. The strategic alliance has already brought many benefits with shared clinical expertise helping to improve access, quality of care and outcomes for patients. A clear plan for engagement with our Governors, staff public and stakeholders will support any developments going into 2018/19.

The Sustainability and Transformation Partnership shapes our strategy for working with other local organisations. We have continued our commitment to collaborative

and partnership working whilst supporting patient choice. Major strategic reshaping and transformation of services continues to be embedded in our work with Foundation Trust partners to deliver clinical networks that provide safe, sustainable, cost effective services. We work particularly closely with our Local Authority and Clinical Commissioning Group partners in South Tyneside and Sunderland in the development of integrated care. The implementation of Haven Court on the South Tyneside District Hospital site is an excellent example of the Trusts expanding role and partnership with others.

We have close working relationships with our colleagues who commission our services both in terms of our formal contractual relationships and in terms of service development. We spend a great deal of time building on these foundations and ensuring that we approach service improvement and quality with a common agenda based on an open culture and sharing of information for the benefit of the patients we serve. The Single Executive and Management Team approach has allowed effective collaboration and the development of a Local Health Economy Group that will allow the development of care pathways that benefit the whole health system in South Tyneside and Sunderland.

We also have long standing and well established partnership working arrangements in a number of clinical networks with other local provider Foundation Trusts. The majority of our services are now closely linked with other providers to ensure that we each meet high standards of care, that services are safe and sustainable and that we work collaboratively to design care pathways for the future that are fit for purpose and provide our patients with equity of access to services provided in the best place to meet their needs by the right expert staff to achieve the best outcome for them.

## Staffing Report

The following table details the analysis of the average staff numbers by occupational code categories for 2017/18.

Average monthly number of employees (whole time equivalent basis)						
	Group					
	Total Year Ended 31 Mar 2018	Permanently Employed	Other	Total Year Ended 31 Mar 2017	Permanently Employed	Other
	Number	Number	Number	Number	Number	Number
Medical and dental	200	188	12	224	186	38
Administration and estates	624	590	34	695	674	21
Healthcare assistants and other support staff	294	244	50	325	293	32
Nursing, midwifery and health visiting staff	1,684	1,635	49	1,838	1,739	99
Nursing, midwifery and health visiting learners	22	22	0	21	21	0
Scientific, therapeutic and technical staff	392	386	6	465	456	9
Healthcare science staff	38	32	6	12	7	5
Other	8	8	0	7	7	0
<b>Total</b>	<b>3,262</b>	<b>3,105</b>	<b>157</b>	<b>3,587</b>	<b>3,383</b>	<b>204</b>
Average monthly number of employees (whole time equivalent basis)						
	Trust					
	Total Year Ended 31 Mar 2018	Permanently Employed	Other	Total Year Ended 31 Mar 2017	Permanently Employed	Other
	Number	Number	Number	Number	Number	Number
Medical and dental	200	188	12	224	186	38
Administration and estates	619	585	34	688	667	21
Healthcare assistants and other support staff	283	233	50	262	242	20
Nursing, midwifery and health visiting staff	1,621	1,581	40	1,825	1,732	93
Nursing, midwifery and health visiting learners	22	22	0	21	21	0
Scientific, therapeutic and technical staff	392	386	6	465	456	9
Healthcare science staff	38	32	6	12	7	5
Other	7	7	0	7	7	0
<b>Total</b>	<b>3,182</b>	<b>3,034</b>	<b>148</b>	<b>3,504</b>	<b>3,318</b>	<b>186</b>

Note: The difference between the final accounts and the annual account figures is due to one using FTE and the other using Headcount

The following table details the breakdown of the number of male and female employees at the year-end 2017/2018.

Staff Group	Male	Female	Total
Directors*	2	0	2
Other Senior Managers**	8	13	21
Employee	528	3043	3571
<b>Grand Total</b>	<b>538</b>	<b>3056</b>	<b>3594</b>

\* This reflects the number of Director employed by South Tyneside NHS Foundation Trust. Further clarity can be found in the Remuneration Report

\*\* Band 8c or above

## Staff Costs

	Group			
	Total for Year Ended 31 March 2018	Permanently employed	Other	Year Ended 31 Mar 2017
	£000			
Salaries and wages	110,293	108,937	1,356	116,818
Social security costs	10,462	10,462	0	11,181
Apprenticeship Levy	519	519	0	0
Pension costs - defined contribution plans (Employers contributions to NHS Pensions)	12,548	12,548	0	13,624
Termination benefits	0	0	0	(555)
Agency/contract staff	4,349	0	4,349	4,850
<b>Total</b>	<b>138,171</b>	<b>132,466</b>	<b>5,705</b>	<b>145,918</b>
	Trust			
	Total for Year Ended 31 March 2018	Permanently employed	Other	Year Ended 31 Mar 2017
	£000			
Salaries and wages	108,782	107,426	1,356	115,898
Social security costs	10,341	10,341	0	11,109
Apprenticeship Levy	512	512	0	0
Pension costs - defined contribution plans (Employers contributions to NHS Pensions)	12,462	12,462	0	13,570
Termination benefits	0	0	0	(555)
Agency/contract staff	4,048	0	4,048	4,621
<b>Total</b>	<b>136,145</b>	<b>130,741</b>	<b>5,404</b>	<b>144,643</b>

The total employer pension contribution payable in the year from 1 April 2017 to 31 March 2018 was £12,163,320 (2016/17 £13,282,590). This differs from the figure above as the latter includes adjustments such as pension costs for staff recharged by other bodies, and for annual leave accruals

## Employer of Choice/Staff Engagement

The Trust's vision and values recognise that meaningful, two way dialogue with staff at all levels in the Trust is key to ensuring that we deliver the highest quality of care for patients and improve the work experience for all of our staff.

By engaging and communicating clearly and regularly with staff, the Trust aims to maintain and improve staff morale, especially during periods of change. Engagement happens when our staff feels their work is meaningful and valued and when they are engaged in activities that support a common purpose, one which demonstrates care and quality for patients and colleagues alike.

We do this in a number of ways, including involving them in decision making, giving staff freedom to voice ideas and encouraging them to perform well through regular feedback. By involving staff this way they directly shape the work environment and help create an inclusive culture. High engagement levels will not only help the Trust to grow, but also help us to understand staff needs in depth and respond to these.

The NHS Staff Survey provides an opportunity for us to survey staff in a consistent and systematic way, making it possible to build up a picture of staff experience and to compare and monitor change over time. One of the ways that we engage with staff is via quarterly surveys, including the annual NHS Staff Survey, which runs from October to December each year. In 2017 we invited staff to attend a number of focus groups, to share the results of the staff survey and to gather feedback and ideas regarding future actions around five priority areas of concern identified by them in responses to the survey. These were:-

- Communication
- Bullying, harassment and violence
- Leadership
- Appraisal and personal development,
- Staff health and wellbeing

Staff feedback about communication has been used to enhance and improve what, how and when we communicate with staff, including the introduction of daily intranet news updates, weekly newsletters, monthly team briefs, Director led staff briefings, regular Executive Director walkabouts and senior manager forums.

We have continued to undertake significant work this year in order to achieve a common awareness on the part of all staff on the financial and economic factors affecting the Trust's performance including staff roadshows and special briefings. Employee engagement remains absolutely critical for us and this has been demonstrated over the year by the Trust's financial recovery programme and Programme Management Office which has put staff at the heart of decision making and service improvement.

We also want our staff to feel comfortable raising any concerns they may have, whether it is about patient care, health and safety, a breach of a professional code or other perceived wrongdoing. The Trust therefore has a Freedom to Speak Up Guardian and a team of Freedom to Speak Up Ambassadors, who are available to all staff to listen to concerns openly or confidentially and to take these forward.

We have set out a new 3-year strategy for improving the leadership and management culture of the Trust through a focused programme of development for senior and middle managers.

In 2017 we established a new Organisational and Leadership Development Team within the HR Directorate and launched a new Leadership and Talent Management Strategy, which sets out how we intend to attract, identify, develop and retain talent and leadership capability of the highest quality. This is supported by a delivery plan, which includes the introduction of a new appraisal system, leadership programme, and values based recruitment.

As part of our Employee Health and Wellbeing Strategy, the Trust held its first Employee Benefits Day in March 2018, showcasing a wide range of health and wellbeing benefits, staff discounts, support and activities available to staff. The event was very popular with over 800 staff attending.

During 2018 we will be working with our staff to develop a new behavioural standards framework that will apply to everyone. We want South Tyneside NHS Foundation Trust to be a great place to work and to receive high quality; compassionate care and we believe that everyone who works for the Trust has a part to play in achieving this.

South Tyneside NHS Foundation Trust offers excellent employment opportunities to new and existing staff. We aim to be a model employer and are constantly working hard to further develop links with local strategic partners, educational and voluntary organisations across South Tyneside, Sunderland and surrounding areas, looking for ways to engage with communities and improve the working lives of our staff. We pride ourselves on offering good working conditions, job security, lifelong learning, an excellent range of benefits, staff involvement and a balance between work and personal life.

## **Occupational Health**

During 2017/18, the Trust became the first employer in South Tyneside to be awarded Ambassador Status in the North East Better Health at Work Awards. Now, it has achieved the highest level - Maintaining Excellence. This is given to ambassador organisations which can demonstrate that they are continuing to provide activities, services and structures that help their workforce to maintain or improve their health and wellbeing at work.

This year, the Wellbeing Team have continued to find innovative ways of delivering health promotion and wellbeing messages to staff. One of the ways they do this is by continually reinventing the brand of the message which is delivered. One such initiative is the 'Be Less Carrot' and 'Team Carrot' sessions, which help to provide staff with coping mechanisms to deal with stress.

In 2017/18, the Trust achieved the CQUIN target for flu vaccination of staff which this year was 70%, the Trust achieved 72.3%.

The Trust continues to proactively manage sickness absence through effective management and support from the Trust's Human Resources team and

Occupational Health and Wellbeing Service. A healthy motivated workforce is integral to achieving better care for our patients.

### Sickness Absence Data

Sickness absence data, using the Cabinet Office calculations is based upon the calendar year.

Figures Converted by DH to Best Estimates of Required Data Items			Statistics Published by NHS Digital from ESR Data Warehouse	
Average FTE 2017	Adjusted FTE days lost to Cabinet Office definitions	Average Sick Days per FTE	FTE-Days Available	FTE-Days recorded Sickness Absence
3,064	36,299	11.8	1,147,761	58,885

### Workforce development Initiatives STFT

The Trust continues to drive forward work to create a future health workforce to care effectively for the patients who we provide services for. South Tyneside NHS Foundation Trust has worked to engage with local schools, Tyne Coast College, Sunderland College, and the University of Sunderland. This work includes:

- Leading on the annual Discover Health Careers event, where pupils learn about the different roles within health by ‘following patients through the service’, talking to different professionals involved in their care, and seeing some of the equipment used;
- Targeted Occupational Discover Events including Discover Medicine, Nursing and Discover Apprenticeships, to enable local pupils and students to learn more about specific health professions, and the route into them;
- Providing vocational input into the education programmes of health related students at Sunderland College, with some students subsequently undertaking volunteer duties on wards to gain a better understanding of how care is provided in a hospital setting. This route provides a pipeline to the Trusts Pre-Nursing Experience and Apprenticeship programmes;
- Providing some quality work experience placements within the hospital to Sixth Form, College and University students who intend to apply for professional training programmes at University. This year, an accelerated work experience programme has been piloted aimed at students intending to apply for medical school. Working with Health Education England it is designed to give students increased knowledge of the university recruitment practices while enhancing student’s key skills;
- The Trust has pledged its support to the Step into Health Initiative, a nationally rolled out programme to support those leaving military life gain an insight into the NHS and the career opportunities it offers;
- Attended South Tyneside Council annual apprenticeship careers fair; and
- Training staff to provide high quality care, with approximately 20 existing staff and new employees commencing on Apprenticeship training programmes within the last year, to develop their skills and competences

## **Staff Policies and Actions**

### **Consultation, Communication and Staff Involvement**

We know the importance of staff being kept informed and involved in the developments at the Trust. We are committed to engaging with all staff to achieve a common awareness of issues and matters affecting the organisation and involving employees in decision making where appropriate.

We have a Trade Union Recognition Agreement with a wide range of organisations including Royal College of Nursing, Unison and Unite with mechanisms for consultation and negotiation with Trade Union representatives through regular Joint Consultative Group (JCG) meetings. During the year the JCG has been involved in regular discussions surrounding a number of key human resource policies and workforce initiatives.

Formal mechanisms to ensure staff are informed and involved in the business of the Trust include:

- New starter induction;
- Staff newsletters;
- Weekly communication bulletin circulated via email and published on the Trust's intranet page;
- Regularly updated intranet and internet sites, providing information on a range of subjects including Trust policies, procedures and guidelines and giving staff the latest news on key Trust issues, local directorate/departmental news and the wider NHS;
- Formal monthly team briefing following Executive Committee meetings to cascade key strategic messages including regular updates on finance, performance and quality issues across the Trust but more importantly to encourage feedback;
- The Chief Executive holding a number of regular forums with senior medical staff, senior managers, key nursing staff and allied health professional staff;
- Clinicians contributing to policy and clinical practice guidelines by actively engaging in various national and local clinical networks across a range of specialities;
- Focus groups following the results of the annual staff survey;
- Focus groups on the development of value based recruitment for consultants;
- Quarterly briefing sessions led by the Senior Executive and Management Team informing and updating staff on key issues such as clinical service review programme and financial matters;
- Patient safety walkabouts; and
- Regular visits by Board members and Governors to wards and departments

### **Equality, diversity and human rights**

We are committed to promoting human rights and providing equality of opportunity not only in our employment practices but also in the way we provide and deliver services. To ensure that this commitment is put into practice we adopt positive measures which will seek to remove barriers to equal opportunity and eliminate unfair and unlawful direct and indirect discrimination.

The Trust is a Disability Confident Employer which demonstrates our commitment to ensuring that people with disabilities have full and fair consideration of all vacancies. If employees become disabled during our employment we will endeavour to adjust their workplace environment wherever possible to allow them to maximise their potential, return and remain in employment with us. We support disabled employees in terms of access to training, career development and to ensure that they are not discriminated against in relation to career progression.

All policies within the Trust are subject to an Equality Impact Assessment which ensures that as an organisation we give due regard and consideration of the effects that our policies will have on people who share a protected characteristic.

Our Trust's legal duty to ensure that all patients and staff receive their services, and are employed in a way, which does not discriminate against anyone is reflected in the Trust's Equality, Diversity and Human Rights Policy supported by an Equality Strategy. EDS2 is the NHS Equality Delivery System aimed at embedding equality, diversity and human rights within the Trust's systems and processes. The Equality and Diversity Steering Group has responsibility for ensuring that we meet our public sector duties and legal requirements. However, the Group has sought to go much further than that, and make equality and diversity something that we can all feel, where it is absolutely clear and obvious that we are an equality organisation; where thinking about people's differences and making realistic adjustments to accommodate different individual needs, is just business as usual.

### **'Forces Friendly' Employer**

In March 2018, the Trust signed the Government's Armed Forces Covenant and has pledged to:

- Promote themselves as an armed forces-friendly organisation;
- Recognise that veterans are entitled to priority access to NHS hospital care for any condition as long as it is related to their service, subject to the clinical need of others; and
- Work in partnership with other organisations to support the employment of veterans, young and old.

We are also working towards accreditation as a veterans aware hospital, this will involve:

- Continued work with the Clinical Commissioning Group to address care pathways for veterans;
- Develop links with the Defence Medical Welfare Service; and
- Delivering veterans awareness training

### **2017 Staff Survey results**

We adopted a full census approach to the survey in 2017. Most staff completed an online survey and paper surveys were also provided to those teams where accessing the online survey would present a barrier to them participating.

The Trust response rate increased on that achieved in 2016 after which the Trust continued to provide feedback to staff on issues raised from the staff survey and

other engagement events. The aim of this is to build understanding with our staff that their feedback is valued and we are ready to listen and act. Acting on the results of the annual staff survey and making meaningful changes in how we work with staff will bring about lasting improvements enabling us to remain strong, successful and deliver quality services.

The outcome of the 2017 survey presents a generally more positive picture for the Trust with some significant improvements in job-related responses including the overall staff engagement score of 3.68 compared to 3.64 the year before. That said, there remain some scores with either static or declining scores since 2016 and were further works needs to be focussed.

In relation to Key Finding 1 - the extent to which staff would recommend the organisation as a place to work or receive treatment, our score increased from 3.55 to 3.61. The tables below show the results from the 2017 staff survey; specifically the top five ranking scores, where we compare most favourably with other comparable trusts in England.

### Comparisons Against Key Indicators 2016/17 and 2017/18

#### Top five ranking scores

The table below highlights the five Key Findings for which the Trust compares most favourably with other combined acute and community trusts.

	2016/17		2017/18		Trust Improvement/ deterioration
	Trust	National average for acute and community	Trust	National average for acute and community	
<b>Response rate</b>	41%	42%	46%	43%	Improvement of 5%
<b>Top 5 Ranking Scores</b>					
	2016/17		2017/18		
	Trust	National average for acute and community	Trust	National average for acute and community	
KF25: Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months <i>(the lower the score the better)</i>	22%	26%	19%	27%	Improvement of 3%
KF22: Percentage of staff experiencing physical violence from patients, relatives or the public in last 12 months <i>(the lower the score the better)</i>	10%	13%	9%	14%	Improvement of 1%

KF28: Percentage of staff witnessing potentially harmful errors, near misses, or incidents in last month <i>(the lower the score the better)</i>	24%	29%	23%	29%	Improvement of 1%
KF16: Percentage of staff staffing extra hours <i>(the lower the score the better)</i>	66%	71%	65%	71%	Improvement of 1%
KF32: Effective use of patient/service user feedback <i>(the higher the score the better)</i>	3.75	3.68	3.83	3.69	Improvement of 0.08
	<b>2016/17</b>		<b>2017/18</b>		<b>Trust Improvement/Deterioration</b>
<b>Bottom 5 Ranking Scores</b>	<b>Trust</b>	<b>National Average for acute and community</b>	<b>Trust</b>	<b>National Average for acute and community</b>	
KF15: Percentage of staff satisfied with opportunities for flexible working <i>(the higher the score the better)</i>	42%	51%	46%	51%	Improvement of 4%
KF29: Percentage of staff reporting errors, near misses or incidents witnessed in the last month <i>(the higher the score the better)</i>	88%	91%	86%	91%	Deterioration of 3%
KF8: Staff satisfaction with the level of responsibility and involvement <i>(the higher the score the better)</i>	3.78	3.92	3.82	3.89	Improvement of 0.04
KF24: Percentage of staff/colleagues reporting most recent experience of violence <i>(the higher the score the better)</i>	55%	67%	60%	67%	Improvement of 5%
KF13: Quality of non-mandatory training, learning or development	3.96	4.07	3.99	4.06	Improvement of 0.03
	<b>2016/17</b>		<b>2017/18</b>		<b>Trust Improvement/Deterioration</b>
<b>Statistically Significant Changes since 2016</b>	<b>Trust</b>	<b>National Average for acute and community</b>	<b>Trust</b>	<b>National Average for acute and community</b>	
KF11: Percentage of staff appraised in last 12 months <i>(the higher the score the better)</i>	76%	86%	81%	86%	Improvement of 5%

KF1: Staff recommendation of the organisation as a place to work or receive treatment <i>(the higher the score the better)</i>	3.53	3.71	3.60	3.75	Improvement of 0.18
KF14: Staff satisfaction with resourcing and support <i>(the higher the score the better)</i>	3.29	3.28	3.36	3.27	Improvement of 0.07
KF6: Percentage of reporting good communication between senior management and staff	23%	32%	27%	33%	Improvement of 4%
KF10: Support from immediate managers <i>(the higher the score the better)</i>	3.64	3.74	3.73	3.76	Improvement of 0.09
KF32: Effective use of patient / service user feedback <i>(the higher the score the better)</i>	3.75	3.68	3.83	3.69	Improvement of 0.07

### Addressing Areas of Concern

An analysis of our staff survey results together with the Care Quality Commission observations about our overall staff survey performance provides us with a basis for determining the main areas to focus on when developing our key areas for action in 2018.

The Trust is also actively taking feedback from staff using a number of mechanisms including face-to-face listening events and online technologies, such as Slido to support our approach to engagement. This activity provides more regular feedback, will help to ensure we continue to address staff concerns and respond to feedback and build levels of satisfaction and engagement.

Work will continue during 2018 to build on the learning and experience gained from the 2016 staff survey and to improve the provision of results at a local / departmental level to support local improvement activities.

### Recognising Success

It has been another successful year for individual members of staff, teams and services who have been acknowledged and recognised for their contribution to delivering high quality, safe patient care every day:

- Haven Court was named Best Inclusive Building in the Northern LABC Building Excellence Awards;
- The Trust was named as one of the 40 top performing CHKS client trusts, based on the evaluation of over 22 key performance indicators covering safety, clinical effectiveness, health outcomes, efficiency, patient experience and quality of care;
- The Trust, along with City Hospitals Sunderland, launched a Carers' Charter emphasising the importance of recognising and valuing carers;

- The Trust was the first employer in South Tyneside to be awarded ‘Ambassador’ status in the North East Better Health at Work Awards and followed this up with achievement of the highest level in the awards - Maintaining Excellence;
- Over 350 nurses and midwives working across South Tyneside and Sunderland gathered together for the first joint annual conference between South Tyneside and City Hospitals Sunderland, held in partnership with the University of Sunderland;
- The hospital’s success in reducing patient falls was highlighted in a new, national report, following on from its involvement in NHS Improvement’s 90-day Falls Collaborative, aimed at reducing the rate of falls in hospitals and sharing examples of best practice and innovation across the NHS. The Trust also rolled out a new ‘Falls Prevention Assessment and Individualised Care Plan’ for every patient aged 65 and over admitted to hospital;
- District nurse Catherine Blake was awarded two prestigious educational prizes. She was recognised by Northumbria University for Best Postgraduate Academic Performance on a Nursing and Midwifery Programme and she was also the recipient of the Queen’s Nursing Institute prize for the top performing student on the District Nursing Programme at the university;
- Investment in Radiology at the Trust totalled around £1.7m. A new MRI scanner, the first of its kind in the UK, was introduced, giving patients access to some of the most sophisticated technology in the world, and the Trust was also one of the first in the country to buy the very latest ultrasound machines;
- Leading UK Kidney Specialist, Dr Shalabh Srivastava, became the first ever kidney consultant to be appointed at the Trust, thanks to the joint working taking place as part of the South Tyneside and Sunderland Healthcare Group;
- The Cardiac Rehabilitation Support Group at South Tyneside celebrated 25 years of helping heart patients to live longer, healthy lives through exercise;
- The Children and Young People’s Diabetes Service was one of the top in the North East and Cumbria, and in the top 10% nationally;
- For the first time ever, the majority of South Tyneside patients waiting for a cataract operation were able to have all of their pre-operative care within the borough, thanks to the joint working taking place as part of the South Tyneside and Sunderland Healthcare Group; and
- Ward 19 retained The Royal College of Psychiatrists’ Quality Mark for Elder Friendly Hospital Wards.

### **High paid off-payroll arrangements**

The Trust has issued guidance to all staff to ensure that payments are not made gross to any individuals who should be classed as employees. This note provides details of the criteria used by HMRC to determine employment status. Any proposal to make gross payments to an individual, on the basis of self-employment, must be assessed against this checklist and then submitted to the Director of Finance and Director of Human Resources and Organisational Development for approval before reaching any agreement with an individual. As a result of this process there were no high off-payroll arrangements made directly by the Trust.

The Trust implemented the use of STAFFflow in January 2013 with PricewaterhouseCoopers LLP and Liaison. Liaison administer the recruitment through agencies of temporary medical staff and process a payroll on behalf of the Trust to make payments to them, making the necessary checks as required. Prior to STAFFflow these staff would have been sought direct from agencies. National

shortages in medical staff have resulted in difficulties recruiting in the year which has led to temporary staff being required for longer periods of time. There were eight temporary medical staff paid through a Personal Service Company for more than six months of the year. Details are included in the tables below.

**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 Mar 2018	18
Of which:	
Number that have existed for less than one year at the time of reporting	11
Number that have existed for between one and two years at the time of reporting	7
Number that have existed for between two and three years at time of reporting	0
Number that have existed for between three and four years at time of reporting	0
Number that have existed for four or more years at time of reporting	0

**For all new off-payroll engagements, or those that reached six months in duration, between 1 Apr 2017 and 31 Mar 2018, for more than £245 per day and that last for longer than six months**

Number of new engagements, or those that reached six months in duration between 1 Apr 2017 and 31 Mar 2018	6
Of which:	
Number for whom assurance has been received	6
No. assessed as caught by IR35	6
No. assessed as not caught by IR35	0
No. engaged directly (via PSC contracted to the entity) and are on the entity's payroll	2
No. of engagements reassessed for consistency / assurance purposes during the year.	18
No. of engagements that saw a change to IR35 status following the consistency review	0

**For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 Apr 2017 and 31 Mar 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".	13

HM Revenue & Customs (HMRC) has issued updated legislation with effect from 1<sup>st</sup> April 2017 on making off-payroll payments which is known as IR35 – Intermediaries Legislation. The legislation has been issued as HMRC believe that there is evidence

of widespread non-compliance with the legislation and the Government believes public sector bodies have a duty to ensure people working for them are paying the correct tax.

As a result of this, the Trust has reviewed its processes and documented the changes it has made to ensure compliance. NHS Improvement has assessed the Trust's application for permission to engage workers through personal service companies from 1<sup>st</sup> April 2017 and has confirmed that they are content that as long as the Trust follows the processes in the application, compliance with HMRC's requirements will be maintained.

## PENSION LIABILITIES

Five individuals retired early on ill-health grounds during the year with additional pension liabilities of £155,967 (five in 2016/17 at a cost of £154,205).

## Consultancy

The Trust incurred £202,734 in consultancy costs in the year as follows:

2017/18	
Purpose	£
Consultancy cost in relation to management of Haven Court	61,851
Consultancy cost in relation to review of Child Health and Paediatrics	43,800
Consultancy cost in relation to development of MCP and Joint Leadership	15,504
Other Consultancy Costs under £15,000	81,579
<b>Total Consultancy Costs</b>	<b>202,734</b>

2016/17	
Purpose	£
Consultancy cost in relation to patient flow for winter planning	91,200
Consultancy cost in relation to Health and Well Being Project	68,145
CHKS Market Information	30,000
Consultancy to support Vanguard Multi-Speciality Community Provider Scheme	28,656
Other consultancy under £20,000	22,758
<b>Total Consultancy Costs</b>	<b>240,759</b>

## STAFF EXIT PACKAGES

There were 19 staff exit packages agreed in 2017/18 amounting to £639,920 as follows:

### 2017/18 Exit packages

Exit package cost band	2017/18			2016/17		
	Number of compulsory redundancies	Number of other departures	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures	Total number of exit packages by cost band
<£10,000	1	2	3	1	0	1
£10,000 - £25,000	0	2	2	0	0	0
£25,001 - £50,000	0	11	11	2	0	2
£50,001 - £100,000	0	3	3	0	0	0
£100,001 - £150,000	0	0	0	0	0	0
<b>Total number of exit packages by type</b>	<b>1</b>	<b>18</b>	<b>19</b>	<b>3</b>	<b>0</b>	<b>3</b>
<b>Total resource cost</b>	<b>£4,447</b>	<b>£635,173</b>	<b>£639,920</b>	<b>£66,331</b>	<b>£0</b>	<b>£66,331</b>

### Non-Compulsory Departure Payments

	2017/18		2016/17	
	Agreements Number	Total Value of Agreements £000	Agreements Number	Total Value of Agreements £000
Voluntary redundancies including early retirement contractual costs	18	635,173	0	0
Contractual payments in lieu of notice	0	0	0	0
Non-contractual payments requiring HMT approval	0	0	0	0
<b>Total</b>	<b>18</b>	<b>635,173</b>	<b>0</b>	<b>0</b>

*The compulsory redundancy costs arose as a consequence of restructuring and change in service requirements via a re-tendering process led by Commissioners.*

## Compliance with the NHS Foundation Trust Code of Governance

NHS Improvement (previously Monitor), the Independent Regulator of NHS Foundation Trust, has issued guidance detailing best practice for governance of NHS Foundation Trusts, entitled The NHS Foundation Trust Code of Governance (the Code).

South Tyneside NHS Foundation Trust has applied the principles of the Code of Governance on a 'comply or explain' basis. The Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012. The Board considers that it was fully compliant with the provisions of the Code in 2017/18.

The Board is committed to the highest standards of good corporate governance and follows an approach that complies with the main and supporting principles of the Code. The Board of Directors ensures compliance with this Code through the arrangements in place for ensuring its governance structures, policies and processes are kept under review. These arrangements are set out in documents that include:

- The Constitution of the Trust;
- Standing orders and Standing financial instructions;
- Schemes of delegation and decisions reserved by the Board;
- Terms of reference for the Board of Directors, the Council of Governors and their committees;
- Annual declarations of interest;
- Annual Governance Statement; and
- Annual Report to the Board of Directors on compliance with the Code.

The table below demonstrates compliance with the Mandatory Disclosures of the Code throughout 2017/18, as described in the Foundation Trust Annual Reporting Manual 2017/18.

Code Ref	Summary of requirement	Section Ref
A1.1	The schedule of matters reserved for the Board of Directors should include a clear statement detailing the roles and responsibilities of the Council of Governors. This statement should also describe how any disagreements between the council of governors and the Board of Directors will be resolved. The Annual Report should include this schedule of matters or a summary statement of how the Board of Directors and the Council of Governors operate, including a summary of the types of decisions to be taken by each of the Boards and which are delegated to the Executive Management of the Board of Directors.	Directors Report
A1.2	The Annual Report should identify the Chairperson, the Deputy Chairperson (where there is one), the Chief Executive, the Senior Independent Director (see A.4.1) and the Chairperson and members of the Nominations, Audit and Remuneration Committees. It should also set out the number of meetings of the Board and those Committees and individual attendance by Directors.	Directors Report
A5.3	The Annual Report should identify the members of the Council of Governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The Annual Report should also identify the nominated lead Governor.	Council of Governors

FT ARM	The Annual Report should include a statement about the number of meetings of the Council of Governors and individual attendance by Governors and Directors.	Council of Governors
B1.1	The Board of Directors should identify in the Annual Report each Non-Executive Director it considers to be independent, with reasons where necessary.	Directors Report
B1.4	The Board of Directors should include in its Annual Report a description of each Director's skills, expertise and experience. Alongside this, in the Annual Report, the Board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS Foundation Trust.	Directors Report
FT ARM	The Annual Report should include a brief description of the length of appointments of the Non-Executive Directors, and how they may be terminated.	Directors Report
B2.10	A separate section of the Annual Report should describe the work of the Nominations Committee(s), including the process it has used in relation to Board appointments.	Council of Governors/ Remuneration Report
FT ARM	The disclosure in the Annual Report on the work of the Nominations Committee should include an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a Chair or Non-Executive Director.	Council of Governors
B3.1	A Chairperson's other significant commitments should be disclosed to the Council of Governors before appointment and included in the Annual Report. Changes to such commitments should be reported to the Council of Governors as they arise, and included in the next Annual Report.	Directors Report
B5.6	Governors should canvass the opinion of the Trust's members and the public, and for appointed governors the body they represent, on the NHS Foundation Trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the Board of Directors. The Annual Report should contain a statement as to how this requirement has been undertaken and satisfied.	Council of Governors
FT ARM	If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report. This is required by paragraph 26(2)(aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012.  * Power to require one or more of the Directors to attend a Governors' meeting for the purpose of obtaining information about the Foundation Trust's performance of its functions or the Directors' performance of their duties (and deciding whether to propose a vote on the Foundation Trust's or Directors' performance).  ** As inserted by section 151 (6) of the Health and Social Care Act 2012)	Council of Governors
B6.1	The Board of Directors should state in the Annual Report how performance evaluation of the Board, its Committees, and its Directors, including the Chairperson, has been conducted.	Directors Report
B6.2	Where there has been external evaluation of the Board and/or Governance of the Trust, the external facilitator should be identified in the Annual Report and a statement made as to whether they have any other connection to the Trust.	

C1.1	The Directors should explain in the Annual Report their responsibility for preparing the Annual Report and Accounts, and state that they consider the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS Foundation Trust's performance, business model and strategy. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the Annual Report).	Performance Report/ Annual Governance Statement
C2.1	The Annual Report should contain a statement that the Board has conducted a review of the effectiveness of its system of internal controls.	Annual Governance Statement
C2.2	A Trust should disclose in the Annual Report:  (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Directors Report – Board sub-committees
C3.5	If the Council of Governors does not accept the Audit Committee's recommendation on the appointment, reappointment or removal of an External Auditor, the Board of Directors should include in the Annual Report a statement from the Audit Committee explaining the recommendation and should set out reasons why the Council of Governors has taken a different position.	Performance Report
C3.9	A separate section of the Annual Report should describe the work of the Audit Committee in discharging its responsibilities. The report should include:  <ul style="list-style-type: none"> <li>• the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed;</li> <li>• an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the External Auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and</li> <li>• if the External Auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.</li> </ul>	Directors Report – Board sub-committees
D1.3	Where an NHS Foundation Trust releases an Executive Director, for example to serve as a Non-Executive Director elsewhere, the remuneration disclosures of the Annual Report should include a statement of whether or not the Director will retain such earnings.	N/A
E1.4	Contact procedures for members who wish to communicate with Governors and/or Directors should be made clearly available to members on the NHS Foundation Trust's website and in the Annual Report.	Council of Governors
E1.5	The Board of Directors should state in the Annual Report the steps they have taken to ensure that the Members of the Board, and in particular the Non- Executive Directors, develop an understanding of the views of Governors and Members about the NHS Foundation Trust, for example through attendance at meetings of the Council of Governors, direct face-to-face contact, surveys of members' opinions and consultations.	Council of Governors

E1.6	The Board of Directors should monitor how representative the NHS Foundation Trust's Membership is and the level and effectiveness of member engagement and report on this in the Annual Report.	Council of Governors
FT ARM	<p>The Annual Report should include:</p> <ul style="list-style-type: none"> <li>• a brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership;</li> <li>• information on the number of members and the number of members in each constituency; and</li> <li>• a summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership [see also E.1.6 above], including progress towards any recruitment targets for members.</li> </ul>	Council of Governors
FT ARM	The Annual Report should disclose details of company directorships or other material interests in companies held by Governors and/or Directors where those companies or related parties are likely to do business, or are possibly seeking to do business, with the NHS Foundation Trust. As each NHS Foundation Trust must have registers of Governors' and Directors' interests which are available to the public, an alternative disclosure is for the Annual Report to simply state how members of the public can gain access to the registers instead of listing all the interests in the Annual Report.	Directors Report

## **Statement of the Chief Executive's responsibilities as the Accounting Officer of South Tyneside 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 South Tyneside 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 South Tyneside 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 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 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*.



**Ken Bremner**  
**Chief Executive**  
**Date: 23<sup>rd</sup> May 2018**

## **4. REMUNERATION REPORT**

### **Annual Statement on Remuneration**

The Remuneration and Appointments Committee for the Chief Executive and Executive Directors is chaired by the Independent Non-Executive Director/Vice-Chair of the Trust. Other members of the committee include the remainder of the Non-Executive Directors and the Chairman. The Committee agrees the remuneration, allowances and other terms and conditions of office, ensuring the Executive Directors are fairly rewarded for their individual and collective contribution to the organisation, having proper regard to the organisations circumstances and performance and to the provisions of any national arrangements, pay and employment conditions, or guidance where appropriate. The Chief Executive and Director of Human Resources and Organisational Development, although not part of deliberations in relation to their own performance or remuneration, are invited to attend meetings in an advisory capacity.

As a result of the review of Board Sub-Committees and the move toward implementation of 'joint' committees where appropriate, a decision was taken by the Boards of both South Tyneside NHS Foundation Trust and City Hospitals Sunderland NHS Foundation Trust to establish a 'Joint' Remuneration Committee given the establishment of a Single Executive Team for both Trusts. The Joint Committee is responsible for advising the Remuneration and Appointments Committee of both Trusts on the identification and appointments of candidates to fill all Executive Director positions on the Single Executive Team (thereby the Board of Directors of each statutory Trust), and advising on the remuneration and other conditions of service for Executive Directors (and other designated Directors) taking account of national guidance and legal advice as appropriate. Ultimately, any decisions as a result of the advice of the Joint Committee will be taken by the Remuneration and Appointments Committee of each Trust as they remain two separate statutory Foundation Trusts. There have been no substantial changes relating to senior manager remuneration made during the year.

### **Senior Managers' Remuneration Policy**

An individual staff appraisal system operates for all staff, which assesses performance against agreed objectives and/or standards. Comparisons with other organisations are primarily through external assessments and benchmarking exercises. We do not operate a performance related pay system for any staff, though the Agenda for Change pay system incorporates gateways, where staff can only progress if they demonstrate acceptable performance and development.

The Chief Executive and Executive Directors are on permanent contracts with notice periods that range from 3-6 months'. Director's redundancy entitlements are in line with Agenda for Change Conditions of Service, i.e. one month's remuneration for each full year of service up to a maximum of 24 months. No compensation for loss of office paid or receivable has been made under the terms of an approved compensation scheme.

In determining the remuneration levels a range of benchmarking evidence is used including: NHS-wide governance; local comparators from other Trusts (where information is available); and salary surveys for NHS Chief Executive's and Executive

Directors. The following three Executive Directors were paid in excess of £150,000 in the year:

- Chief Executive
- Director of Finance
- Medical Director

The Committee advises the Board of Directors on appropriate remuneration for the Executive Directors. The Chief Executive's remuneration has been set on the basis of benchmarking information and is comparable with peers in similar sized Trusts.

The Medical Director also holds a clinical role in the Trust and receives payment of a Clinical Excellence Award along with Additional Programmed Activity and On Call payments which increases his salary above £150,000.

The key components of the remuneration package for senior managers are: salary and fees; all taxable benefits; annual performance based bonuses where applicable; and pension related benefits. Some terms are specific to individual senior managers, which are assessed on a case-by-case basis such as lease car and on-call arrangements. Individual base salaries take into account the overall performance of the Trust and any responsibility changes in the context of comparable organisations and the direction being taken by the NHS overall.

No Executive Directors currently serve as Non-Executive Directors elsewhere therefore, do not retain any earnings relating to such appointments.

The remuneration of Non-Executive Directors is determined by the Council of Governors together with allowances and other terms and conditions of service. The Council of Governors also has an established Nomination and Appointments Committee of the Council of Governors, details of which are provided on page 129 of the report. The Chairman agrees objectives with each Non-Executive Director and a formal appraisal is undertaken annually. The Senior Independent Director and Lead Governor take the lead in the assessment and appraisal of the Chairman on an annual basis.

## **Annual Report on Remuneration**

Details of the membership of the Remuneration and Appointments Committee can be found on page 119, along with the number of meetings attended by individual members. The Committee did not commission any external advice or services throughout the year. The Committee is chaired by Mrs Allison Thompson and membership is comprised of all remaining Non-Executive Directors and the Chairman. Its purpose is to ensure appropriate succession plans are in place for the Board of Directors and in so doing oversees the appointment of Executive Directors. The Committee also reviews the Terms and Conditions of Executive Directors and senior managers. The Committee met on two occasions during 2017/18 to: review the performance of the Chief Executive and Executive Directors; and to review the processes for succession planning to ensure Board stability and strong leadership in the future. Full details of the remuneration of senior managers can be found on the following pages.

**Salary and Pension Entitlements of Senior Managers – Total Single Figure 2017/18 (Audited)  
Remuneration 2017/18**

Name and Title	Full Year 2017-18									
	Salary & Fees  (bands of £5000)	Taxable Benefits *  (Total nearest £100)	Annual Performance Related Bonuses  (bands of £5000)	Long-term Performance Related Bonuses  (bands of £5000)	Pension-Related Benefits**  (bands of £2,500)	Total Remuneration  (bands of £5,000)	Recharges Salary & bonus ***  (bands of £5,000)	Recharge taxable Benefits***  (Total nearest £100)	Recharge Pension-Related Benefits***  (bands of £2,500)	Remuneration Net of Recharges***  (bands of £5,000)
MR KW BREMNER Chief Executive	255-260	12.0	10-15	0	0	280-285	(145-150)	(5.9)	0	130-135
MRS C HARRIES Deputy Chief Executive (Commenced 8th November 2017)	45-50	7.0	0-5	0	30-32.5	85-90	(25-30)	(3.5)	(15-20)	40-45
DR S WAHID**** Medical Director (see note below)	135-140	0	35-40	0	30-32.5	200-205	0	0	0	200-205
MRS J PATTISON Director of Finance	155-160	7.0	5-10	0	37.5-40	210-215	(85-90)	(3.5)	(15-20)	95-80
MRS K GRIFFIN Director of Human Resources & Organisational Development	135-140	7.0	0-5	0	45-47.5	190-195	(70-75)	(3.7)	(20-25)	90-95
MRS M JOHNSON Director of Nursing & Patient Experience	140-145	7.0	0-5	0	62.5-65	210-215	(70-75)	(3.5)	(30-35)	105-110
DR RJ BROWN Director of Quality and Transformation (Leaver 1st September 2017)	45-50	0	0	0	15-17.5	65-70	(20-25)	0	(5-10)	30-35
MR N MUNDY Chairman	50-55	0	0	0	0	50-55	0	0	0	50-55
MRS AM THOMPSON Vice Chairman	10-15	0	0	0	0	10-15	0	0	0	10-15
MR A CLARKE Non Executive Director/Senior Independent Director	10-15	0	0	0	0	10-15	0	0	0	10-15
MR K TALLINTIRE Non Executive Director	15-20	0	0	0	0	15-20	0	0	0	15-20
MR I MALCOLM Non Executive Director	10-15	0	0	0	0	10-15	0	0	0	10-15
MRS P HARLE Non Executive Director (Leaver 31st December 2017)	10-15	0	0	0	0	10-15	0	0	0	10-15
MR M DAVISON Non Executive Director (Commenced 26th July 2017)	10-15	0	0	0	0	10-15	0	0	0	10-15

## Remuneration 2017/18 (continued)

### Notes

\* All benefits in kind relate to either lease cars provided under the Trust's Lease Car Scheme or car allowances.

\*\* Pension related benefits represent the annual increase in pension entitlement determined in accordance with the 'HMRC method', they do not represent payments made to senior managers in the year. The annual increase will vary from manager to manager depending upon the number of years accrued pension they have, any pensionable pay increases received in the year and the rate of inflation. Where there is a decrease in the benefits in the year this is recorded as "Nil" in the table above. In accordance with guidance received from NHS Pensions the inflation figures used over the two years were 1% (2017/18) and 0% (2016/17).

\*\*\* Joint Executive Team in place during year with City Hospitals Sunderland NHS FT

\*\*\*\*Remuneration details for Dr S Wahid, Medical Director include payment for clinical work between £100k-£105k per annum

## Remuneration 2016/17

Name and Title	Full Year 2016-17								
	Salary & Fees	Taxable Benefits *	Annual Performance Related Bonuses**	Pension-Related Benefits***	Total	Recharges Salary & bonus ****	Recharge taxable Benefits****	Recharge Pension-Related Benefits****	Total after recharges
	(bands of £5000) £000	(Total nearest £100) £	(bands of £5000) £000	(bands of £2,500) £000	(bands of £5,000) £000	(bands of £5,000) £000	(Total nearest £100) £	(bands of £2,500) £000	(bands of £5,000) £000
MR N MUNDY Chairman	50-55	Nil	Nil	Nil	50-55	Nil	Nil	Nil	50-55
MRS AM THOMPSON Vice Chairman	10-15	Nil	Nil	Nil	10-15	Nil	Nil	Nil	10-15
MR A CLARKE Non-Executive Director/Senior Independent Director	10-15	Nil	Nil	Nil	10-15	Nil	Nil	Nil	10-15
MR K TALLINTIRE Non-Executive Director	15-20	Nil	Nil	Nil	15-20	Nil	Nil	Nil	15-20
MR GL BOOTH Non-Executive Director	10-15	Nil	Nil	Nil	10-15	Nil	Nil	Nil	10-15
MR I MALCOLM Non-Executive Director	10-15	Nil	Nil	Nil	10-15	Nil	Nil	Nil	10-15
MRS P HARLE Non-Executive Director	10-15	Nil	Nil	Nil	10-15	Nil	Nil	Nil	10-15
MR KW BREMNER Chief Executive (Commenced 12th September 2016)	130-135	6,100	Nil	40-42.5	175-180	(65-70)	(3,000)	(20-22.5)	85-90
MR SM WILLIAMSON Chief Executive (Until 11th September 2016)	85-90	Nil	Nil	Nil	85-90	Nil	Nil	Nil	85-90
MR SM WILLIAMSON Deputy Chief Executive (12th September 2016 to 8th January 2017)	60-65	Nil	Nil	Nil	60-65	(30-35)	Nil	Nil	30-35

## Remuneration 2016/17 (continued)

Name and Title	Full Year 2016-17								
	Salary & Fees  (bands of £5000) £000	Taxable Benefits *  (Total nearest £100) £	Annual Performance Related Bonuses**  (bands of £5000) £000	Pension-Related Benefits***  (bands of £2,500) £000	Total  (bands of £5,000) £000	Recharges Salary & bonus ****  (bands of £5,000) £000	Recharge taxable Benefits****  (Total nearest £100) £	Recharge Pension-Related Benefits****  (bands of £2,500) £000	Total after recharges  (bands of £5,000) £000
DR S WAHID Medical Director (see note below)	135-140	Nil	35-40	2.5-5	175-180	Nil	Nil	Nil	175-180
MRS J PATTISON Director of Finance (Commenced 21st November 2016)	55-60	2,500	Nil	20-22.5	75-80	(25-30)	(1,300)	(10-12.5)	35-40
MRS H PATTERSON Interim Director of Finance (1st April 2016 to 20th November 2016)	70-75	2,200	Nil	85-87.5	155-160	Nil	Nil	Nil	155-160
MRS K GRIFFIN Director of Human Resources & Organisational Development (Commenced 1st May 2016)	120-125	Nil	Nil	192.5-195	315-320	(60-65)		(97.5-100)	155-160
MR IH FRAME Director of Personnel & Development (Left 30th April 2016)	10-15	Nil	Nil	Nil	10-15	Nil	Nil	Nil	10-15
MRS M ARROWSMITH Chief Operating Officer (Left 31st October 2016)	105-110	Nil	Nil	157.5-160	265-270	Nil	Nil	Nil	265-270
MS M JOHNSON Director of Nursing & Patient Experience (Commenced 21st November 2016)	50-55	2,500	Nil	7.5-10	60-65	(25-30)	(1,300)	(2.5-5)	30-35
DR RJ BROWN Director of Nursing & Patient Safety (Until 20th November 2016)	70-75	800	Nil	17.5-20	90-95	Nil	Nil	Nil	90-95
DR RJ BROWN Director of Quality and Transformation (Commenced 21st November 2016)	40-45	1,200	Nil	10-12.5	50-55	(20-25)	(600)	(5-7.5)	25-30

## Notes

\* All benefits in kind relate to either lease cars provided under the Trust's Lease Car Scheme or car allowances.

\*\* All performance-related bonuses relate to Clinical Excellence Awards. Clinical Excellence Awards recognise and reward NHS consultants who perform 'over and above' the standard expected of their role. Awards are given for quality and excellence, acknowledging exceptional personal contributions.

\*\*\* Pension related benefits represent the annual increase in pension entitlement determined in accordance with the 'HMRC method', they do not represent payments made to senior managers in the year. The annual increase will vary from manager to manager depending upon the number of year's accrued pension they have, any pensionable pay increases received in the year and the rate of inflation. Where there is a decrease in the benefits in the year this is recorded as "Nil" in the table above. In accordance with guidance received from NHS Pensions the inflation figures used over the two years were 0% (2016/17) and 1.2% (2015/16). In summary the calculation is as follows: Increase =  $((20 \times PE) + LSE) - ((20 \times PB) + LSB) - \text{employee contributions made in the year}$ .

Where:

PE is the annual rate of pension that would be payable to the director if they became entitled to it at the end of the financial year

PB is the annual rate of pension, adjusted for inflation, that would be payable to the director if they became entitled to it at the beginning of the financial year;

LSE is the amount of lump sum that would be payable to the director if they became entitled to it at the end of the financial year; and

LSB is the amount of lump sum, adjusted for inflation, that would be payable to the director if they became entitled to it at the beginning of the financial year.

\*\*\*\* The Trust entered into an alliance with City Hospital Sunderland NHS Foundation Trust during 2016/17. As a result of this a Single Executive and Management Team was formed. The table of Salary and Pension Entitlements of Senior Managers for 2016/17 includes the full entitlements paid to senior managers during the year. This is not the amount chargeable to the Trust. Recharges between the two organisations are shown separately in the note.

The remuneration details for Dr S Wahid, Medical Director include payment for clinical work between £105k-110k per annum.

No pension benefits have been declared for Mr Williamson as he left the NHS Pension Scheme during the year.

## Pension benefits 2017/18

Name and title	Real Increase in Pension at Pension Age  (bands of £2500) £000	Real Increase in Pension Lump Sum at Pension Age  (bands of £2500) £000	Total Accrued Pension at Pension Age at 31 March 2018  (bands of £5000) £000	Lump Sum at Pension Age related to accrued pension as at  (bands of £5000) £000	Cash Equivalent Transfer Value at 1 April 2017  (Nearest £1000) £000	Real Increase in Cash Equivalent Transfer  (Nearest £1000) £000	Cash Equivalent Transfer Value at 31 March 2018  (Nearest £1000) £000	Employer's contribution to stakeholder pension
MR KW BREMNER Chief Executive*	0	0	85-90	265-270	1,856	87	1,961	0
MRS C HARRIES Deputy Chief Executive (Commenced 8th November 2017) *	0-2.5	2.5-5	50-55	155-160	0	0	0	0
Dr S WAHID Medical Director	2.5-5	0	40-45	100-105	559	63	628	0
MRS J PATTISON Director of Finance*	2.5-5	0-2.5	55-60	145-150	943	64	1,016	0
MRS K GRIFFIN Director of Human Resources and Organisational Development*	2.5-5	0-2.5	40-45	110-115	716	60	783	0
MRS M JOHNSON Director of Nursing & Patient Experience *	2.5-5	10-12.5	50-55	155-160	1,036	107	1,154	0
DR RJ BROWN Director of Quality & Transformation (Leaver 1st September 2017) *	0-2.5	0	5-10	0	59	13	91	0

## Pension Benefits (continued)

### Notes

\* Posts are shared between South Tyneside NHS Foundation Trust and City Hospitals Sunderland NHS Foundation Trust. Full pension figures attributed to the employee have been disclosed in the table above pro-rated for the period in post rather than the amount chargeable to the Trust.

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

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

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

CETV calculation is not applicable for C Harries as over NRA in existing scheme

## Pay multiples (information in this section is audited)

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

The banded remuneration of the highest paid Director in South Tyneside NHS Foundation Trust in the financial year 2017/18 was £170-175k (2016/17 was £245-£250k). This was 6.00 times (2016/17 was 8.67 times) the median remuneration of the workforce, which was £28,746 (2016/17 £28,462). In 2017/18, seven (2016/17, one) employees received remuneration in excess of the highest-paid Director. Remuneration ranged from £15k to £215k (2016/17 £5k to £247k).

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

The main reason for the change in the multiple (an decrease of c.31%) is that the banded remuneration of the highest paid Director has decreased a result of the majority of Director posts being joint appointments across South Tyneside NHS Foundation Trust and City Hospitals Sunderland NHS Foundation Trust. The median has remained largely the same. The remuneration of the highest paid Director reflects the share of the salary that the Trust has paid, which is a change from 2016/17 where this reflected the full-time salary. The remuneration paid for this post is comparable with peers of similar sized Trusts.

In 2017/18 the pay award of 1% was applied to all staff.

Expenses paid to Governors and Directors during the reporting period were as follows:

<b>Expenses paid to Governors during the reporting period</b>	<b>2017/18</b>	<b>2016/17</b>
Total number of governors (in-year)	31	32
Number of governors receiving expenses in the reporting period	3	3
Aggregate sum of expenses paid to governors (to the nearest £00)	£315.84	£103
<b>Expenses paid to Directors during the reporting period</b>	<b>2017/18</b>	<b>2016/17</b>
Total number of Directors in office	14	17
Number of Directors receiving expenses in the reporting period	0	2
Aggregate sum of expenses paid to Directors (to the nearest £00)	£0	£8,454

Michelle Arrowsmith, Chief Operating Officer, received £8,000 expenses in 2016/17 in relation to relocation costs. Dr Wahid received reimbursement of expenses in relation to a training course.



**Ken Bremner**  
**Chief Executive**  
**Date: 23<sup>rd</sup> May 2018**

## **Annual Governance Statement 2017/18**

### **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 South Tyneside 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 South Tyneside 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**

The Trust is committed to a Risk Management Strategy, which minimises risks to patients, staff, the public and other stakeholders through a common framework of internal control, based on an ongoing risk management process. The strategy identifies the key principles, milestones and operational policies governing the management of all types of risk faced by the organisation. This strategy is subject to regular review.

The Audit Committee meets regularly and is well represented ensuring scrutiny, monitoring, discussion and input. The Finance and Performance Committee reports to the Board and includes reporting on internal Cost Improvement Programmes, which are examined in detail by the Finance and Performance Committee. Finance Reports are presented in a format consistent with those submitted to NHS Improvement. The Governance Committee leads the work of the Clinical Governance Steering Group and Corporate Governance Steering Group. The Board receives appropriate, timely information and reports from the Governance Committee via a monthly 'Quality, Risk and Assurance' (QRA) report, enabling adequate and appropriate assessment of risk and management of performance in relation to quality, patient safety, clinical effectiveness and patient experience.

As part of the ongoing process of review, the Trust's top risks (previously adopted by the Board) were scrutinised to ensure that they properly reflected the risks which were identified in the departmental Risk Registers. During the year, the Board formally signed off the Board Assurance Framework. In addition the South Tyneside

and Sunderland Healthcare Group Board (comprising the Chairs and Vice Chairs of South Tyneside and City Hospitals Sunderland NHS Foundation Trusts, plus the joint Chief Executive) signed off a 'Group' Risk Register, recognising that some risks were wider than an individual Trust and were related to the process of working more closely together. The Trust's risk management programme comprises:

- A single incident reporting process for all risks and hazards identified by systematic risk assessment, risk management review and adverse incidents reporting;
- A system which allows for real time assessment of all risks and mitigating actions;
- A common grading framework and risk register / risk action planning process applied to all types of risk across the organisation;
- A comprehensive programme of multi-level risk management training for all new and existing staff;
- Ongoing monitoring and review of both internal and external risk management performance indicators at all levels across the organisation; and
- A communication strategy which ensures appropriate levels of communication and consultation with both internal and external stakeholders.

### **The risk and control framework**

The Trust's Board Assurance Framework (BAF):

- Identifies the principal objectives of the Trust and the principal risks to achieving them;
- Sets out the controls to manage these risks;
- Documents assurances about the effectiveness of the operation of the controls; and
- Identifies to the Board where there are significant control weaknesses and/or lack of assurance.

These high level objectives and the principal risks to achieving them are underpinned by the detailed risks and associated actions set out in the Trust's risk registers. Responsibility for the overall Board Assurance Framework lies with Board of Directors. The Board uses the framework to ensure that the necessary planning and risk management processes are in place to provide assurance that all key risks to compliance with the requirements of the Trust's Provider Licence have been appropriately identified and addressed.

The use of a common grading structure for incidents and risks ensures that relative risks and priorities are assessed consistently across all directorates. No risk is treated as acceptable unless the existing situation complies with relevant guidance and legislation (e.g. Control of Infection, National Patient Safety Agency, Health and Safety, Standing Financial Instructions etc.).

The establishment of a dedicated risk management team and programme of risk management training, including use of the intranet, ensures that the strategy is co-ordinated across the whole organisation and progress is reported effectively to the Board, it's Governance Committee, Audit Committee and other relevant sub committees.

The Trust's Board Assurance Framework incorporates the need to achieve compliance with the Care Quality Commission's requirements. This is assessed in-year by the Clinical Governance Steering Group and the Corporate Governance Steering Group reviewing in detail compliance against the relevant standards.

The Board Assurance Framework is based on the Trust's strategic objectives and an analysis of the principal risks to the Trust achieving those objectives. The key controls, which have been put in place to manage the risks, have been documented and the sources of assurance for individual controls have been identified. The main sources of assurance are those relating to internal management controls, the work of internal audit, clinical audit and external audit, and assessments by external bodies such as the Care Quality Commission, NHS Resolution and the Health and Safety Executive.

The involvement of external stakeholders in the Trust's risk management programme is a key element of the Trust's Risk Management Strategy. This involves timely communication and consultation with external stakeholders in respect of all relevant issues as they arise.

This process applies in particular to the involvement of external stakeholders in patient safety and the need to co-ordinate how risks are managed across all agencies, including the National Patient Safety Agency, the Medicines and Healthcare Products Regulatory Agency, Local Authority Adult and Children's Services, the Coroner, the emergency services, representative patient groups and local Clinical Commissioning Groups.

Key risks facing the Trust during 2017/18 included:

- Working closely with NHS Improvement during 2017/18 to review the financial position of the Trust in-year, working closely with its alliance partner City Hospitals Sunderland NHS Foundation Trust;
- Delivering the challenging Cost Improvement Target on top of maintaining the achievements from prior years;
- Managing the spend level for agency workers within the financial 'cap' set by NHS Improvement;
- Managing financial performance against the Control Total;
- Managing delivery of the Sustainability and Transformation Fund (STF) including the financial and performance requirements in year;
- Managing the capacity challenges of a 'Single Executive and Management Team' across South Tyneside NHS Foundation Trust and City Hospitals Sunderland NHS Foundation Trust during the year;
- Maintaining the relevant performance standards including the 18-week target for 95% of admitted patients in-year across all specialties, the maximum 4 hour wait for A&E attendances and the 62 day cancer targets;
- Managing infection rate targets including MRSA and the Clostridium Difficile targets; and
- Maintaining the standards required by the Care Quality Commission to maintain compliance with the Provider Licence requirements.

The Trust has considered the requirements of FT condition 4 of the Provider Licence at the Board of Directors meeting held in April 2018 relating to governance

arrangements and is required to comply with the requirements detailed within this condition, specifically relating to:

- The effectiveness of governance structures;
- The responsibilities of Directors and sub-committees;
- The reporting lines and accountabilities between the Board, its sub-committees and the Executive Team;
- The submission of timely and accurate information to assess risks to compliance with the Trust's Provider Licence; and
- The degree of rigour of oversight that Board has over the Trust's performance.

The Board sub-committees include the Governance Committee, Audit Committee and Finance and Performance Committee. As of April 2017, the Boards of both South Tyneside NHS Foundation Trust and City Hospitals Sunderland NHS Foundation Trust established joint committees with a view to enhancing oversight of joint risks, avoiding duplication where possible, and supporting the shared vision going forward for both Trusts. These joint committees are: Workforce Committee; Strategy Committee; Policy Committee; Patient Carer and Public Experience Committee (PCPEC) and Remuneration Committee. Each has a distinct role around governance or performance management and provides opportunities for Board members at Executive and Non-Executive level to review in detail the key risks for the organisation and actions being taken to mitigate these risks.

The PCPEC includes patient and stakeholder representative membership from both Trusts, including Healthwatch, to support better understanding of these risks from a clinical and patient perspective. Minutes from all committees are presented to the Board during the year. The Board receives monthly information relating to progress on performance, finance and quality metrics, with actions to address any areas of concern. A key issues report is developed following each committee meeting and is circulated to the Board to raise awareness of any key risks as swiftly as possible.

A 'Quality Risk and Assurance Report' (QRA) was developed in 2016/17 and has continued to be developed during 2017/18 to provide a more visual approach to the management of quality metrics. The report is a standing monthly report at the Executive Committee, Governance Committee and Board of Directors and also includes a 'patient story' demonstrating Trust performance at individual patient level. The report also includes the work of the Mortality Review Group which undertake a review of deaths to better analyse the quality of care prior to expected death and whether there are any improvements required in clinical or organisational care. The process is consistent across the Northern region and has been recognised as good practice.

The QRA report is the first formal item on the Board of Directors agenda recognising the importance placed on quality governance and patient safety. The report focuses on clinical effectiveness, patient experience, patient safety, risk management and assurance, drawing upon the work of relevant committees and groups including the Governance Committee, the Patient, Carer and Public Experience Committee, Clinical Governance Steering Group, Corporate Governance Steering Group and the Mortality Review Group, and includes feedback from independent external benchmarking, audit or other sources of information about the Trust's performance.

The Executive Committee, Finance and Performance Committee and the Board of Directors receive a monthly Performance Report detailing the performance against national, local and CQUIN indicators. The report identifies areas of concern and the lead Director highlights actions undertaken to manage the area of concern.

NHS Improvement's Single Oversight Framework sets an expectation for Foundation Trusts to carry out an external review of their leadership and governance every three to five years. The guidance 'Developmental Reviews of Leadership and Governance using the Well-led Framework' now includes key lines of enquiry to reflect a strengthened focus on: leadership; culture; system-working; and quality improvement. The new guidance also reflects NHSI's commitment to working more closely with the CQC, by underpinning the CQC's regulatory assessments of the well-led domain. As the Trust were subject to a Well-Led Inspection by the CQC during the year, the Trust decided not to commission a further externally-led review of governance and leadership. This will be further reviewed during 2018/19.

The Board of Directors has assessed itself against the NHS Foundation Trust Code of Governance requirements and considers the Trust as fully compliant. The Corporate Governance Statement is presented to the Board of Directors for formal sign-off each year. The Board considers the proposed submission and associated evidence including work undertaken in year to improve compliance with relevant standards.

The 2017/18 financial year, was the first full year of a Single Executive and Management Team working across both South Tyneside and City Hospitals Sunderland NHS Foundation Trusts. As part of the 'South Tyneside and Sunderland Healthcare Group', a Memorandum of Understanding and Terms of Reference with membership from the Joint Chief Executive, Chairs from both Trusts and Non-Executive Directors from both Trusts was previously developed. A joint Strategy Committee has been established across both Trusts to oversee the development of a joint strategic vision. The appointment of a Communications lead is part of the development of a communications strategy to ensure that staff, Governors and other stakeholders across both organisations are supported with robust communications and engagement processes.

South Tyneside NHS Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission (CQC). The Trust delivered the improvements required following the inspection of hospital and community services of the Trust by the CQC in 2015 and continued to ensure that the improvements were truly embedded across the organisation. This included the lifting of the Section 29A Warning Notice following an inspection of the Safeguarding Children Service, acknowledging the improvements in systems and processes within the service. In October 2017 and December 2017 the Trust were subject to a further Well Led Inspection by the CQC with the report being published in March 2018. The Trust received an overall rating of 'requires improvement' and the CQC recognised the improvements made by the Trust since the 2015 inspection and several ratings at service level improved in some domains from 'requires improvement' to 'good'. The Trust also maintained a rating of 'outstanding' for the Caring domain.

Individual and organisational learning from incidents, mistakes, accidents and near misses is a key component of the Trust's risk management strategy to ensure continual improvement. Clinical Incidents are reviewed by the Clinical Incident

Review Group which reports to the Clinical Governance Steering Group. An update on the work of the Clinical Incident Review Group is also included in the Quality, Risk and Assurance Report.

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 the Trust'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 Trust's strategic planning and performance management arrangements ensure that all directorates are fully engaged in the continuous review of business objectives and performance.

The Trust uses an 'Objectives, Goals, Strategies and Measures' (OGSM) framework as its strategic planning tool to provide a cascade process for the Trust's priorities and ensure optimal alignment of Trust resources to deliver its priorities.

Key elements of the Trust's arrangements for ensuring value for money in the delivery of its services are:

- An Annual OGSM planning process, which sets out priorities for the coming business year and reflects the requirements of, and feedback from, our major Commissioners and stakeholders;
- Performance management through regular reporting against the key deliverables set out in the corporate, directorate and departmental OGSMs and against national and local targets; and
- The achievement of efficiency savings through the Trust's Cost Improvement Programmes with regular review by the Trust's Finance and Performance Committee.

Given the continuing financial pressures on the public sector, this year has been a particularly difficult one for all public sector organisations with the focus on delivering the financial Control Total, reducing costs, coping with peaks in demand whilst improving the quality of patient care. As we have been working more closely under an Alliance arrangement with City Hospitals Sunderland NHS Foundation Trust, this year, the OGSM was not revisited in detail as there is a longer term goal to work more closely together and gradually align key strategic objectives. The development of a joint vision across the Alliance under the badge of 'Path to Excellence' is the

start of a longer term process and the OGSM and planning processes will be updated to reflect this approach in future years.

The focus on cost reduction has been led by the Finance and Performance Committee which ensures detailed scrutiny of Cost Improvement Programmes as well as gaining an in-depth knowledge of the underlying financial position of the Trust. The continuation and development of the 'Programme Management Group' to support the Finance and Performance Committee in its review of detailed programmes and individual projects has been welcomed by the Committee.

The Trust has had a gradually reducing cash balance over the last few years, and during 2018/19 will be accessing deficit funding in the form of interim cash support loans to support the underlying position. This has been factored into the plan, including the interest payments required. The development of the financial recovery plan is crucial to the longer term sustainability of the Trust.

The Executive Committee, the Board of Directors and Council of Governors are actively involved in the business planning and performance management processes established by the Trust and in maintaining strong links with stakeholders. During 2017/18 the Trust has:

- Embedded the work of the Programme Management Office (PMO);
- Contributed to the development of a region wide 'Sustainability and Transformation Plan';
- Worked closely with partners City Hospitals Sunderland NHS Foundation Trust, South Tyneside Clinical Commissioning Group and Sunderland Clinical Commissioning Group to develop an approach to managing the financial risk across the 'Local Health Economy';
- Engaged with clinical leaders to start the development of a longer term financial sustainability plan; and
- Held Governor development sessions to inform Governors of the longer term planning process.

Additional assurance in respect of the Trust's arrangements for ensuring economy, efficiency and effectiveness in the use of resources is provided to the Board of Directors through the conduct of regular reviews undertaken by Internal Audit and by External Audit work undertaken in accordance with the Audit Code.

As part of reviewing the financial sustainability of the organisation, the Trust has worked more closely with partners within the local health economy (South Tyneside and Sunderland) but also across the wider Sustainability and Transformation Partnership (STP) area, to assess joint opportunities to reduce cost but maintain quality of services that we provide. To facilitate these discussions the Trust agreed 'block' contracts with its major commissioners to minimise financial risk across the system. Provider sustainability funding will continue to be received in 2018/19 linked to the achievement of the financial Control Total and A&E performance. This is a risk for 2018/19 which has been recognised by the Board of Directors in the Annual Plan submission to NHS Improvement.

## **Information Governance**

The risk to data security is being managed and controlled through the monthly Information Governance Strategy Group, with quarterly updates to Corporate Governance Steering Group. The Information Governance Toolkit assessments are conducted as required, and an annual report is produced confirming the outcome in readiness for the submission by 31<sup>st</sup> March 2018. This report is presented to Executive Committee and Board of Directors for approval. For the submission on 31<sup>st</sup> March 2018, all Information Governance requirements were assessed at Level 2 or above (31 at level 2 and 13 at level 3 and one requirement had been deemed as not relevant) which resulted in the Trust being classified as 'Satisfactory' – 'Green', with a total score of 76%. Internal Audit has independently substantiated this assessment.

The Trust did not report any Level 2 Information Governance Incidents during the financial year 1<sup>st</sup> April 2017 – 31<sup>st</sup> March 2018.

## **Annual Quality Report**

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

Over the past year, the Clinical Governance Steering Group has reviewed progress against a range of 'quality' issues on a regular basis. This group, the data previously reported and external reports (eg national clinical audits, peer reviews etc) have shaped our clinical quality improvement plans. The group has also reviewed trends and themes in relation to incidents, complaints and litigation and used the data to inform quality improvement of services.

The Clinical Governance Steering Group, as our key group for the monitoring of clinical quality and patient safety, provides reports to the Governance Committee which in turn is a sub-committee of the Board. The Governance Committee receives these reports which provide assurance or highlight any risks to quality or patient safety. The Corporate Governance Steering Group in parallel to the Clinical Governance Steering Group reports to the Governance Committee on any non-clinical risks or quality issues e.g. in facilities, information governance etc. In turn, risks to quality identified through these mechanisms, are escalated through to the Board.

Quality Report metrics are also regularly reported throughout the year to the Board of Directors and Executive Committee. These indicators are all reported (along with a number of other metrics) as part of the Trust's Performance Reporting.

Most of the data used for these metrics is extracted directly from the hospital's information systems. Where applicable, the systems have been designed to conform to national data standards so that when the data is extracted it is already in a format consistent with national requirements and coding standards. The data is coded according to the NHS Data Model and Dictionary, which means that any

performance indicators based upon this data can be easily prescribed and that the Trust is able to provide data that is both consistent nationally, and fit for purpose. Work has commenced to review the data quality and assurance processes at the Trust to provide further assurance that the performance and quality data, upon which the Board places reliance in gaining assurance, is reliable and fit for purpose.

In summary, a substantial proportion of the data used as part of this Quality Report has been previously reported to Board of Directors, Governance Committee, Clinical Governance Steering Group, Corporate Governance Steering Group and Executive Committee throughout 2017/18 and feedback from these forums has been used to set future priorities. These arrangements have ensured that a balanced view on quality can be provided through the Quality Report for 2017/18.

With respect to setting the priorities for 2018/19 a consultation exercise has been undertaken. Consultation has taken place with the Clinical Governance Steering Group, Corporate Governance Steering Group, Executive Committee, Council of Governors, Board of Directors, and Local Commissioners, Healthwatch and the Local Authority Health Overview and Scrutiny Committee, to ensure that the Quality Report includes views from key stakeholders.

### **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, the Executive Directors and Clinical Leads within the Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Report attached to this Annual Report and other performance information available to me. My review is also informed by comments made by the External Auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and Governance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board and its committees have a key role in maintaining and reviewing the effectiveness of the system of internal control.

The Executive Committee and Board of Directors have received regular reports on the development of the Trust's risk management framework, in particular through the work of the Governance Committee. The Governance Committee receives reports from the Clinical Governance Steering Group and Corporate Governance Steering Group and coordinates the implementation of action plans through the Trust's risk register mechanism.

The Governance Committee has received regular reports on sources of external assurance including evidence from the CQC, national reviews and other independent evidence. Participation in audits and clinical research programmes helps us to review our performance and standards across a wide range of areas. We participate in national and local audits and implement a range of developments and changes as a result. These are detailed further in our Quality Report.

The Finance and Performance Committee have played an important scrutiny role and helped to ensure that efficiency plans are maximised by robust challenge and escalation of key issues to the Board.

The Audit Committee is comprised of Non-Executive Directors. Its role is to ensure that the Trust's financial systems and controls are working effectively and to monitor progress and assurance. Escalation processes to the Trust are established for all sub-committees. The outcome of Internal Audit reviews has been considered throughout the year through regular reports to the Audit Committee. The Board of Directors receives and considers the minutes of the Audit Committee where necessary. The Head of Internal Audit provides a separate report to me as Accounting Officer of the work undertaken during the year.

### **Conclusion**

My review confirms that no significant internal control issues have been identified.



**Ken Bremner**  
**Chief Executive**  
**Date: 23<sup>rd</sup> May 2018**

## Health and Safety Report 2017/18

The Health and Safety Team have again successfully achieved continued certification to BS OHSAS 18001 which is the recognised international standard for our Occupational Health and Safety Management System following a day audit of our internal processes, documentation and practice. South Tyneside NHS Foundation Trust's Health and Safety Team were the first Health and Safety Team to achieve compliance to this standard in the NHS in England, and we are the only Health and Safety Team in the NHS to have achieved this level of certification for more than seven years.

For the fourth year running the Health and Safety Team has successfully achieved compliance with the Contactor's Health and Safety Assessment Scheme (CHAS) for the Trust which supports the Trust's business development activity by ensuring evidence of Health and Safety compliance, with robust systems being embedded in the Trust, to satisfy the pre-qualification questionnaire stage of the tendering process. We also have incorporated access to the client information database held within CHAS.

Our Internal Audit service, AuditOne, is supporting our commitment to continuous improvement through their annual Audit process of Health and Safety Activity. The Audit undertaken in June 2017 focussed on carrying out a high level Audit focussing on the provision of an effective and robust management system for Health and Safety in the Trust. We are using the 'Health, Safety and Wellbeing Partnership Group: Workplace Health and Safety Standards', revised in July 2013, as a template for assuring compliance within the Trust.

The Health and Safety Team is continuing to provide significant and focussed support to ensure compliance with the Safer Sharps Agenda providing advice and support at front line and managerial levels. We continue to support our Clinicians in producing a comprehensive generic suite of risk assessments relating to Medical Sharps with a generic procedure detailing their safe use, and have provided further support by arranging the Manufacturer's/Supplier's Training Representatives to deliver bespoke sessions in product use on the Trust main site, and in the Community. We are actively involved in the implementation of new Safer Sharps products within the Trust and we are still working closely with the Procurement Department to ensure the transition of the remaining non-safer sharp products.

One of our current key areas of focus is the further development of generic risk assessments, including substances at work, to ensure a wider understanding of the revisions to the task based risk assessments made under the Control of Substances Hazardous to Health (COSHH), with a continuing audit of compliance.

There have been 20 incidents reported to the Health and Safety Executive over the last year under Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR), an increase of 25% from the previous financial year. Of the 298 Health and Safety related incidents reported through Datix (a 0.3% reduction from the previous year), 94 were rated as no harm/near miss incidents (31%), 199 were classed as minor harm (67%), with only five incidents identifying moderate harm (2%). Analysis of the incidents showed no significant on-going trends with the exception of an on-going concern relating to needle-stick injuries,

with the Health and Safety Team providing managers with advice, guidance and support for this and all Health and Safety related issues.

The Health and Safety team have been heavily involved in the Trust's approach in the management and implementation of the Health and Safety (Sharp Instruments in Healthcare) Regulations since 2013. In the last financial year this team played a key role in the work undertaken in the cluster CCGs working with GP services to introduce safer needle systems for community diabetic patients. This particular area has contributed historically to the majority of needle stick injuries in the community nursing service managed by South Tyneside NHS Foundation Trust and was a direct response to the Trust's incident management process surrounding the management of needle stick injuries.

Of the 231 Workplace Assessments that have been referred to the Health and Safety Team, Occupational Health Team, and Ergonomics Team, 51 assessments required specific Health and Safety support following self-referrals, and referrals from managers. The reports and associated action plans are benefitting teams and individuals by identifying actions required to improve the working environment and workplace. The Health and Safety Team, working closely with the Ergonomics Team, have provided significant support to individuals and teams within the Trust through the current round of workplace and organisational change.

The Health and Safety Group meets on a bi-monthly basis and successfully provides a decision making forum for all Health and Safety issues, providing Board Assurance, and incorporates reports from other specialist teams within the Trust including Occupational Health, Security, Ergonomics and Wellbeing, Environmental Management, Fire Safety, Infection Prevention and Control and Estates and Facilities.

## **Sustainability Report**

### Sustainability and Climate Change

Climate change is now recognised as one of the greatest threats facing the world today and can be seen as one of the greatest societal challenges as global communities join together to reduce its effects in the social, economic and environmental arena.

A more sustainable NHS will mean improved working environments, greater cost savings, and a better service to the community as well as reduced environmental impact.

For the Trust to deliver our excellent patient-focused healthcare services, both now and long into the future, we need to be sustainable in our use of resources. This includes natural resources (our environment), social resources (our people, patients and communities) and financial resources (our budget). Working towards sustainable development will also impact on health outcomes. Increases in chronic conditions such as obesity, diabetes, asthma, hypertension and heart disease are in part caused by adverse environmental factors such as poor air quality, poor quality food, over-reliance on cars, and badly-designed environments limiting opportunities for physical activity. Mental health and health inequalities are also linked to these factors.

An NHS Foundation Trust must reduce emissions of greenhouse gases and manage the impacts of climate change and we recognise our role in reducing carbon dioxide emissions and the benefits of doing so.

We participate fully in the Carbon Reduction Commitment Energy Efficiency Scheme and work with partners to identify evidence and reduce our emissions. The NHS Carbon Reduction Strategy requires that by 2020, the NHS as a whole will have reduced carbon emissions by 35% from a 1990 baseline. Targets set by the Climate Change Act for future years are a 65% reduction by 2030 and 80% reduction by 2050.

We recognise that our organisation needs to be a visible and effective public sector contributor to sustainable development in general, and carbon reduction in particular. To do this, we need to operate efficiently, conscious of our core role in delivering safe and cost effective health care, whilst simultaneously operating economically and ethically, recognising our broader obligations to the health of the population and the planet as a good corporate citizen.

South Tyneside NHS Foundation Trust is committed to undertaking the Sustainable Development Assessment tool (SDAT). This online self-assessment tool, developed by the NHS Sustainable Development Unit (SDU), will help inform the organisation in their sustainable development work, and support the effective measurement of our progress.

Alongside carbon reduction work, we have undertaken a major review of our waste and how waste is disposed of. We have made waste management a key priority and worked hard to introduce wider recycling for a wide variety of waste types and over the course of the year, have achieved our target of over 75% of all of our non-clinical waste streams, which was previously sent for landfill, now being recycled. We have also invested in additional compactor equipment to support both our general and recycled waste streams to reduce single bin collections from our sites and consolidate collections. The Trust has constructed several new internal and external waste holds to ensure legal compliance through greater segregation of both our clinical and non-clinical bagged waste streams.

This year, the Trust has again worked to raise awareness of sustainability in the workplace with a number of targeted sustainability events supported by our partner organisations and contractors to engage with staff and encourage a community approach to increase recycling and reduce electricity and water consumption.

#### Carbon Emissions and Carbon Reduction Commitment:

The Carbon Reduction Commitment (CRC) Energy Efficiency Scheme is a UK Government scheme, designed to improve energy efficiency and cut carbon dioxide (CO<sub>2</sub>) emissions in private and public sector organisations that are high energy users.

The Environment Agency administers the scheme for the UK and regulates the scheme in England. Energy already covered under climate change agreements and the EU Emissions Trading System is not included in CRC. CRC operates in phases.

Phase 1 ran from 1 April 2010 – 31 March 2014. We are now in phase 2 that runs from 1 April 2014 to 31 March 2019.

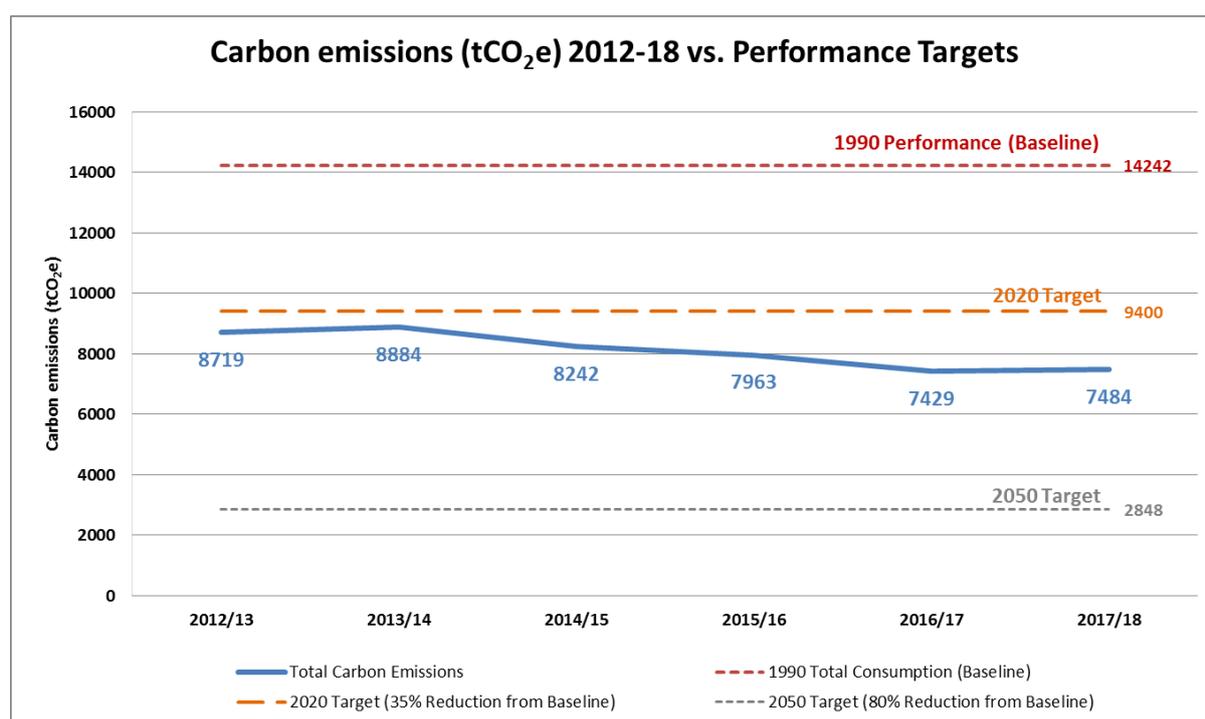
For each phase, there is a qualification year. Organisations that meet certain criteria during the qualification year will need to register for the next phase of CRC. The qualification year for phase 2 was between 1 April 2012 and 31 March 2013. South Tyneside NHS Foundation Trust qualified and are registered with the Environment Agency at the start of phase 2, for the whole phase. In each compliance year, an organisation that has registered for CRC needs to do the following:

- collate information about its energy supplies
- submit a report about its energy supplies
- buy and surrender allowances equal to the CO<sub>2</sub> emissions it generated
- tell the Environment Agency about changes to its organisation that could affect its registration (designated changes)
- keep records about its energy supplies and organisation in an evidence pack

In the Budget on 16 March 2016, the Chancellor of the Exchequer announced that the Government has decided to close the CRC scheme following the 2018-19 compliance year. Doing this will significantly streamline the business energy tax landscape by replacing it, in a revenue neutral way, with an increase in the Climate Change Levy.

Organisations will report under the CRC for the last time by the end of July 2019 and surrender allowances for emissions from energy supplied in the 2018-19 compliance year by the end of October 2019.

So whilst the scheme is still in operation, we continue to monitor our Carbon emissions, measured in tonnes (tCO<sub>2</sub>e), and purchase and surrender allowances equal to the CO<sub>2</sub> emissions. The following clarifies that in 1990, our emissions were 14,242 tCO<sub>2</sub>e:



Working from the 1990 baseline for Carbon Emissions Reduction, the Trust has achieved our 2020 target of a 35% reduction in Carbon emissions. Utilising the same baseline the Trust has reduced tCO<sub>2</sub>e by 47.54% to date. The target for 2050 is an 80% reduction on 1990 baseline, whilst this will be a challenge, significant investment in our new Energy Centre including Combined Heating and Power (CHP) Unit will generate renewable energy and whilst saving money on utilities consumption, equally importantly will be a major contribution towards the tCO<sub>2</sub>e target reduction.

The Trust's Sustainability Management Plan has been reviewed to ensure that we have a consistent approach to effective sustainable management with the primary aim to protect the environment from our acts or omissions and reduce the Trust's exposure to risks. It also takes into account new and emerging technologies in particular, the management of food waste.

South Tyneside NHS Foundation Trust delivers a complex level of services in both the acute and community settings. To support our sustainability responsibilities we continue to review our Estate to maximise our efficiency in resource planning and delivery. This is to ensure that we maximise our accommodation, which will in the longer term require more flexible working arrangements around space and review energy impact in comparison to staff utilisation of space occupancy.

We will seek to continue to deliver our Sustainability Management Plan into 2018/19 with a view to promoting greater awareness of the importance of sustainability.

### **Other languages**

The text of this report can be made available in several languages or also tape. It is also available on CD in PDF format which can be read in Adobe Acrobat. Contact the Finance Department, at the address below for details.

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# INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS AND BOARD OF DIRECTORS OF SOUTH TYNESIDE NHS FOUNDATION TRUST

## Report on the audit of the financial statements

### Opinion

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**In our opinion the financial statements of South Tyneside NHS Foundation Trust (the 'Foundation Trust') and its subsidiaries (the 'Group'):**

- **give a true and fair view of the state of the Group's and Foundation Trust's affairs as at 31/03/18 and of the Group's and Foundation Trust's income and expenditure for the year then ended;**
- **have been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and**
- **have been prepared in accordance with the requirements of the National Health Service Act 2006.**

We have audited the financial statements which comprise:

- the Group and Foundation Trust Statements of Comprehensive Income;
- the Group and Foundation Trust Statements of Financial Position;
- the Group and Foundation Trust Statements of Cash Flow;
- the Group and Foundation Trust Statements of Changes in Taxpayers' Equity; and
- the related notes 1 to 25.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts.

### Basis for opinion

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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 Foundation Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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.

### Material uncertainty relating to going concern

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We draw attention to note 1 in the financial statements, which indicates that the Group did not achieve its plan for 2017/18 which was an operational deficit of £5.192m (excluding STF funding). The Group's cash position was £12.628m. Looking forward the Group is planning to deliver an operational deficit of £16.990m in 2018/19. The Trust will be reliant on interim cash support from the Department of Health throughout 2018/19. Interim support has been made available in April 2018 and May 2018 and there is an expectation this will continue for the whole of the financial year 2018/19 although this has not been formally agreed.

The Foundation Trust has identified additional funding is required before the end of 2018/19 to support the Foundation Trust in meeting its liabilities which is yet to be formally agreed. Without additional funding, the Group will have insufficient working capital to meet its liabilities as they fall due.

In response to this, we:

- reviewed the Group's financial performance in 2017/18 including its achievement of planned cost improvements in the year;

- held discussions with management to understand the current status of contract negotiations with its commissioners and the funding arrangements that have been agreed, confirming to signed loan agreements and regarding management's expectation around further funding requirements;
- reviewed the Group's cash flow forecasts and the Group's financial plan submitted to NHS Improvement;
- challenged the key assumptions used in the cash flow forecasts;
- assessed the consistency and historical accuracy of the budgeting process used by the Group.

As stated in note 1, these events or conditions, along with the other matters as set forth in note 1 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Foundation Trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Summary of our audit approach

<b>Key audit matters</b>	<p>The key audit matters that we identified in the current year were:</p> <ul style="list-style-type: none"> <li>• <i>Going concern see "material uncertainty relating to going concern section"</i></li> <li>• <i>Arrangements to secure value for money – financial sustainability and response to Care Quality Commission (CQC) inspection</i></li> <li>• <i>NHS Revenue and Provisions</i></li> </ul> <p>Within this report, any new key audit matters are identified with  and any key audit matters which are the same as the prior year identified with .</p>
<b>Materiality</b>	The materiality that we used for the Group financial statements was £3.7m which was determined on the basis of approximately 2% of income.
<b>Scoping</b>	All audit work for the Group was performed directly by the Group audit engagement team and accounts for 99% of the Group's net assets and 98% of the Group's deficit for the year.
<b>Significant changes in our approach</b>	Property valuations was not been identified in 2017/18 as a key audit matter as there were not any significant changes to the Modern Equivalent Asset- Alternate Site approach.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

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.

In addition to the matter described in the material uncertainty relating to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

## NHS revenue and provisions

### Key audit matter description



As described in note 1, Accounting Policies, there are significant judgements in recognition of revenue from care of NHS patients and in provisioning for disputes with commissioners due to:

- the complexity of the Payment by Results regime, in particular in determining the level of overperformance and Commissioning for Quality and Innovation revenue to recognise;
- the judgmental nature of provisions for disputes, including in respect of outstanding overperformance income for quarters 3 and 4;

Details of the Group's income, including £160m of Commissioner Requested Services, is shown in note 3.4 to the financial statements. NHS receivables are shown in note 11.1 to the financial statements.

The majority of the Group's income comes from South Tyneside CCG, increasing the significance of associated judgements.

### How the scope of our audit responded to the key audit matter



We evaluated the design and implementation of controls over recognition of Payment by Results income.

We performed detailed substantive testing on a sample basis of the recoverability of overperformance income and adequacy of provision for underperformance through the year, and evaluated the results of the agreement of balances exercise.

We have challenged management's assumptions and corroborated management explanations to documentary evidence, such as correspondence with commissioners, and minutes of relevant meetings and the Trust's record of settling similar matters.

We have reviewed actual performance income from Commissioners based on year end performance, and compared this to amounts accrued within the financial statements.

We have agreed baseline contract income to underlying contracts for 2017/18 and reviewed with management the key changes and any open areas in setting 2018/19 contracts, to consider whether, taken together with the settlement of current year disputes, there are any indicators of inappropriate adjustments in revenue recognised between periods.

### Key observations



*We concur with the accounting treatment adopted by the Trust and did not identify any misstatements that were reportable to the audit committee.*

## Value for Money – Financial Sustainability and Response to Care Quality Commission Inspection

### Key audit matter description



The Trust is required to make proper arrangements for securing economy, efficiency and effectiveness in the use of resources. Under the guidance issued by the National Audit Office, we are required to perform a risk assessment to identify any potential areas of significant risk to value for money that require further work to be performed. We identified a significant risk relating to the financial sustainability of the Trust as described in the Key Financial Risks section of the Performance Report, and a significant risk in relation to the Trust's response to results from the latest CQC inspection as described in the Overview section of the Performance Report.

We identified financial sustainability as a key audit matter in 2017/18 as the Trust had an NHS Improvement risk rating of 3 and The Trust declared during 2017/18 that it would not meet its control total. One of the main drivers for the deficit and the resulting declaration that the Trust would not meet its control total was delivery of the Cost Improvement Plan (CIP) savings.

We identified the Trust's response to the CQC inspection since it was subject to a CQC inspection during 2017/18, and had previously received a 'Requires Improvement' inspection in 2015.

**How the scope of our audit responded to the key audit matter**



We compared the Trust's reported deficit of £10.2m against the control total of £0.9m deficit.

We reviewed the Trust's CIP delivery in 2017/18, including the extent to which this was delivered recurrently. We reviewed the Trust's progress in developing CIP savings for 2018/19.

We reviewed the Trust's current NHSI Use of Resources (UoR) rating of 3 and the Trust's forecasted rating of 3 for 2018/19.

We reviewed the Trust's progress in agreeing a control total for 2018/19 with NHSI.

We agreed that the Trust is not subject to any formal action from NHSI.

We reviewed the Trust's plans for greater partnership working with City Hospitals Sunderland NHS FT and the programme of service reviews designed to achieve medium term financial sustainability.

We reviewed the findings of the CQC inspection report issued in March 2018 and noted that a number of improvements have been delivered since the previous inspection in 2015.

We evaluated whether the circumstances giving rise to a material uncertainty related to the Trust's ability to continue as a going concern (see 'Material uncertainty related to going concern' section above) constituted a matter to report by exception as regards the Trust's arrangements for securing Value for Money.

**Key observations**



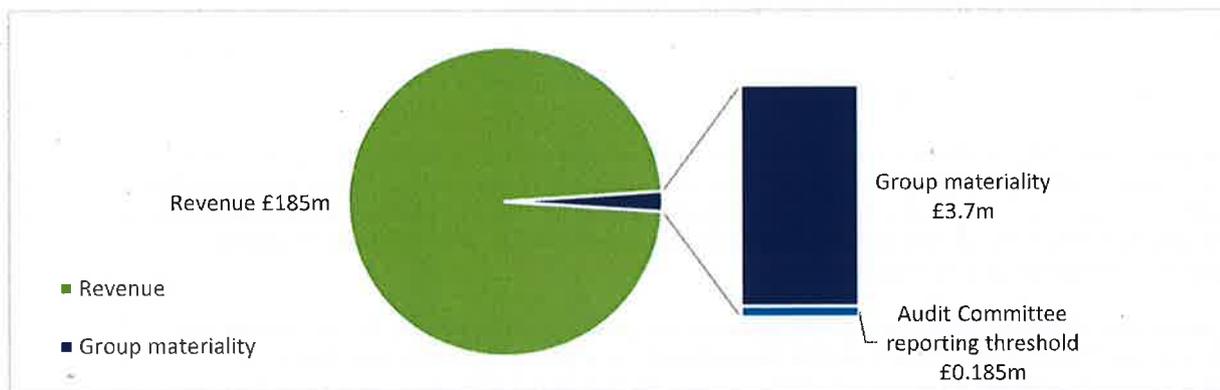
We have no matters to report by exception in regard to the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

**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 both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Foundation Trust financial statements
<b>Materiality</b>	£3.7m (2016/17: £4.01m)	£3.65m (2016/17: £3.98m)
<b>Basis for determining materiality</b>	2% of total income (2016/17: 2% of revenue)	2% of revenue (2016/17: 2% of revenue)
<b>Rationale for the benchmark applied</b>	<i>Total income was chosen as a benchmark as the Foundation Trust is a non-profit organisation, and revenue is a key measure of financial performance for users of the financial statements. The substantial majority of the group's operations are carried out by the Trust.</i>	



We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £185k (2016/17: £201k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

### An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including internal controls, and assessing the risks of material misstatement at the Group level.

The focus of our audit work was on the Foundation Trust, with work performed at the Foundation Trust's head offices in South Tyneside directly by the audit engagement team, led by the audit partner.

We performed a full scope audit over the Foundation Trust which accounts for 99% of the Group's net assets and 98% of the deficit for the year.

At the Group level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement in the aggregated financial information of the remaining components that are not subject to audit or audit of specified account balances.

### Other information

The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

**We have nothing to report in respect of these matters.**

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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 obtained in the audit 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.

### **Responsibilities of accounting officer**

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As explained more fully in the accounting officer's responsibilities statement, the accounting officer is responsible for the preparation of the financial statements and 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.

In preparing the financial statements, the accounting officer is responsible for assessing the Group's and the Foundation 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 accounting officer either intends to liquidate the Group or the Foundation Trust or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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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 FRC'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**

#### **Opinion on other matters prescribed by the National Health Service Act 2006**

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In our opinion:

- the parts of the Directors' Remuneration Report and Staff Report to be audited have been properly prepared in accordance with the National Health Service Act 2006; and
- the information given in the Performance Report and the Accountability 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

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### *Annual Governance Statement, use of resources, and compilation of financial statements*

Under the Code of Audit Practice, we are required to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit;
- the NHS Foundation Trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; or
- proper practices have not been observed in the compilation of the financial statements.

***We have nothing to report in respect of these matters.***

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

### *Reports in the public interest or to the regulator*

Under the Code of Audit Practice, we are also required to report to you if:

- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the Foundation Trust, or a director or officer of the Foundation Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

***We have nothing to report in respect of these matters.***

## Certificate

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We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

## Use of our report

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This report is made solely to the Council of Governors and Board of Directors ("the Boards") of South Tyneside NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards 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 Foundation Trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Thomson ACA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Newcastle upon Tyne  
24 May 2018

## **FOREWORD TO THE FINANCIAL STATEMENTS**

### **SOUTH TYNESIDE NHS FOUNDATION TRUST**

These financial statements for the year ended 31 March 2018 have been prepared by the South Tyneside NHS Foundation Trust under Schedule 7 of the National Health Service Act 2006, paragraphs 24 and 25 and in accordance with directions given by Monitor, the sector regulator for health services in England.

**Ken Bremner**  
**Chief Executive**  
**23rd May 2018**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED  
31 MARCH 2018**

	Group 31 Mar 2018 £000	Trust 31 Mar 2018 £000	Group 31 Mar 2017 £000	Trust 31 Mar 2017 £000	
<b>Operating income</b>	3.1	185,425	183,001	200,586	199,010
<b>Operating expenses</b>	4	(194,085)	(191,525)	(205,905)	(204,295)
<b>Operating deficit</b>		<u>(8,660)</u>	<u>(8,524)</u>	<u>(5,319)</u>	<u>(5,285)</u>
<b>Finance costs</b>					
Finance income	6	32	71	28	43
Finance costs - financial liabilities	7	(288)	(288)	(237)	(237)
Finance costs - unwinding of discount and change in discount rate on provisions		(3)	(3)	(27)	(27)
PDC dividends payable		<u>(1,549)</u>	<u>(1,549)</u>	<u>(1,911)</u>	<u>(1,911)</u>
<b>Net finance costs</b>		<u>(1,808)</u>	<u>(1,769)</u>	<u>(2,147)</u>	<u>(2,132)</u>
Gains on disposals of assets		90	90	27	27
<b>DEFICIT FOR THE YEAR</b>		<u>(10,378)</u>	<u>(10,203)</u>	<u>(7,439)</u>	<u>(7,390)</u>
<b>Other comprehensive income:</b>					
Impairments		(33)	(33)	(7,957)	(7,957)
Revaluations	9.1	10,759	10,759	574	574
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE YEAR</b>		<u>348</u>	<u>523</u>	<u>(14,822)</u>	<u>(14,773)</u>

The notes on pages 6 to 59 form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Note	Group 31 Mar 2018 £000	Trust 31 Mar 2018 £000	Group 31 Mar 2017 £000	Trust 31 Mar 2017 £000
<b>NON-CURRENT ASSETS</b>					
Intangible assets	8	244	230	190	176
Property, plant and equipment	9	82,884	82,496	73,864	73,393
Trade and other receivables	11.1/11.2	246	1,241	292	1,193
<b>Total non-current assets</b>		<b>83,374</b>	<b>83,967</b>	74,346	74,762
<b>CURRENT ASSETS</b>					
Inventories	10	2,206	2,206	2,028	2,028
Trade and other receivables	11.1/11.2	8,603	9,158	12,079	12,284
Cash and cash equivalents	17	12,628	12,006	6,162	5,800
<b>Total current assets</b>		<b>23,437</b>	<b>23,370</b>	20,269	20,112
<b>CURRENT LIABILITIES</b>					
Trade and other payables	12.1	(19,039)	(18,925)	(10,935)	(10,729)
Borrowings	14	(4,731)	(4,731)	(2,529)	(2,529)
Provisions for liabilities and charges	15	(617)	(617)	(144)	(144)
Other liabilities	13	(1,407)	(1,407)	(1,613)	(1,613)
<b>Total current liabilities</b>		<b>(25,794)</b>	<b>(25,680)</b>	(15,221)	(15,015)
<b>NON-CURRENT LIABILITIES</b>					
Borrowings	14	(17,247)	(17,247)	(16,970)	(16,970)
Provisions for liabilities and charges	15	(346)	(346)	(353)	(353)
<b>Total non-current liabilities</b>		<b>(17,593)</b>	<b>(17,593)</b>	(17,323)	(17,323)
<b>TOTAL ASSETS EMPLOYED</b>		<b>63,424</b>	<b>64,064</b>	62,071	62,536
<b>TAXPAYERS' EQUITY</b>					
Public dividend capital		44,589	44,589	43,584	43,584
Revaluation reserve		20,711	20,711	10,439	10,439
Income and expenditure reserve		(1,876)	(1,236)	8,048	8,513
<b>TOTAL TAXPAYERS' EQUITY</b>		<b>63,424</b>	<b>64,064</b>	62,071	62,536

The financial statements on pages 1 to 60 were approved and authorised for issue by the Board of Directors on 24 May 2018 and signed on their behalf by:

Signed:

(Chief Executive)

Date: 23 May 2018

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2018**

	Note	Group			Trust				
		Total £000	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000
<b>Taxpayers' equity at 1 April 2017</b>		62,071	43,584	10,439	8,048	62,536	43,584	10,439	8,513
Deficit for the year		(10,378)			(10,378)	(10,203)			(10,203)
Impairments	9.1	(33)		(33)		(33)		(33)	
Revaluations gains and losses - property, plant and equipment	9.1	10,759		10,759	0	10,759		10,759	0
Asset disposals		0		(60)	60	0		(60)	60
Public dividend capital received		1,005	1,005			1,005	1,005		
Historic cost depreciation adjustment		0	0	(394)	394	0	0	(394)	394
<b>Taxpayers' equity at 31 March 2018</b>		<b>63,424</b>	<b>44,589</b>	<b>20,711</b>	<b>(1,876)</b>	<b>64,064</b>	<b>44,589</b>	<b>20,711</b>	<b>(1,236)</b>

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED MARCH 2017**

	Note	Group				Trust			
		Total £000	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000
<b>Taxpayers' equity at 1 April 2016</b>		<b>76,893</b>	<b>43,584</b>	<b>18,469</b>	<b>14,840</b>	<b>77,309</b>	<b>43,584</b>	<b>18,469</b>	<b>15,256</b>
Deficit for the year		(7,439)	0	0	(7,439)	(7,390)	0	0	(7,390)
Impairments*	7.2	(7,957)	0	(7,957)	0	(7,957)	0	(7,957)	0
Revaluations gains and losses - property, plant and equipment	9.3	574	0	574	0	574	0	574	0
Asset disposals		0	0	(1)	1	0	0	(1)	1
Historic cost depreciation adjustment		0	0	(646)	646	0	0	(646)	646
<b>Taxpayers' equity at 31 March 2017</b>		<b>62,071</b>	<b>43,584</b>	<b>10,439</b>	<b>8,048</b>	<b>62,536</b>	<b>43,584</b>	<b>10,439</b>	<b>8,513</b>

\* Impairments relate to a change in the accounting estimate for the measurement of fair value of property from a modern equivalent asset basis to a modern equivalent asset basis based on an alternative site.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	Group 31 Mar 2018 £000	Trust 31 Mar 2018 £000	Group 31 Mar 2017 £000	Trust 31 Mar 2017 £000
Note				
<b>Cash flows from operating activities</b>				
Operating deficit	(8,660)	(8,524)	(5,319)	(5,285)
<b>Operating deficit</b>	<b>(8,660)</b>	<b>(8,524)</b>	<b>(5,319)</b>	<b>(5,285)</b>
<b>Non-cash income and expense:</b>				
Depreciation and amortisation	4.1 5,107	5,030	5,312	5,272
Impairments	4.1 444	444	8,782	8,782
Non-cash donations credited to income	(211)	(211)	(236)	(236)
Decrease/(increase) in trade and other receivables	3,389	2,945	(732)	(1,386)
(Increase)/decrease in inventories	(178)	(178)	118	118
Increase/(decrease) in trade and other payables	7,835	7,923	(9,248)	(9,441)
Decrease in other liabilities	(206)	(206)	(577)	(577)
Increase/(decrease) in provisions	466	466	(4,188)	(4,188)
Other movements in operating cash flows	(3)	(1)	6	6
<b>Net cash generated used in operations</b>	<b>7,983</b>	<b>7,688</b>	<b>(6,082)</b>	<b>(6,935)</b>
<b>Cash flows used in investing activities</b>				
Interest received	32	71	28	43
Purchase of intangible assets	(145)	(145)	0	0
Purchase of property, plant and equipment	(2,384)	(2,389)	(7,475)	(6,968)
Receipt of cash donations to purchase capital assets	211	211	0	0
Sales of property, plant and equipment	274	274	30	30
<b>Net cash used in investing activities</b>	<b>(2,012)</b>	<b>(1,978)</b>	<b>(7,417)</b>	<b>(6,895)</b>
<b>Cash flows from financing activities</b>				
Public dividend capital received	1,005	1,005	0	0
Loans received from Independent Trust Financing Facility	4,500	4,500	8,000	8,000
Loans repaid to the Independent Trust Financing Facility	(3,280)	(3,280)	(1,501)	(1,501)
Capital element of finance lease repayments	(27)	(27)	0	0
Interest paid	(273)	(273)	(237)	(237)
Interest element of finance lease repayments	(14)	(13)	0	0
PDC dividend paid	(1,416)	(1,416)	(2,103)	(2,103)
<b>Net cash generated from financing activities</b>	<b>495</b>	<b>496</b>	<b>4,159</b>	<b>4,159</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>6,466</b>	<b>6,206</b>	<b>(9,340)</b>	<b>(9,671)</b>
<b>Cash and cash equivalents at 1 April</b>	<b>6,162</b>	<b>5,800</b>	<b>15,502</b>	<b>15,471</b>
<b>Cash and cash equivalents at 31 March</b>	<b>12,628</b>	<b>12,006</b>	<b>6,162</b>	<b>5,800</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting policies and other information

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2017/18 issued by the Department of Health 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 GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to accounts.

#### 1.1 Accounting convention

These financial statements have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and certain financial assets and liabilities.

#### 1.2 Going Concern

As discussed further in the performance report on page 36, the Board of Directors has a reasonable expectation that the Trust will have adequate financial resources to continue in operational existence for the foreseeable future. Although the Group did not achieve its plan for 2017/18 which was an operational deficit of £5.192m (excluding STF funding), the group's cash position was £12.628m. Looking forward the Group is planning to deliver an operational deficit of £16.990m in 2018/19. The Trust will be reliant on interim cash support from the Department of Health and Social Care throughout 2018/19. Interim support has been made available in April 2018 and May 2018 and there is an expectation this will continue for the whole of the financial year 2018/19 although this has not been formally agreed. These conditions constitute a material uncertainty that may cast significant doubt over the Trust's ability to continue as a going concern. For further information on this matter see page 36. The Directors have therefore prepared these financial statements on a going concern basis.

#### 1.3 Continuing and discontinued operations, mergers and acquisitions

An operation is classified as discontinued when either:

- (a) it is classified as held for sale; or
- (b) the activities have ceased without transferring to another entity; or
- (c) the activities have been transferred to an entity outside the boundary of Whole of Government Accounts, such as the private or voluntary sectors.

Operations not satisfying all these conditions are classified as continuing.

Activities transferred to or from other bodies within the boundary of Whole of Government Accounts are "machinery of government changes" and are treated as continuing operations and accounted for as a transfer by absorption.

Activities acquired from outside the Whole of Government Accounts boundary are accounted for in accordance with IFRS 3.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.4 Consolidation

##### *NHS Charitable Fund*

The Trust is required to consolidate any material charitable funds which it determines to be subsidiaries. Since the requirement was introduced the Trust has not consolidated the charitable fund in the financial statements on the grounds of the fund not being material.

The South Tyneside Trust General Charitable Fund is registered with the Charity Commission (registered number 1059500). As at the 31 March 2017, the value of the funds was £1,427k. As at 31 March 2018 the value of the funds is estimated as £1,341k. This represents an estimated net decrease in value of £86k.

South Tyneside Trust General Charitable Fund's principal office is based at South Tyneside NHS Foundation Trust, South Tyneside District Hospital, Harton Wing, Harton Lane, South Shields, NE34 0PL.

##### *Other Subsidiaries*

Subsidiary entities are those over which the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to minority interests are included as a separate item in the Statement of Financial Position.

The amounts consolidated are drawn from the published financial statements of the subsidiaries for the year. Where subsidiaries' accounting policies are not aligned with those of the Trust (including where they report under UK GAAP) then amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains/losses are eliminated in full on consolidation.

South Tyneside Foundation Trust is the sole shareholder of STFT Holdings Limited which is in turn the sole shareholder of three limited companies, South Tyneside Integrated Care Limited, Gateshead Integrated Care Limited and Sunderland Integrated Care Limited. The financial statements of two of these subsidiaries, STFT Holdings Limited and South Tyneside Integrated Care Limited, have been consolidated into these group financial statements. The remaining subsidiaries Gateshead Integrated Care Limited and Sunderland Integrated Care Limited are dormant and have taken advantage of the exemption to file individual financial statements under Section 394A of the Companies Act.

All the Trust's subsidiaries are registered in the United Kingdom and their reporting period runs from 1 April to 31 March; in line with the Trust's reporting period.

There are no significant restrictions on the Trust's ability to access or use the assets and settle the liabilities of the group.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.5 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with commissioners in respect of healthcare services.

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

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

The Trust accounts for income due on partly completed spells of patient care. Income is accrued based on length of stay using an average bed day rate for the appropriate specialty. Differences between these accruals and the actual income due when the spell is completed are accounted for in the year of completion.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.6 Expenditure on employee benefits

##### Short-term employee benefits

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

##### Pension costs

###### *NHS Pension Scheme*

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

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment.

###### *National Employment Savings Trust (NEST)*

The Pensions Act 2008 (the Act) introduced a new requirement for employers to automatically enrol any eligible job holders working for them into a workplace pension scheme that meets certain requirements and provide a minimum employer contribution. The Trust implemented auto-enrolment on 1 May 2013.

Where an employee is eligible to join the NHS Pension Scheme then they will be automatically enrolled into this scheme, even if they have previously opted out. However, where an employee is not eligible to join the NHS Pension Scheme (e.g. flexible retiree employees and employees in the subsidiary companies then an alternative scheme must be made available by the Trust.

The Trust has chosen NEST as an alternative scheme. NEST is a defined contribution pension scheme that was created as part of the government's workplace pensions reforms under the Pensions Act 2008.

Employers' pension cost contributions for both schemes are charged to operating expenses as and when they become due.

###### *Local Government Pension Scheme (LGPS)*

South Tyneside Integrated Care Limited is a member of the South of Tyne and Wear Pension Fund, a Local Government Pension Scheme operated by South Tyneside Council. The fund is a defined benefit pension scheme. The scheme assets and liabilities attributable to employees can be identified, however they are not included in these group accounts due to the timings of the valuation. Their exclusion for 2017/18 is not material to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.6 Expenditure on employee benefits (continued)

The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The net interest cost during the year arising from the unwinding of the discount on the net scheme liabilities is recognised within finance costs. Remeasurements of the defined benefit plan are recognised in the income and expenditure reserve and reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Further details of the schemes are provided at Note 5.5 to the financial statements.

#### 1.7 Expenditure on other goods and services

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

#### 1.8 Property, plant and equipment

##### Recognition

Expenditure on property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- it is expected to be used for more than one financial year; and
- the cost of the item can be measured reliably.

In order for expenditure on property, plant and equipment to be capitalised it must also:

- individually have a cost of at least £5,000; or
- form a group of assets which individually have a cost of more than £250, collectively have a cost of at least £5,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- form part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

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.

##### Measurement

###### *Valuation*

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. The carrying values of property, plant and equipment are reviewed for impairment in years if events, or changes in circumstances, indicate the carrying value may not be recoverable. The costs arising from financing the construction of the property, plant and equipment asset are not capitalised but are charged to the Statement of Comprehensive Income in the year to which they relate.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.8 Property, plant and equipment (continued)

An item of property, plant and equipment which is surplus to the Foundation Trust's requirements 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.

All assets are measured subsequently at fair value.

##### (a) Property assets

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

Fair values are determined as follows:

Land and non specialised buildings – market value for existing use;

For non-operational properties including surplus land, the valuations are carried out at open market value;  
Specialised buildings – depreciated replacement cost.

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.

The Trust complies with the above by valuing its land and buildings property using a Modern Equivalent Asset Valuation (MEAV) on an alternative site basis. The valuation is undertaken by professionally qualified valuers in accordance with Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The Trust's external valuer is the District Valuer (North) based at the Durham Valuation Office.

IAS 16 requires that the carrying value of property is not materially different to fair value at the Statement of Financial Position date. In order to meet this requirement the Trust has contracted with the District Valuer (North) to provide a rolling programme of revaluation. An interim valuation has been carried out in 2017/18, including a physical inspection of any properties where material capital expenditure had taken place in the year. A further interim valuation will be carried out in 2018/19 followed by a full valuation in 2019/20. The previous valuation was carried out in 2014/15. Where assets are subject to significant volatility or where a change in year indicates a material difference in the valuation then annual revaluations may be required and will be assessed on an annual basis.

Additional alternative open market value figures have only been supplied for operational assets scheduled for imminent closure and subsequent disposal.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.8 Property, plant and equipment (continued)

##### (b) Non-property assets

The Trust elects to adopt a depreciated historical cost basis as a proxy for fair value for assets that have short useful lives or low values (or both). For depreciated historical cost to be considered as a proxy for fair value, the useful life must be a realistic reflection of the life of the asset and the depreciation method used must provide a realistic reflection of the consumption of that asset class.

Equipment surplus to requirements is valued at net recoverable amount.

##### *Subsequent expenditure*

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the Trust and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the year in which it is incurred.

##### *Depreciation and amortisation*

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use.

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as assessed by the NHS Foundation Trust's professional valuers. Leaseholds are depreciated over the primary lease term.

Equipment is depreciated on current cost evenly over the estimated life. Estimated equipment lives are:

Plant and machinery	5 - 15 years
Transport equipment	7 years
Furniture and fittings	7 - 10 years
Information technology	5 - 8 years

Lives are initially set when equipment is first brought into use and are then re-assessed on a yearly basis.

##### *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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.8 Property, plant and equipment (continued)

Revaluation losses that do not arise from a loss of economic benefit 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 DH GAM, impairments that arise from a clear consumption of economic benefits or service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of :

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

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

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

##### **De-recognition**

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

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

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and would instead be treated as a surplus asset in accordance with IFRS 13.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.9 Transfer by absorption

Assets and liabilities received through transfers by absorption are recognised at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The corresponding net credit or debit reflecting the gain or loss is recognised within income or expenditure as appropriate but outside of operating activities.

The pre-transfer income, expenses, assets and liabilities of the Trust are not adjusted to include any pre-transfer activity of the function.

For property, plant and equipment assets and intangible assets the costs and accumulated depreciation (or amortisation) amounts from the transferring entity's financial statements are preserved when the assets are recognised in the Trust's financial statements.

Where any assets received had an attributable revaluation reserve balance in the transferring entity's financial statements, this is preserved in the Trust's financial statements by transferring the relevant amount from the income and expenditure reserve to the revaluation reserve.

#### 1.10 Donated assets

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

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

#### 1.11 Intangible assets

##### Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only 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.

Intangible assets are capitalised when they are capable of being used in a Trust's activities for more than one year; they can be valued; and they have a cost of at least £5,000.

All intangible assets held by the Trust relate to 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.

Purchased computer software licences are capitalised as intangible assets where expenditure of at least £5,000 is incurred and amortised over the shorter of the term of the licence and their useful economic lives.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.11 Intangible assets (continued)

##### 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 carried at depreciated historical cost as, due to the short useful life of the asset, this is not considered to be materially different from fair value.

##### Amortisation

Intangible assets are amortised on a straight line basis over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

The standard life for software intangible assets ranges from 3 – 5 years dependent upon the asset.

#### 1.12 Revenue, government and other grants

Government grants are grants from Government bodies other than income from NHS bodies 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.

Grant income relating to assets is recognised within income when the Trust becomes entitled to it, unless the grantor imposes a condition that the future economic benefits embodied in the grant are to be consumed as specified by the grantor and if it is not, the grant must be returned to the grantor.

Where such a condition exists, the grant is recognised as deferred income within liabilities and carried forward to future financial years to the extent that the condition has not yet been met. There are currently no unfulfilled conditions or other contingencies associated with any grants the Trust is in receipt of.

#### 1.13 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the First In, First Out (FIFO) method.

#### 1.14 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.

These balances exclude monies held in the NHS Foundation Trust's bank account belonging to patients (see note 1.27 Third Party Assets).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.15 Financial instruments and financial liabilities

##### Recognition

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

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described in note 1.16.

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

##### De-recognition

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

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

##### Classification and measurement

Financial assets are categorised as 'Loans and receivables'.

Financial liabilities are classified as 'Other Financial liabilities'.

##### Loans and receivables

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

The Group's loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income and other receivables.

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

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

##### Other financial liabilities

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.15 Financial instruments and financial liabilities (continued)

Impairment losses on such assets are charged to the bad debt provision when there is an indication that part or all of the debt may not be recoverable. The carrying value of the asset is only written off once agreed by the Executive Director of Finance and Corporate Governance in line with delegated limits. At that stage any amount charged to the bad debt provision in respect of that asset is written off against the carrying value, with any difference being charged to the Statement of Comprehensive Income.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to Finance Costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

#### **Impairment of financial assets**

At the Statement of Financial Position date, the Trust assesses whether any financial assets are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

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

#### 1.16 Leases

##### **The Trust as lessee**

##### ***Finance leases***

Where substantially all risks and rewards of ownership of a leased asset are borne by the NHS Foundation Trust, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for as an item of property, plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost by apportioning each rental payment between a finance charge and a reduction of the lease obligation using the sum of digits method. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability is de-recognised when the liability is discharged, cancelled or expires.

##### ***Operating leases***

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.16 Leases (continued)

##### The Trust as lessor

###### *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 charged to income and expenditure as incurred.

#### 1.17 Provisions

The NHS Foundation Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount, for which it is probable that there will be a future outflow of cash or other resources, and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rate which varies from -2.40% to -1.56% in real terms dependent upon the time base of the cash outflow (2016/17, -2.70% to -0.80%). The only exception to this is early retirement provisions and injury benefit provisions which both use the HM Treasury's pension discount rate of 0.10% (2016/17 - 0.24%) in real terms.

###### *Clinical negligence costs*

The NHS Resolution (formerly NHS Litigation Authority) operates a risk pooling scheme under which the NHS Foundation Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS Foundation Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the NHS Foundation Trust is disclosed in note 15 as "other legal claims" but it is not recognised in the Trust's financial statements.

###### *Non-clinical risk pooling*

The NHS Foundation Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to the NHS Litigation Authority and in return receives assistance with the costs of claims arising. The annual membership contributions, and any 'excesses' payable in respect of particular claims are charged to operating expenses when the liability arises.

###### *Redundancy*

The NHS Foundation Trust makes provision for any redundancy costs in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

#### 1.18 Contingent liabilities

Contingent liabilities are not recognised, but are disclosed in note 16, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.18 Contingent liabilities (continued)

- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

#### 1.19 Value Added Tax

Most of the activities of the NHS Foundation Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of property, plant and equipment assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

#### 1.20 Public dividend capital

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

A charge, reflecting the cost of capital utilised by the NHS foundation trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS foundation trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets (including lottery funded assets), (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the financial statements. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the financial statements.

#### 1.21 Corporation tax

STFT Holdings Limited and South Tyneside Integrated Care Limited are wholly owned subsidiaries of South Tyneside NHS Foundation Trust and are subject to corporation tax on profits. Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the individual profit and loss accounts of the two organisations except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities, for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted on the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

The main rate of UK Corporation Tax changed from 20% to 19% with effect from 1 April 2017. The rate will reduce further to 18% on 1 April 2020

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **1 Accounting policies and other information (continued)**

#### **1.22 Foreign exchange**

The functional and presentation currencies of the Trust are sterling.

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

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date, monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March.

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

The Trust had minimal monetary foreign exchange transactions and no non-monetary foreign exchange transactions in the year.

#### **1.23 Losses and special payments**

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However, the losses and special payments note is compiled directly from the losses and compensations register which reports on an accruals basis with the exception of provisions for future losses.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.24 Accounting standards that have been issued but have not yet been adopted

The following table presents a list of recently issued accounting standards and amendments which have not yet

Standard	Change Published	Impact on Group
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.	Minimal as the group holds limited financial instruments and no complex financial instruments
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.	Limited - the majority of revenue is received from commissioners and is recognised either monthly as a block contract or in line with PbR.
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.	All leases will be brought on to the SoFP. The main change will be the Group's lease cars which are currently recognised in revenue.
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.	Minimal - the Group does not act as an insurer
IFRIC 22 Foreign Currency Transactions and Advance Consideration	Application required for accounting periods beginning on or after 1 January 2018.	Limited - the Group has very few foreign currency transactions
IFRIC 23 Uncertainty over Income Tax Treatments	Application required for accounting periods beginning on or after 1 January 2019.	Limited - the Group's tax arrangements include few uncertainties

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.25 Accounting standards issued that have been adopted early

There are no accounting standards that have been adopted early.

#### 1.26 Critical accounting judgements and key sources of

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future years.

##### 1.26.1 Critical judgements in applying accounting policies

The following are critical judgements, apart from those involving estimations (see 1.26.2) that management has made in the process of applying the Trusts accounting policies and that have most significant effect on the amounts recognised in the financial statements.

The Trust has made critical judgements, based on accounting standards, in the classification of leases and arrangements containing a lease. The Trust assessed each contract potentially incorporating a lease in accordance with IAS 17 - Leases and applied the appropriate accounting treatment.

##### 1.26.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Under IAS 37, provisions totalling £963,462 were made for probable transfers of economic benefits in respect of risk pooling, pension costs of former employees and injury benefit pensions.

#### 1.27 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the financial statements since the NHS Foundation Trust has no beneficial interest in them. However, they are disclosed in a separate note to the financial statements in accordance with the requirements of the HM Treasury's Financial Reporting Manual.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2 Segmental analysis

IFRS 8 requires disclosures of the results of significant operating segments. The standard provides for the information on income, expenses, surplus/deficit, assets and liabilities to be disclosed on the same basis as that used for internal reporting to the Chief Operating Decision Maker (CODM). The CODM is the Board of Directors.

Following the integration of community services, clinical services provided by the Trust have been restructured. Clinical services consist of two divisions which have similar economic characteristics, products, services and processes. They operate under the same regulatory framework and within the core business of healthcare within the same economic environment i.e. the UK economy. Clinical services is reported to the Board as one segment and the divisions are considered to meet the aggregation tests under the standard. The Trust has therefore concluded that a single segment of Healthcare should be reported in the financial statements.

The net surplus and total assets and liabilities for the single segment of Healthcare are therefore as disclosed in the Statement of Comprehensive Income for the Trust.

	<b>Group</b>	<b>Trust</b>	Group	Trust
	<b>Year Ended</b>	<b>Year Ended</b>	Year Ended	Year Ended
	<b>31 Mar 2018</b>	<b>31 Mar 2018</b>	31 Mar 2017	31 Mar 2017
	<b>Healthcare</b>	<b>Healthcare</b>	Healthcare	Healthcare
	<b>£000</b>	<b>£000</b>	£000	£000
<b>Income</b>				
Income from activities	174,360	171,026	181,761	181,761
Other Operating Income	11,065	11,975	18,825	17,249
<b>Total Income</b>	<b>185,425</b>	<b>183,001</b>	<b>200,586</b>	<b>199,010</b>
<b>Deficit by segment</b>				
Operating Deficit as reported to the Board of Directors	(8,660)	(8,524)	(5,319)	(5,285)
<b>Deficit per Statement of Comprehensive Income</b>	<b>(10,378)</b>	<b>(10,203)</b>	<b>(7,439)</b>	<b>(7,390)</b>
<b>Segment net assets</b>	<b>63,424</b>	<b>64,064</b>	<b>62,071</b>	<b>62,536</b>

The underlying deficit as reported to the Board of Directors in the year was £11.175m. This being the deficit report on the Statement of Comprehensive Income of £10.378m, less impairments of £0.444m, less Sustainability and Transformation Funding received of £0.118m relating to 2016/17 and of £1.123m for incentive funding.

The Trust's revenues derive mainly from healthcare services provided to patients under contracts with commissioners within England. The main commissioners of services from the Trust, accounting for over 82% of revenues, are South Tyneside Clinical Commissioning Group (54%), Sunderland Clinical Commissioning Group (17%), Newcastle Gateshead Clinical Commissioning Group (4%), NHS England Cumbria and North East Local Office and North East Commissioning Hub (7%). Details of total income received from these commissioners during 2017/18 are shown in note 19.

South Tyneside NHS Foundation Trust is the sole shareholder of STFT Holdings Limited which is in turn the sole shareholder of three limited companies, South Tyneside Integrated Care Limited, Gateshead Integrated Care Limited and Sunderland Integrated Care Limited. These financial statements of these companies are consolidated in to these Group financial statements. STFT Holdings Limited made a surplus in the year of £86k, South Tyneside Integrated Care Limited made a loss of £260k, Sunderland Integrated Care Limited and Gateshead Integrated Care Limited were dormant throughout the financial year resulting in a net loss of £174k within the subsidiary organisations. All intercompany transactions have been netted out in the consolidated Group position.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 3 Income

## 3.1 Operating income

	Group Year Ended 31 Mar 2018 £000	Trust Year Ended 31 Mar 2018 £000	Group Year Ended 31 Mar 2017 £000	Trust Year Ended 31 Mar 2017 £000
<b>Income from activities</b>				
<b>Acute income</b>				
Elective inpatient income	10,434	10,434	10,997	10,997
Non elective income	34,451	34,451	32,301	32,301
Outpatient income	9,066	9,066	10,026	10,026
Accident and emergency income	9,579	9,579	5,812	5,812
Other NHS clinical income **	27,253	27,253	32,290	32,290
<b>Community income</b>				
Income from CCGs and NHS England	59,849	59,849	70,161	70,161
Income from other sources - incl local authorities	21,504	18,170	19,639	19,639
<b>Other Trust income</b>				
Private patient income	22	22	19	19
Other non protected income **	2,202	2,202	516	516
<b>Total income from activities</b>	<b>174,360</b>	<b>171,026</b>	181,761	181,761
<b>Other operating income</b>				
Research and development	662	662	694	694
Education and training	4,541	4,541	4,456	4,456
Received from NHS charities: Receipt of grants/donations for capital acquisitions	135	135	0	0
Received from other bodies: Receipt of grants/donations for capital acquisitions - Donation (i.e. receipt of donated asset)	76	76	236	236
Charitable and other contributions to expenditure	403	403	408	408
Non-patient care services to other bodies	509	999	297	297
Other ***	2,586	2,572	4,125	2,263
Rental revenue from operating leases - minimum lease receipts	776	1,210	749	1,035
Sustainability & Transformation Fund Income	1,241	1,241	7,600	7,600
Income in respect of staff costs where accounted on gross basis	136	136	260	260
<b>Total other operating income</b>	<b>11,065</b>	<b>11,975</b>	18,825	17,249
<b>TOTAL OPERATING INCOME</b>	<b>185,425</b>	<b>183,001</b>	200,586	199,010

Income in respect of staff costs includes charges to other Foundation Trusts for sessions carried out by Trust employed Consultants of £119,914 and charges to various organisations of other staff costs of £16,571.

Income from Other resources includes £3,333,948 in relation to income received from South Tyneside Local Authority for the service provision with Haven Court. Within 2016/17 this was accounted for within Other Operating Income. This income is included within consolidation.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 3 Income (continued)

3.1 Operating income (continued)	Group	Trust	Group	Trust
	Year Ended	Year Ended	Year Ended	Year Ended
** Analysis of income from activities: and other non-protected Income	31 Mar 2018	31 Mar 2018	31 Mar 2017	31 Mar 2017
	£000	£000	£000	£000
Critical care	2,988	2,988	3,427	3,427
Ward attenders	349	349	348	348
Chemotherapy	3,497	3,497	3,178	3,178
Direct access	1,430	1,430	1,400	1,400
Community therapy	1,955	1,955	2,092	2,092
Specialist nursing	747	747	678	678
Community medical	389	389	394	394
Wheelchair services	404	404	403	403
Immunisations	497	497	0	0
Restructuring costs	446	446	0	0
Other clinical specialties	679	679	818	818
Clinical services provided to other NHS organisations	2,235	2,235	2,846	2,846
Urgent care service	575	575	1,552	1,552
NHS Injury Cost Recovery Scheme	272	272	296	296
Acutely sick and injured children's pathway	536	536	3,242	3,242
Excluded drugs and devices	1,193	1,193	1,417	1,417
Ambulatory Care	1,687	1,687	1,363	1,363
Outpatient Diagnostics	1,199	1,199	1,445	1,445
Maternity Pathway	2,641	2,641	2,907	2,907
Other income	5,726	5,726	5,000	5,000
<b>Total other clinical income (NHS and non-protected)</b>	<b>29,445</b>	<b>29,445</b>	<b>32,806</b>	<b>32,806</b>

Other income includes Commission for Quality and Innovation (CQUIN) income for acute services based upon 2.50% of actual contracted activity £1,898,895 (2016/17 £1,799,376), Winter Resilience allocation £675,000 (2016/17 £750,000) and other income streams of £3,152,171 (2016/17 £2,470,188)

The total income relating to Commissioning for Quality and Innovation (CQUIN) for both acute and community services is £3,266,405 (2016/17 £3,248,686), the income relating to Community Services CQUIN of £1,251,293 (2016/17 £1,449,310) is included within Community Income from CCGs/NHS England.

The NHS Injury scheme income is subject to a provision for doubtful debts to reflect expected rates of collection. The Compensation Recovery Unit advise that there is a 22.84% in October 2017 (2016/17 22.94%) probability of not receiving the income. Following a review of local information the Trust has included a provision of 22.84% (2016/17 22.94%) in the financial statements for the year ended 31 March 2018.

## \*\*\* Analysis of Other Operating Income: Other

	Group	Trust	Group	Trust
	Year Ended	Year Ended	Year Ended	Year Ended
	31 Mar 2018	31 Mar 2018	31 Mar 2017	31 Mar 2017
	£000	£000	£000	£000
Car parking	589	589	608	608
Pharmacy sales	22	22	7	7
Catering	627	627	701	701
Property rentals	886	886	4	4
Other income*	462	448	2,805	943
<b>Total other income</b>	<b>2,586</b>	<b>2,572</b>	<b>4,125</b>	<b>2,263</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 3 Income (continued)

#### 3.2 Private patient income

The statutory limitation on private patient income in section 44 of the 2006 Act was repealed with effect from 1 October 2012 by the Health and Social Care Act 2012. The financial statements disclosures that were provided previously are no longer required.

The income disclosures required by Section 43(2A) of the 2006 Act, as amended by the 2012 Act, are included within the Trust's Annual Report.

#### 3.3 Overseas Visitors

	Group Year Ended 31 Mar 2018 £000	Trust Year Ended 31 Mar 2018 £000	Group Year Ended 31 Mar 2017 £000	Trust Year Ended 31 Mar 2017 £000
Income recognised in the year	11	11	9	9
Cash payments received in the year	11	11	12	12
Amounts added to provision for impairment of receivables	5	0	0	0
Amounts written off in the year	0	0	0	0

#### 3.4 Income from activities arising from Commissioner Requested Services (CRS) and all other services

	Group Year Ended 31 Mar 2018 £000	Trust Year Ended 31 Mar 2018 £000	Group Year Ended 31 Mar 2017 £000	Trust Year Ended 31 Mar 2017 £000
Income arising from Commissioner-Requested Services	160,165	160,165	171,753	171,753
Income arising from non-Commissioner-Requested Services	14,195	10,861	10,008	10,008
<b>Total income from activities</b>	<b>174,360</b>	<b>171,026</b>	<b>181,761</b>	<b>181,761</b>

Under the terms of its provider licence the Trust must provide specific healthcare services which are requested by Commissioners.

#### 3.5 Operating lease income

	Group Year Ended 31 Mar 2018 £000	Trust Year Ended 31 Mar 2018 £000	Group Year Ended 31 Mar 2017 £000	Trust Year Ended 31 Mar 2017 £000
Rents recognised as income in the year	776	1,210	749	1,035
<b>TOTAL</b>	<b>776</b>	<b>1,210</b>	<b>749</b>	<b>1,035</b>

#### Future minimum lease payments due

- not later than one year	768	1,202	753	1,184
- later than one year and not later than five years	2,481	4,219	2,425	4,152
<b>TOTAL</b>	<b>3,249</b>	<b>5,421</b>	<b>3,178</b>	<b>5,336</b>

The main sources of rental income from operating leases relates to property leased to Northumberland, Tyne and Wear NHS Foundation Trust for the provision of Mental Health Services.

In 2016/17 a new lease commenced between the Trust and the subsidiary for Haven Court. The duration of this lease is 25 years. This lease agreement is excluded on consolidation. Our subsidiary South Tyneside Integrated Care has a lease agreement with South Tyneside Council for elements of Haven Court. This contract is included on consolidation.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 4 Operating expenses

	Group	Trust	Group	Trust
	Year Ended	Year Ended	Year Ended	Year Ended
	31 Mar 2018	31 Mar 2018	31 Mar 2017	31 Mar 2017
	£000	£000	£000	£000
<b>4.1 Operating expenses by Type</b>				
Services from NHS Foundation Trusts	6,214	6,212	6,146	6,146
Services from NHS Trusts	1	1	1	1
Services from CCGs and NHS England	458	459	491	491
Services from other NHS Bodies	451	451	420	420
Purchase of healthcare from non NHS bodies	1,025	947	160	96
Employee Expenses - Executive directors	555	555	787	787
Employee Expenses - Non-executive directors	143	141	142	142
Employee Expenses - Staff	136,969	134,943	144,591	143,316
Supplies and services - clinical (excluding drug costs)	11,035	11,022	11,357	11,349
Supplies and services - general	1,807	1,720	2,052	2,000
Establishment	1,552	1,510	1,658	1,646
Research and development	784	784	681	681
Transport (business travel)	951	951	1,081	1,081
Transport (other)	345	310	306	306
Premises	6,680	6,554	5,820	5,698
Increase/(decrease) in provision for impairment of receivables	156	156	(577)	(577)
Drug costs	6,226	6,227	6,644	6,644
Rentals under operating leases - minimum lease payments	5,618	5,618	4,420	4,418
Depreciation on property, plant and equipment	5,016	4,939	5,196	5,160
Amortisation of intangible assets	91	91	116	112
Impairments of property, plant and equipment	444	444	8,782	8,782
Audit fees				
audit services - statutory audit	40	33	45	37
Other auditor remuneration				
other services	7	7	33	33
Clinical negligence	5,243	5,243	4,766	4,766
Legal fees	52	52	115	113
Consultancy costs	203	141	238	224
Internal Audit Costs	156	156	172	172
Training, courses and conferences	257	257	288	288
Patient travel			1	1
Redundancy	664	660	(426)	(426)
Early retirements	61	61	(129)	(129)
Hospitality	0	0	2	2
Insurance	210	210	215	215
Losses, ex gratia and special payments	102	102	75	75
Other	571	568	236	225
<b>Total</b>	<b>194,087</b>	<b>191,525</b>	<b>205,905</b>	<b>204,295</b>

Employers' pension contributions are included within employee expenses. Employee expenses for Executive Directors includes £55,040 (2016/17 £44,102) in respect of employer pension contributions.

Expenditure within other operating expenses for the year ended 31 March 2018 includes £173,928 (2016/17 £167,173) services from Local Authorities, £9,958 (2016/17 £17,350) for crèche payments, £78,984 (2016/17 £118,211) patient expenses, £26,925 (2016/17 £13,246) funeral expenses and the balance relates to CQC licence and other miscellaneous small costs.

Further details on the impairments of property, plant and equipment are shown in notes 7.2 and 9.8.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 4 Operating expenses (continued)

#### 4.2 Arrangements containing an operating lease

	Group Year Ended 31 Mar 2018 £000	Trust Year Ended 31 Mar 2018 £000	Group Year Ended 31 Mar 2017 £000	Trust Year Ended 31 Mar 2017 £000
Minimum lease payments	5,618	5,618	4,420	4,418
Less sublease payments received	0	0	0	0
<b>Total</b>	<b>5,618</b>	<b>5,618</b>	<b>4,420</b>	<b>4,418</b>

The Trust has a large number of leases with various suppliers. Of the minimum lease payments, £5,427,766 relates to building lease agreements, £108,824 relates to vehicles, £66,641 to photocopiers and £14,770 to the lease of mattresses.

#### 4.3 Timing of minimum operating lease future payments

	Group Year Ended 31 Mar 2018 £000	Trust Year Ended 31 Mar 2018 £000	Group Year Ended 31 Mar 2017 £000	Trust Year Ended 31 Mar 2017 £000
<b>Future minimum lease payments due:</b>				
- not later than one year;	2,485	2,485	3,269	3,268
- later than one year and not later than five years;	316	316	1,075	1,071
- later than five years	0	0	0	0
<b>Total</b>	<b>2,801</b>	<b>2,801</b>	<b>4,344</b>	<b>4,339</b>

#### 4.4 Auditor's remuneration

The audit fee for the statutory audit for the Trust and its subsidiary companies, including the assurance of the Quality accounts, was £47,420 (2016/17 £44,690) excluding VAT.

The engagement letter was signed on 26 January 2018.

There were no additional non-audit fees paid to Deloitte LLP during the year ending 31 March 2018 (2016/17 £33,000).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 5 Employee expenses and numbers

## 5.1 Employee expenses

	Group			Year Ended 31 Mar 2017 £000
	Total for Year Ended 31 March 2018 £000	Permanently employed £000	Other £000	
Salaries and wages	110,293	108,937	1,356	116,818
Social security costs	10,462	10,462	0	11,181
Apprenticeship Levy	519	519	0	0
Pension costs - defined contribution plans (Employers contributions to NHS Pensions)	12,548	12,548	0	13,624
Termination benefits	0	0	0	(555)
Agency/contract staff	4,349	0	4,349	4,850
<b>Total</b>	<b>138,171</b>	<b>132,466</b>	<b>5,705</b>	<b>145,918</b>

	Trust			Year Ended 31 Mar 2017 £000
	Total for Year Ended 31 March 2018 £000	Permanently employed £000	Other £000	
Salaries and wages	108,782	107,426	1,356	115,898
Social security costs	10,341	10,341	0	11,109
Apprenticeship Levy	512	512	0	0
Pension costs - defined contribution plans (Employers contributions to NHS Pensions)	12,462	12,462	0	13,570
Termination benefits	0	0	0	(555)
Agency/contract staff	4,048	0	4,048	4,621
<b>Total</b>	<b>136,145</b>	<b>130,741</b>	<b>5,404</b>	<b>144,643</b>

The total employer pension contribution payable in the year from 1 April 2017 to 31 March 2018 was £12,163,320 (2016/17 £13,282,590). This differs from the figure above as the latter includes adjustments such as pension costs for staff recharged by other bodies, and for annual leave accruals.

	Group Year Ended 31 Mar 2018 £000	Trust Year Ended 31 Mar 2018 £000
<b>Staff costs included with operating expenses (note 4.1)</b>		
Employee Expenses - Executive directors	555	555
Employee Expenses - Staff	136,967	134,943
Research and development	623	623
Redundancy*	24	24
Early retirements	0	0
<b>Staff costs included within operating expenses</b>	<b>138,169</b>	<b>136,145</b>
Staff costs capitalised as part of property, plant and equipment	147	147
<b>Total staff costs</b>	<b>138,316</b>	<b>136,292</b>

Redundancy costs includes those paid to date but excluding provisions.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**5 Employee expenses and numbers (continued)**

**5.2 Average monthly number of employees (whole time equivalent basis)**

	Group					
	Total Year Ended 31 Mar 2018	Permanently Employed	Other	Total Year Ended 31 Mar 2017	Permanently Employed	Other
	Number	Number	Number	Number	Number	Number
Medical and dental	200	188	12	224	186	38
Administration and estates	624	590	34	695	674	21
Healthcare assistants and other support staff	294	244	50	325	293	32
Nursing, midwifery and health visiting staff	1,684	1,635	49	1,838	1,739	99
Nursing, midwifery and health visiting learners	22	22	0	21	21	0
Scientific, therapeutic and technical staff	392	386	6	465	456	9
Healthcare science staff	38	32	6	12	7	5
Other	8	8	0	7	7	0
<b>Total</b>	<b>3,262</b>	<b>3,105</b>	<b>157</b>	<b>3,587</b>	<b>3,383</b>	<b>204</b>

	Trust					
	Total Year Ended 31 Mar 2018	Permanently Employed	Other	Total Year Ended 31 Mar 2017	Permanently Employed	Other
	Number	Number	Number	Number	Number	Number
Medical and dental	200	188	12	224	186	38
Administration and estates	619	585	34	688	667	21
Healthcare assistants and other support staff	283	233	50	262	242	20
Nursing, midwifery and health visiting staff	1,621	1,581	40	1,825	1,732	93
Nursing, midwifery and health visiting learners	22	22	0	21	21	0
Scientific, therapeutic and technical staff	392	386	6	465	456	9
Healthcare science staff	38	32	6	12	7	5
Other	7	7	0	7	7	0
<b>Total</b>	<b>3,182</b>	<b>3,034</b>	<b>148</b>	<b>3,504</b>	<b>3,318</b>	<b>186</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**5 Employee expenses and numbers (continued)**

**5.3 Staff exit packages**

Exit package cost and band	Number of compulsory redundancies	Cost of compulsory redundancies £	Number of other departures agreed	Cost of other departures agreed £	Total cost of exit packages by cost band £	Year Ended 31 Mar 2017 £
<£10,000	1	4,447	2	9,993	14,440	2,915
£10,000 - £25,000	0	0	2	25,681	25,681	0
£25,001 - £50,000	0	0	11	348,439	348,439	63,416
£50,001 - £100,000	0	0	3	251,060	251,060	0
£100,001 - £150,000	0	0	0	0	0	0
<b>Total number of exit packages by type - No</b>	<b>1</b>		<b>18</b>			<b>3</b>
<b>Total resource cost - £</b>		<b>4,447</b>		<b>635,173</b>	<b>639,620</b>	<b>66,331</b>

The compulsory redundancy costs arose as a consequence of restructuring in corporate service teams.

Non compulsory departure payments are as a consequence of restructure in corporate service teams.

Included within the above figures are provisions made in the financial statements for redundancy costs for the restructuring of the Long Term Conditions team by the Commissioners.

All exit packages relate to the Trust. There were no exit packages within the wider group.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 5 Employee expenses and numbers (continued)

#### 5.4 Early retirements due to ill health

During the year ended 31 March 2018 there were 3 early retirements from the Trust agreed on the grounds of ill health at an additional cost of £155,967 (2016/17 - 5 early retirements at a cost of £154,205). The cost of these retirements is borne by the NHS Litigation Authority.

#### 5.5 Retirement benefits

##### *NHS Pension Scheme*

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions).

Both schemes 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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 5 Employee expenses and numbers (continued)

#### 5.5 Retirement benefits (continued)

##### 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 appropriate 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.

##### c) Scheme provisions

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

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

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as "pension commutation".

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) has been used and replaced the Retail Prices Index (RPI).

With effect from 1 April 2015 a pension scheme was introduced based on career average revalued earning (CARE) with benefits based on a proportion of pensionable earnings during an employee's career. There is a build up rate of 1/54 of each year's pensionable earnings. The annual increase in this scheme is based on CPI plus 1.5%.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 5 Employee expenses and numbers (continued)

#### 5.5 Retirement benefits (continued)

##### c) Scheme provisions (continued)

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

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

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

##### *National Employment Savings Trust (NEST)*

Automatic enrolment is the term given to the legal obligation that the government has now placed on employers to provide all 'workers' with access to a pension scheme. The staging date for the Trust to implement automatic enrolment was 1 May 2013. As a result of this, with effect from that date the Trust must:

- Provide a qualifying scheme for all workers;
- Automatically enrol all eligible jobholders onto the scheme; and
- Pay employer contribution for eligible jobholders to the scheme.

Where an employee is eligible to join the NHS Pension Scheme then they will be automatically enrolled into this scheme, even if they have previously opted out. Where an employee is not eligible to join the NHS Pension Scheme (e.g. flexible retiree employees) then an alternative scheme must be made available by the Trust.

NEST is a defined contribution pension scheme that was created as part of the government's workplace pensions reforms under the Pensions Act 2008. Details of the scheme can be found on their web site [www.nestpensions.org.uk](http://www.nestpensions.org.uk).

Further details regarding NEST as an alternative provider are as follows:

- A member can take their money out of NEST at any age from at least 55 and up to and just before their 75th birthday.
- Members who suffer from ill health may be able to take their money out of NEST before age 55.
- In the case of serious ill health, where a registered medical practitioner says the member has less than a year to live, the member can be paid their retirement pot as a lump sum. This can happen at any age before 75.

Employer contributions to the scheme are charged to the Statement of Comprehensive Income. Other creditors includes £6,135 (2016/17 £1,171) in relation to employee and employer contributions due to NEST at 31 March 2018. The total employers contributions for the year totalled £34,989 (2016/17 £39,390)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 5 Employee expenses and numbers (continued)

#### 5.5 Retirement benefits (continued)

##### *Local Government Pension Scheme (LGPS)*

During 2016/17 18 staff who are members of the LGPS administered by the Tyne and Wear Pension Fund staff transferred from South Tyneside Borough Council to South Tyneside Integrated Care Limited.

South Tyneside Integrated Care Limited became a member of the Tyne and Wear Pension Fund so that the staff that transferred could continue to be members of the scheme. Both the employees and employer make monthly contributions to the scheme.

The scheme is a defined benefit scheme and comprises the 2008 scheme (which is a final salary scheme) and the 2014 scheme (which is a career average revalued earnings scheme). Further details of the schemes can be found at [www.twpf.info](http://www.twpf.info).

The scheme assets and liabilities attributable to employees can be identified, however they are not included in these group accounts due to the timings of the valuation. Their exclusion for 2017/18 is not material to the financial statements.

Employee contributions to the scheme are charged to the Statement of Comprehensive Income. Other trade payables includes £6,682 (2016/17 - £7,764) in relation to employee and employer contributions due to the scheme at 31 March 2018. The total employers contributions for the year totalled £80,269 (2016/17 - £48,915).

#### 5.6 Senior managers' remuneration

	Year Ended 31 Mar 2018	Year Ended 31 Mar 2017
	£000	£000
<b>Total of key management personnel compensation</b>		
Short term employee benefits	595	862
Post-employment benefits	<u>132</u>	<u>67</u>
<b>Total key management compensation</b>	<u><u>727</u></u>	<u><u>929</u></u>

No advances were made and no credits were granted by the Trust to directors during the year.

The Trust has not provided any guarantees on behalf of directors during the year.

Key management personnel comprises the Board of Directors and the Executive Board. Remuneration details for the Board of Directors are provided within the Trust's Annual Report.

As explained in note 5.5, the NHS pension scheme is an unfunded defined benefit scheme but is accounted for as if it were a defined contribution scheme.

The number of executive directors accruing benefits under the NHS Pension Scheme is 7 (2016/17 8). No Directors accrue benefits under money purchase schemes.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
**6 Finance income**

	Group Year Ended 31 Mar 2018 £000	Trust Year Ended 31 Mar 2018 £000	Group Year Ended 31 Mar 2017 £000	Trust Year Ended 31 Mar 2017 £000
Interest on bank accounts	32	33	28	28
Interest on loans and receivables	0	38	0	15
<b>Total</b>	<b>32</b>	<b>71</b>	<b>28</b>	<b>43</b>

**7 Finance costs**

	Group Year Ended 31 Mar 2018 £000	Trust Year Ended 31 Mar 2018 £000	Group Year Ended 31 Mar 2017 £000	Trust Year Ended 31 Mar 2017 £000
<b>7.1 Finance costs - financial liabilities</b>				
Loans from the Independent Trust Financing Facility	273	273	237	237
Commerical loans	0	0	0	0
Finance Lease	15	15	0	0
<b>Total</b>	<b>288</b>	<b>288</b>	<b>237</b>	<b>237</b>

The Group has three loans from the ITFF to fund capital developments and redundancy payments. These loans are for £9.5m, £8m and £8m. All loans are fully drawn down.

**7.2 Impairment of assets (property, plant and equipment and intangibles)**

	Group Year Ended 31 Mar 2018 £000	Trust Year Ended 31 Mar 2018 £000	Group Year Ended 31 Mar 2017 £000	Trust Year Ended 31 Mar 2017 £000
Impairment due to the abandonment of assets under the course of construction	50	50	0	0
Impairment where the costs of upgrades to Trust property was greater than the subsequent increase in value	394	394	8,782	8,782
<b>Impairment to Statement of Comprehensive Income</b>	<b>444</b>	<b>444</b>	<b>8,782</b>	<b>8,782</b>
Impairment due to change in market value taken from revaluation reserve	33	33	7,957	7,957
<b>Total impairments</b>	<b>477</b>	<b>477</b>	<b>16,739</b>	<b>16,739</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**8 Intangible assets**

8.1 Intangible assets 2017/18	Group Software licences (purchased) £000	Trust Software licences (purchased) £000
<b>Gross cost at 1 April 2017</b>	597	579
Additions - purchased	145	145
Additions - Donated	0	0
Disposals	(79)	(79)
<b>Gross cost at 31 March 2018</b>	<b>663</b>	<b>645</b>
<b>Accumulated amortisation at 1 April 2017</b>	407	403
Provided during the year	91	91
Disposals	(79)	(79)
<b>Accumulated amortisation at 31 March 2018</b>	<b>419</b>	<b>415</b>
<b>Net book value</b>		
Net book value - purchased at 31 March 2018	<b>244</b>	<b>230</b>

8.2 Intangible assets 2016/17	Group Software licences (purchased) £000	Trust Software licences (purchased) £000
<b>Gross cost at 1 April 2016</b>	618	600
Additions - purchased	0	0
Additions - donated	22	22
Disposals	(43)	(43)
<b>Gross cost at 31 March 2017</b>	<b>597</b>	<b>579</b>
<b>Accumulated amortisation at 1 April 2016</b>	302	302
Provided during the year	116	112
Disposals	(11)	(11)
<b>Accumulated amortisation at 31 March 2017</b>	<b>407</b>	<b>403</b>
<b>Net book value</b>		
Net book value - purchased at 31 March 2017	<b>190</b>	<b>176</b>

**8.3 Intangible asset disposals**

The Sophos Anti Virus software was disposed of and replaced in the year. The asset gross book value was £78,746 and was fully depreciated at the disposal date.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
**9 Property, plant and equipment**
**9.1 Property, plant and equipment 2017/18 - Group**

	Group								
	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation at 1 April 2017</b>	<b>92,217</b>	2,454	59,588	1,701	436	19,326	283	7,370	1,059
Additions - purchased	2,441	0	0	0	908	771	0	762	0
Additions - leased	1,286	0	350	0	0	936	0	0	0
Additions - donated	211	0	0	0	0	211	0	0	0
Impairments	(537)	(48)	(439)	0	(50)	0	0	0	0
Reversal of impairments	53	0	48	5	0	0	0	0	0
Revaluations	8,821	0	8,297	184	0	340	0	0	0
Reclassifications	0	0	653	13	(678)	59	0	(120)	73
Disposals	(2,351)	(60)	(90)	0	0	(1,977)	(25)	(191)	(8)
<b>Cost or valuation at 31 March 2018</b>	<b>102,141</b>	<b>2,346</b>	<b>68,407</b>	<b>1,903</b>	<b>616</b>	<b>19,666</b>	<b>258</b>	<b>7,821</b>	<b>1,124</b>
<b>Accumulated depreciation at 1 April 2017 as restated</b>	<b>18,353</b>	0	0	0	0	13,612	198	4,079	464
Provided during the year	5,016	0	2,256	57	0	1,523	11	1,064	105
Reversal of impairments	(7)	0	(7)	0	0	0	0	0	0
Revaluations	(1,938)	0	(2,221)	(57)	0	340	0	0	0
Reclassifications	0	0	0	0	0	47	0	(119)	72
Disposals	(2,167)	0	0	0	0	(1,946)	(25)	(191)	(5)
<b>Accumulated depreciation at 31 March 2018</b>	<b>19,257</b>	<b>0</b>	<b>28</b>	<b>0</b>	<b>0</b>	<b>13,576</b>	<b>184</b>	<b>4,833</b>	<b>636</b>
<b>Net book value</b>									
Net book value - owned at 31 March 2018	80,478	2,346	67,269	1,903	616	4,843	74	2,981	446
Net book value - finance lease at 31 March 2018	1,244	0	339	0	0	905	0	0	0
Net book value - government granted at 31 March 2018	26	0	26	0	0	0	0	0	0
Net book value - donated at 31 March 2018	1,136	0	745	0	0	342	0	7	42
<b>Net book value total at 31 March 2018</b>	<b>82,884</b>	<b>2,346</b>	<b>68,379</b>	<b>1,903</b>	<b>616</b>	<b>6,090</b>	<b>74</b>	<b>2,988</b>	<b>488</b>
<b>Cost or valuation of assets held at zero net book value at 31 March 2018</b>	<b>9,645</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,968</b>	<b>132</b>	<b>2,257</b>	<b>288</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
**9 Property, plant and equipment (continued)**
**9.2 Property, plant and equipment 2017/18 - Trust**

	Trust								
	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation at 1 April 2017</b>	<b>91,710</b>	2,454	59,588	1,701	436	19,280	283	7,328	640
Additions - purchased	2,447	0	0	0	908	777	0	762	0
Additions - leased	1,286	0	350	0	0	936	0	0	0
Additions - donated	211	0	0	0	0	211	0	0	0
Impairments	(537)	(48)	(439)	0	(50)	0	0	0	0
Reversal of impairments	53	0	48	5	0	0	0	0	0
Revaluations	8,821	0	8,297	184	0	340	0	0	0
Reclassifications	0	0	653	13	(678)	59	0	(120)	73
Disposals	(2,351)	(60)	(90)	0	0	(1,977)	(25)	(191)	(8)
<b>Cost or valuation at 31 March 2018</b>	<b>101,640</b>	<b>2,346</b>	<b>68,407</b>	<b>1,903</b>	<b>616</b>	<b>19,626</b>	<b>258</b>	<b>7,779</b>	<b>705</b>
<b>Accumulated depreciation at 1 April 2017 as restated</b>	<b>18,317</b>	0	0	0	0	13,609	198	4,077	433
Provided during the year	4,939	0	2,256	57	0	1,516	11	1,055	44
Reversal of impairments	(7)	0	(7)	0	0	0	0	0	0
Revaluations	(1,938)	0	(2,221)	(57)	0	340	0	0	0
Reclassifications	0	0	0	0	0	47	0	(119)	72
Disposals	(2,167)	0	0	0	0	(1,946)	(25)	(191)	(5)
<b>Accumulated depreciation at 31 March 2018</b>	<b>19,144</b>	<b>0</b>	<b>28</b>	<b>0</b>	<b>0</b>	<b>13,566</b>	<b>184</b>	<b>4,822</b>	<b>544</b>
<b>Net book value</b>									
Net book value - owned at 31 March 2018	80,090	2,346	67,269	1,903	616	4,813	74	2,950	119
Net book value - finance lease at 31 March 2018	1,244	0	339	0	0	905	0	0	0
Net book value - government granted at 31 March 2018	26	0	26	0	0	0	0	0	0
Net book value - donated at 31 March 2018	1,136	0	745	0	0	342	0	7	42
<b>Net book value total at 31 March 2018</b>	<b>82,496</b>	<b>2,346</b>	<b>68,379</b>	<b>1,903</b>	<b>616</b>	<b>6,060</b>	<b>74</b>	<b>2,957</b>	<b>161</b>
<b>Cost or valuation of assets held at zero net book value at 31 March 2018</b>	<b>9,645</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,968</b>	<b>132</b>	<b>2,257</b>	<b>288</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
**9 Property, plant and equipment (continued)**
**9.3 Property plant and equipment 2016/17 - Group**

	Group								
	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation at 1 April 2016</b>	105,208	7,308	62,172	1,811	6,825	19,257	281	6,825	729
Additions - purchased	6,791	0	1	0	4,642	330	2	1,372	444
Additions - donated	214	0	0	0	113	81	0	0	20
Impairments	(16,739)	(5,420)	(11,261)	(49)	0	(9)	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Revaluations	574	566	8	0	0	0	0	0	0
Reclassifications	0	0	11,144	0	(11,144)	0	0	0	0
Removal of accumulated depreciation following revaluation	(2,537)	0	(2,476)	(61)	0	0	0	0	0
Disposals	(1,294)	0	0	0	0	(333)	0	(827)	(134)
<b>Cost or valuation at 31 March 2017</b>	<b>92,217</b>	<b>2,454</b>	<b>59,588</b>	<b>1,701</b>	<b>436</b>	<b>19,326</b>	<b>283</b>	<b>7,370</b>	<b>1,059</b>
<b>Accumulated depreciation at 1 April 2016</b>	16,988	0	0	0	0	12,418	187	3,861	522
Provided during the year	5,196	0	2,476	61	0	1,527	11	1,045	76
Removal of accumulated depreciation following revaluation	(2,537)	0	(2,476)	(61)	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Disposals	(1,294)	0	0	0	0	(333)	0	(827)	(134)
<b>Accumulated depreciation at 31 March 2017</b>	<b>18,353</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,612</b>	<b>198</b>	<b>4,079</b>	<b>464</b>
<b>Net book value</b>									
Net book value - owned at 31 March 2017	72,861	2,454	58,860	1,701	436	5,505	85	3,280	540
Net book value - government granted at 31 March 2017	26	0	26	0	0	0	0	0	0
Net book value - donated at 31 March 2017	977	0	702	0	0	209	0	11	55
<b>Net book value total at 31 March 2017</b>	<b>73,864</b>	<b>2,454</b>	<b>59,588</b>	<b>1,701</b>	<b>436</b>	<b>5,714</b>	<b>85</b>	<b>3,291</b>	<b>595</b>
<b>Cost or valuation of assets held at zero net book value at 31 March 2017</b>	<b>9,690</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,553</b>	<b>157</b>	<b>1,723</b>	<b>257</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
**9 Property, plant and equipment (continued)**
**9.4 Property plant and equipment 2016/17 - Trust**

	Trust								
	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation at 1 April 2016</b>	105,208	7,308	62,172	1,811	6,825	19,257	281	6,825	729
Additions - purchased	6,284	0	1	0	4,642	284	2	1,330	25
Additions - donated	214	0	0	0	113	81	0	0	20
Impairments	(16,739)	(5,420)	(11,261)	(49)	0	(9)	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Revaluations	574	566	8	0	0	0	0	0	0
Reclassifications	0	0	11,144	0	(11,144)	0	0	0	0
Removal of accumulated depreciation following revaluation	(2,537)	0	(2,476)	(61)	0	0	0	0	0
Disposals	(1,294)	0	0	0	0	(333)	0	(827)	(134)
<b>Cost or valuation at 31 March 2017</b>	<b>91,710</b>	<b>2,454</b>	<b>59,588</b>	<b>1,701</b>	<b>436</b>	<b>19,280</b>	<b>283</b>	<b>7,328</b>	<b>640</b>
<b>Accumulated depreciation at 1 April 2016</b>	16,988	0	0	0	0	12,418	187	3,861	522
Provided during the year	5,160	0	2,476	61	0	1,524	11	1,043	45
Removal of accumulated depreciation following revaluation	(2,537)	0	(2,476)	(61)	0	0	0	0	0
Disposals	(1,294)	0	0	0	0	(333)	0	(827)	(134)
<b>Accumulated depreciation at 31 March 2017</b>	<b>18,317</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,609</b>	<b>198</b>	<b>4,077</b>	<b>433</b>
<b>Net book value</b>									
Net book value - owned at 31 March 2017	72,390	2,454	58,860	1,701	436	5,462	85	3,240	152
Net book value - government granted at 31 March 2017	26	0	26	0	0	0	0	0	0
Net book value - donated at 31 March 2017	977	0	702	0	0	209	0	11	55
<b>Net book value total at 31 March 2017</b>	<b>73,393</b>	<b>2,454</b>	<b>59,588</b>	<b>1,701</b>	<b>436</b>	<b>5,671</b>	<b>85</b>	<b>3,251</b>	<b>207</b>
<b>Cost or valuation of assets held at zero net book value at 31 March 2016</b>	<b>9,690</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,553</b>	<b>157</b>	<b>1,723</b>	<b>257</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 9 Property, plant and equipment (continued)

#### 9.5 Assets held at open market value:

Of the property, plant and equipment held at 31 March 2018, £106,000 related to land valued at open market value and £154,000 related to buildings valued at open market value.

9.6 Economic life of property, plant and equipment	Minimum life	Maximum life
Land	n/a	n/a
Buildings excluding dwellings	0	90
Dwellings	0	90
Plant and Machinery	0	15
Transport Equipment	0	10
Information Technology	0	5
Furniture and Fittings	0	9

#### 9.7 Property, plant and equipment disposals

A profit of £90,099 was recognised in the financial year relating to the disposal of property and equipment. A gain of £105,000 related to the sale of the MRI scanner and a loss of £26,477 was recognised relating to the disposal of five bladder scanners which were replaced in the financial year. The remaining difference of £11,576 mainly related to the auction sale proceeds of previously disposed assets.

There were no disposals of land or buildings assets used in the provision of Commissioner Requested Services during the year (2016/17 nil).

#### 9.8 Property revaluation

In accordance with accounting policy 1.8, an interim revaluation was undertaken which was accounted for on 31 March 2018. This resulted in a net increase in carrying values of £10,449,731. Within the change in value, £10,799,871 related to an increase in property values due to changes in the property market since the last valuation. A reduction in value of £350,140 was recognised relating to revaluation where the increase in the value of property following expenditure was less than the amount spent. £345,791 was recognised as an impairment within the SoCI with the remaining £10,795,522 valuation increase taken to the revaluation reserve.

The total figure taken to the SoCI for impairments was £444,040. The difference of the total impairment to that arising through the revaluation exercise relates to a write off for abandoned assets under construction (£50,249) and the revaluation of Alexandra Lodge which was sold during the financial year (£48,000). The total figure taken to the revaluation reserve was £10,725,577. The difference of the total revaluation to that arising through the year end revaluation exercise relates to the revaluation of Alexandra Lodge sold during the financial year (£69,945).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

<b>10 Inventories</b>	<b>Group</b>	<b>Trust</b>	<b>Group</b>	<b>Trust</b>
	<b>Year Ended</b>	<b>Year Ended</b>	<b>Year Ended</b>	<b>Year Ended</b>
	<b>31 Mar 2018</b>	<b>31 Mar 2018</b>	<b>31 Mar 2017</b>	<b>31 Mar 2017</b>
<b>10.1 Inventories</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Drugs	679	679	637	637
Equipment services	378	378	370	370
Wheelchair services	95	95	128	128
Prostheses	34	34	47	47
Other	1,020	1,020	846	846
<b>Total inventories</b>	<b>2,206</b>	<b>2,206</b>	<b>2,028</b>	<b>2,028</b>
<b>10.2 Inventories recognised in expenses</b>				
	<b>Group</b>	<b>Trust</b>	<b>Group</b>	<b>Trust</b>
	<b>Year Ended</b>	<b>Year Ended</b>	<b>Year Ended</b>	<b>Year Ended</b>
	<b>31 Mar 2018</b>	<b>31 Mar 2018</b>	<b>31 Mar 2017</b>	<b>31 Mar 2017</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Inventories recognised in expenses	(16,166)	(16,166)	(17,186)	(17,186)
Write-down of inventories recognised as an expense	(56)	(56)	(39)	(39)
<b>Total Inventories recognised in expenses</b>	<b>(16,222)</b>	<b>(16,222)</b>	<b>(17,225)</b>	<b>(17,225)</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**11 Trade and other receivables**

**11.1 Trade and other receivables - Group**

	Total 31 Mar 18 £000	Financial assets 31 Mar 18 £000	Non-financial assets 31 Mar 18 £000	Total 31 Mar 17 £000	Financial assets 31 Mar 17 £000	Non-financial assets 31 Mar 17 £000
<b>Current</b>						
NHS receivables - revenue	3,999	3,999	0	7,854	7,854	0
Other receivables with related parties - revenue	1,022	1,022	0	1,036	1,036	0
Provision for impaired receivables	(317)	(202)	(115)	(147)	(28)	(119)
Prepayments	1,447	0	1,447	1,493	0	1,493
Accrued income	477	477	0	221	221	0
PDC dividend receivable	115	0	115	248	0	248
VAT receivable	248	0	248	0	0	0
Other receivables	1,612	1,083	529	1,374	817	557
<b>Total current trade and other receivables</b>	<b>8,603</b>	<b>6,379</b>	<b>2,224</b>	<b>12,079</b>	<b>9,900</b>	<b>2,179</b>
<b>Non-current</b>						
Provision for impaired receivables	(73)	0	(73)	(87)	0	(87)
Other receivables	319	0	319	379	0	379
<b>Total non-current trade and other receivables</b>	<b>246</b>	<b>0</b>	<b>246</b>	<b>292</b>	<b>0</b>	<b>292</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**11 Trade and other receivables**

**11.2 Trade and other receivables - Trust**

	Total	Financial	Non-financial	Total	Financial	Non-financial
	31 Mar 18	31 Mar 18	31 Mar 18	31 Mar 17	31 Mar 17	31 Mar 17
	£000	£000	£000	£000	£000	£000
<b>Current</b>						
NHS receivables - revenue	3,999	3,999	0	7,854	7,854	0
Other receivables with related parties - revenue	1,465	1,465	0	1,177	1,177	0
Provision for impaired receivables	(317)	(204)	(113)	(147)	(28)	(119)
Prepayments	1,555	0	1,555	1,476	0	1,476
Accrued income	477	477	0	221	221	0
PDC dividend receivable	115	0	115	248	0	248
VAT receivable	266	0	266	81	0	81
Other receivables	1,598	1,069	529	1,374	817	557
<b>Total current trade and other receivables</b>	<b>9,158</b>	<b>6,806</b>	<b>2,352</b>	<b>12,284</b>	<b>10,041</b>	<b>2,243</b>
<b>Non-current</b>						
Provision for impaired receivables	(73)	0	(73)	(87)	0	(87)
Other receivables	319	0	319	379	0	379
Loans with subsidiaries	995	995	0	901	901	0
<b>Total non-current trade and other receivables</b>	<b>1,241</b>	<b>995</b>	<b>246</b>	<b>1,193</b>	<b>901</b>	<b>292</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 11 Trade and other receivables (continued)

#### 11.3 Provision for impairment of receivables

	<b>Group</b>	<b>Trust</b>	<b>Group</b>	<b>Trust</b>
	<b>31 Mar 2018</b>	<b>31 Mar 2018</b>	<b>31 Mar 2017</b>	<b>31 Mar 2017</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 April	234	234	842	842
Increase in provision	156	156	55	55
Amounts utilised	0	0	(31)	(31)
Unused amounts reversed	0	0	(632)	(632)
At 31 March	<u>390</u>	<u>390</u>	<u>234</u>	<u>234</u>

#### 11.4 Analysis of impaired receivables

	<b>Group</b>	<b>Trust</b>	<b>Group</b>	<b>Trust</b>
	<b>31 Mar 2018</b>	<b>31 Mar 2018</b>	<b>31 Mar 2017</b>	<b>31 Mar 2017</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Ageing of impaired receivables				
0 - 30 days	3	3	0	0
30 - 60 days	3	3	0	0
60 - 90 days	3	3	0	0
90 - 180 days	62	62	1	1
180 - 360 days	319	319	233	233
<b>Total</b>	<u>390</u>	<u>390</u>	<u>234</u>	<u>234</u>

	<b>Group</b>	<b>Trust</b>	<b>Group</b>	<b>Trust</b>
	<b>31 Mar 2018</b>	<b>31 Mar 2018</b>	<b>31 Mar 2017</b>	<b>31 Mar 2017</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Ageing of non-impaired receivables past their due date				
0 - 30 days	0	0	51	51
30 - 60 days	132	132	138	138
60 - 90 days	199	199	147	147
90 - 180 days	359	359	35	35
180 - 360 days	146	146	187	187
<b>Total</b>	<u>836</u>	<u>836</u>	<u>558</u>	<u>558</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
**12 Trade and Other Payables**
**12.1 Trade and Other Payables - Group**

	Total	Financial	Non-financial	Total	Financial	Non-financial
	31 Mar 18	liabilities	liabilities	31 Mar 17	liabilities	liabilities
	£000	31 Mar 18	31 Mar 18	31 Mar 17	31 Mar 17	31 Mar 17
		£000	£000	£000	£000	£000
<b>Current</b>						
Receipts in advance	6	6	0	7	7	0
NHS payables - revenue	1,528	1,528	0	1,014	1,014	0
Amounts due to other related parties - revenue	6,218	6,218	0	1,695	1,695	0
Other trade payables - capital	1,005	1,005	0	737	737	0
Other trade payables - revenue	1,818	1,818	0	1,618	1,618	0
Social Security costs	1,455	0	1,455	1,479	0	1,479
VAT Payable	0	0	0	52	0	52
Other taxes payable	1,084	0	1,084	1,180	0	1,180
Accrued Interest on DHSC Loans	66	66	0	0	0	0
Accruals	5,859	5,859	0	3,153	3,153	0
<b>Total current trade and other payables</b>	<b>19,039</b>	<b>16,500</b>	<b>2,539</b>	<b>10,935</b>	<b>8,224</b>	<b>2,711</b>

**Trade and Other Payables - Trust**

	Total	Financial	Non-financial	Total	Financial	Non-financial
	31 Mar 18	liabilities	liabilities	31 Mar 17	liabilities	liabilities
	£000	31 Mar 18	31 Mar 18	31 Mar 17	31 Mar 17	31 Mar 17
		£000	£000	£000	£000	£000
<b>Current</b>						
Receipts in advance	6	6	0	7	7	0
NHS payables - revenue	1,528	1,528	0	1,014	1,014	0
Amounts due to other related parties - revenue	6,218	6,218	0	1,695	1,695	0
Other trade payables - capital	1,005	1,005	(1,005)	737	737	0
Other trade payables - revenue	1,778	1,778	0	1,582	1,582	0
Social Security costs	1,455	0	1,455	1,479	0	1,479
Other taxes payable	1,084	0	1,084	1,180	0	1,180
Accrued Interest on DHSC Loans	66	66	0	0	0	0
Accruals	5,785	5,785	0	3,035	3,035	0
<b>Total current trade and other payables</b>	<b>18,925</b>	<b>16,386</b>	<b>1,534</b>	<b>10,729</b>	<b>8,070</b>	<b>2,659</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 12 Trade and Other Payables (continued)

## 12.2 Early retirements detail included in NHS payables on previous page

	31 Mar 2018 £000	31 Mar 2018 Number	31 Mar 2017 £000	31 Mar 2017 Number
- to buy out the liability for early retirements over 5 years	10		11	
- number of cases involved		27		32
- outstanding pension contributions at 31 March (all employees)	1,605		1,685	

## 13 Other liabilities

	Group 31 Mar 2018 £000	Trust 31 Mar 2018 £000	Group 31 Mar 2017 £000	Trust 31 Mar 2017 £000
<b>Current</b>				
Other deferred income	1,407	1,407	1,613	1,613

## 14 Borrowings

## 14.1 Long term loans

	Group 31 Mar 2018 £000	Trust 31 Mar 2018 £000	Group 31 Mar 2017 £000	Trust 31 Mar 2017 £000
<b>Current</b>				
Loan from the Independent Trust Financing Facility	4,613	4,613	2,529	2,529
Obligations from finance leases	118	118	0	0
<b>Total current borrowings</b>	<b>4,731</b>	<b>4,731</b>	<b>2,529</b>	<b>2,529</b>
<b>Non-current</b>				
Loan from the Independent Trust Financing Facility	16,106	16,106	16,970	16,970
Obligations from finance leases	1,141	1,141		
<b>Total non-current borrowings</b>	<b>17,247</b>	<b>17,247</b>	<b>16,970</b>	<b>16,970</b>

During 2017/18 the Trust drew down a further £4.5m against the loan from the ITFF for working capital. This loan was to fund restructuring costs and generate financial savings. The term of the loan is 4 years and the interest rate is 0.66%.

The loan referred to above is in addition to two other loans the Trust has from the ITFF to fund capital developments. These loans are for £9.5m and £8m. Both loans are fully drawn down and were both for a period of 10 years. Both loans will be repaid by 2025.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**14 Borrowings (continued)**

**14.2 Finance Lease Obligations**

	<b>Group</b>	<b>Trust</b>	<b>Group</b>	<b>Trust</b>
	<b>31 Mar 2018</b>	<b>31 Mar 2018</b>	<b>31 Mar 2017</b>	<b>31 Mar 2017</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Gross Lease Liabilities</b>	<b>1,475</b>	<b>1,475</b>	<b>0</b>	<b>0</b>
<i>Of which liabilities are due:-</i>				
- Not later than one year	164	164	0	0
- Later than one year and not later than five years	605	605	0	0
- Later than five years	706	706	0	0
Finance charges allocated to future periods	(216)	(216)	0	0
<b>Present value of lease payable</b>	<b>1,259</b>	<b>1,259</b>	<b>0</b>	<b>0</b>
<b>Net Lease Liabilities</b>				
- Not later than one year	118	118	0	0
- Later than one year and not later than five years	483	483	0	0
- Later than five years	658	658	0	0
	<b>1,259</b>	<b>1,259</b>	<b>0</b>	<b>0</b>

The £1,259k obligation under finance leases in the Trust arises from the MRI scanner capital scheme which completed within the financial year.

There is no contingent rent payable in the lease. The Trust has an option to purchase the equipment at the end of the lease period (September 2027). There are no restrictions imposed by the lease arrangements.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**15 Provisions for liabilities and charges**

	Group				Trust			
	Current		Non-Current		Current		Non-Current	
	31 Mar 2018	31 Mar 2017						
	£000	£000	£000	£000	£000	£000	£000	£000
Pensions relating to former directors	8	8	102	100	8	8	102	100
Pensions relating to other staff	32	34	61	74	32	34	61	74
Other legal claims	99	70	0	0	99	70	0	0
Restructuring	447	0	0	0	447	0	0	0
Other	32	32	182	179	32	32	182	179
<b>Total</b>	<b>617</b>	<b>144</b>	<b>346</b>	<b>353</b>	<b>617</b>	<b>144</b>	<b>346</b>	<b>353</b>

**Provision for liabilities and charges**

	Total	Pensions - former directors	Pensions - other staff	Other legal claims	Equal pay claims	Re-structuring	Other
	£000	£000	£000	£000	£000	£000	£000
<b>At 1 April 2017</b>	<b>497</b>	<b>108</b>	<b>108</b>	<b>70</b>	<b>0</b>	<b>0</b>	<b>211</b>
Change in the discount rate	3	1	1	0	0	0	1
Arising during the year	611	3	25	102	0	447	34
Utilised during the year	(74)	(9)	(32)	(1)	0	0	(32)
Reversed unused	(74)	0	(2)	(72)	0	0	0
Unwinding of discount	0	0	0	0	0	0	0
<b>At 31 March 2018</b>	<b>963</b>	<b>103</b>	<b>100</b>	<b>99</b>	<b>0</b>	<b>447</b>	<b>214</b>

**Expected timing of cash flows:**

- not later than one year;	617	8	32	99	0	447	32
- later than one year and not later than five years;	226	31	68	0	0	0	127
- later than five years.	120	64	0	0	0	0	56
<b>Total</b>	<b>963</b>	<b>103</b>	<b>100</b>	<b>99</b>	<b>0</b>	<b>447</b>	<b>214</b>

All provisions for liabilities and charges relate to the Foundation Trust.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 15 Provisions for liabilities and charges (continued)

Provisions relating to pensions are based on estimates of costs received from NHS Pensions. The timing of cash flows is unlikely to vary significantly as long as the pensions concerned continue to be drawn. The current discount rate is 0.10% (2016/17 - 0.24%). The impact of the change is shown in the provisions for liabilities and charges note on the previous page.

The other legal claims against the Trust are expected to be largely settled in 2018/19. The total of £99,026 relates exclusively to outstanding claims concerning the costs of risk pooling for non-clinical claims.

The other provision relates to estimated costs for injury benefits amounting to £214,077. The amounts due have been discounted to their present value using the pensions discount rate which is currently 0.10% (2016/17 - 0.24%).

The restructuring provision relates to a change in the Long Term Conditions service. Following discussions with the commissioner the service model has been reviewed and there will be a reduction in staff numbers of 16.81 WTE. As at the balance sheet date the model had been agreed and staff were being consulted on the changes. The Trust has a redundancy policy and it is considered highly likely that redundancy costs will be incurred. The value of the provision is £446,543 and has been calculated based on the average length of service of staff within the service. The redundancy costs will be funded by the commissioner and a corresponding income entry has been included in the statement of comprehensive income. It is expected that the consultation will complete in May and the redundancy costs incurred in June.

#### 15.1 Clinical negligence liabilities

	31 Mar 2018 £000	31 Mar 2017 £000
Amount included in provisions of the NHS Resolution at 31 March in respect of clinical negligence liabilities of South Tyneside NHS Foundation Trust	<b>93,974</b>	75,767

### 16 Contingent liabilities

	Group 31 Mar 2018 £000	Trust 31 Mar 2018 £000	Group 31 Mar 2017 £000	Trust 31 Mar 2017 £000
Value of contingent liabilities -				
Other	<u>(61)</u>	<u>(61)</u>	<u>(73)</u>	<u>(73)</u>
<b>Net value of contingent liabilities</b>	<b><u>(61)</u></b>	<b><u>(61)</u></b>	<b><u>(73)</u></b>	<b><u>(73)</u></b>

The Trust cannot accurately determine the eventual liability arising from risk pooling for non-clinical claims, and therefore has included a contingent liability of £61,289. All claims are expected to be settled within 12 months.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 17 Cash and cash equivalents

	<b>Group</b>	<b>Trust</b>	<b>Group</b>	<b>Trust</b>
	<b>31 Mar 2018</b>	<b>31 Mar 2018</b>	<b>31 Mar 2017</b>	<b>31 Mar 2017</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>At 1 April</b>	<b>6,162</b>	<b>6,162</b>	15,502	15,471
Net change in year	<b>6,466</b>	<b>5,844</b>	(9,340)	(9,671)
<b>At 31 March</b>	<b>12,628</b>	<b>12,006</b>	6,162	5,800
<b>Broken down into:</b>				
Cash at commercial banks and in hand	<b>657</b>	<b>35</b>	377	15
Cash with Government Banking Services	<b>11,971</b>	<b>11,971</b>	5,785	5,785
<b>Cash and cash equivalents as in Statement of Financial Position</b>	<b>12,628</b>	<b>12,006</b>	6,162	5,800
<b>Cash and cash equivalents as in statement of cash flows</b>	<b>12,628</b>	<b>12,006</b>	6,162	5,800

### 18 Capital commitments

Commitments under capital expenditure contracts at the Statement of Financial Position date were £6,398,846 (2016/17 £88,512).

Material Projects Include:	<b>£000</b>
Energy Centre	5,998
A&E Streaming	341
Wi-Fi	38

All commitments relate to property, plant and equipment. There are no capital commitments for intangible assets.

All commitments relate to the Foundation Trust. There are no capital commitments in the other entities within the group.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 19 Related party transactions

South Tyneside NHS Foundation Trust is a public benefit corporation authorised by the Independent Regulator for Foundation Trusts ('Monitor') under section 35 of the National Health Service Act 2006.

The Department of Health and Social Care is the parent and ultimate controlling party of the Trust and its subsidiaries.

During the year none of the Board Members, Governors or members of the key management staff or parties related to them has undertaken any material transactions with South Tyneside NHS Foundation Trust, with the exception of those listed below:

Iain Malcolm, Non-Executive Director of South Tyneside NHS Foundation Trust is the Leader of South Tyneside Council. The group had income in the year from South Tyneside Council of £8,199,240. The main sources of income are 0-19 community services and contracts for the provision of services from Haven Court. There was expenditure of £12,585 mainly for room hire for the cardiac rehabilitation service.

Councillor John Kelly - Appointed Governor of South Tyneside NHS Foundation Trust (until 14 November 2017) is a councillor of Sunderland City Council. The Trust had income of £7,558,277 in the year from Sunderland City Council, largely in relation to the provision of community services, and expenditure of £122,850 relating mainly to salary costs of CAMHS staff.

The Department of Health is regarded as a related party. During the year South Tyneside NHS Foundation Trust had expenditure of £4,820 with the Department of Health and Social Care. The Trust also had significant transactions with other entities for which the Department is regarded as the parent Department. These entities, along with the transactions and balances, are listed on the following page.

The Trust has also received revenue and capital payments from the South Tyneside Trust General Charitable Fund, for which the Trust is a corporate trustee and members of the Board of Directors are trustees. Revenue and capital payments made by the Charity in relation to the Trust amounted to £210,063 (2016/17 £288,727) and the Trust had a debtor balance with the charity of £180,848 (2016/17 £21,252) as at 31 March 2018.

In 2016/17 the Trust entered into an Alliance with City Hospitals Sunderland NHSFT. As a result of this a single Executive/Management team has been implemented. The Trust had income in the year with City Hospitals Sunderland NHSFT of £1,192,666 largely related to Service Level Agreements for Urology, Oral Surgery and Vascular services. Expenditure with City Hospitals Sunderland was £2,887,677 and mainly related to recharges for the Executive team and other senior staff, charges for MSK, Medical Physics, ENT, Community Dental and Ophthalmology services.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 19 Related party transactions (continued)

## 19.1 Related party transactions and balances Group 2017/18

Related party	Income £000	Expenditure £000	Receivable £000	Payable £000
NHS South Tyneside Clinical Commissioning Group	99,490	0	147	466
NHS Sunderland Clinical Commissioning Group	31,196	32	529	18
NHS Newcastle Gateshead Clinical Commissioning Group	7,000	0	52	0
NHS Durham Dales, Easington and Sedgefield Clinical Commissioning Group	435	0	109	0
NHS North Durham Clinical Commissioning Group	145	0	45	0
NHS North Tyneside Clinical Commissioning Group	119	0	29	0
NHS Other Clinical Commissioning Groups	406	0	93	0
City Hospitals Sunderland NHS Foundation Trust	1,193	2,888	560	258
Gateshead Health NHS Foundation Trust	676	3,397	259	348
North East Ambulance NHS Foundation Trust	16	15	0	0
Northumberland Tyne and Wear NHS Foundation Trust	490	193	134	137
Northumbria Healthcare NHS Foundation Trust	499	119	109	23
The Newcastle upon Tyne Hospitals NHS Foundation Trust	551	347	56	245
County Durham and Darlington NHS Foundation Trust	0	31	3	4
North Tees and Hartlepool NHS Foundation Trust	0	39	0	3
Other Foundation Trusts	0	93	2	15
Department of Health and Social Care	0	5	1	0
NHS England	13,690	471	1,859	476
NHS Resolution (formerly NHS Litigation Authority)	0	5,385	0	2
Public Health England	5	27	0	1
Health Education England	4,399	0	0	0
NHS Property Services Limited	10	4,116	15	4,067
Care Quality Commission	0	152	0	0
Other NHS & DH bodies	1	6	0	1
NHS Blood and Transplant Authority	11	424	0	6
South Tyneside Council	8,199	12	202	0
Gateshead Council	5,524	24	2	0
Sunderland City Council	7,558	123	739	0
Other Local Government	239	0	80	0
NHS Pension Scheme	0	12,488	0	1,634
HMRC	0	11,022	248	2,539
Other WGA	17	110	0	511
<b>Totals</b>	<b>181,869</b>	<b>41,519</b>	<b>5,273</b>	<b>10,754</b>

The following, who are not employees of South Tyneside NHS Foundation Trust, are appointed to the Council of Governors to represent their organisations:

Stephen Clark, Director of Public Health, South Tyneside Clinical Commissioning Group  
 Councillor John Kelly, Councillor, Sunderland City Council (until 14 November 2017)  
 Allyson Stewart, Voluntary Services - South Tyneside  
 Stephen Taylor, Durham University – School of Medicine and Health  
 Mark Foster, Voluntary Services, Sunderland (until 30 November 2017)  
 Joyce Welsh - South Tyneside Borough Council

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**19 Related party transactions (continued)**

**19.1 Related party transactions and balances 2017/18 Group (continued)**

The Trust had executory contracts with the following related parties at 31 March 2018

Related party	Income £000	Main contract description	Expenditure £000	Main contract description
South Tyneside Clinical Commissioning Group	98,410	Healthcare services	0	
Sunderland Clinical Commissioning Group	30,142	Healthcare services	32	Recharge of staff
Gateshead Clinical Commissioning Group	6,600	Healthcare services	0	
Durham, Dales, Easington & Sedgfield Clinical Commissioning Group	315	Healthcare services	0	
NHS England	10,725	Specialist services, Child Health Records, Retinal Screening, Flu Immunisation and Community Dental	0	
NHS North of England CSU	48		469	IM&T and Telecommunication support
NHS Property Services Limited	0		4,632	Lease of community buildings
City Hospitals Sunderland NHS Foundation Trust	1,105	Urology, Vascular, Audiology and Oral Surgery Facilities SLA	2,915	Dental sessions, ENT, ophthalmology, medical physics and oral surgery
Gateshead Health NHS Foundation Trust	493	Breast, Podiatry, Speech and Language Therapy and Microbiology Services	3,390	Pathology testing dental, microbiology
North East Ambulance NHS Foundation Trust	15		16	Dermatology and plastic surgery
Northumberland Tyne and Wear NHS Foundation Trust	1,095	Linen services	195	Internal Audit Services, Psychology support for Stroke patients
The Newcastle upon Tyne Hospitals NHS Foundation Trust	42	Healthcare services and Facilities	351	Oncology, Maternity pathway services
Northumbria Healthcare NHS Foundation Trust			120	Oracle Financials Support
Health Education England	4,244	Facilities	27	
South Tyneside Council	7,617	Sexual Health Services, School Nursing and Health Visiting	891	Rates and room hire
Gateshead Council	2,355	Sexual Health Services, School Nursing and Health Visiting	25	Lease of community buildings
Sunderland City Council	1,892	School Nursing and Health Visiting	253	Provision of teaching staff into CAMHs service, rates
NHS Resolution	0		4,807	CNST, LTPS and PES
NHS Blood and Transplant Authority	0		428	Blood and blood products
Care Quality Commission	0		120	CQC Inspection
<b>Totals</b>	<b>165,098</b>		<b>18,671</b>	

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
**19 Related party transactions (continued)**
**19.2 Related party transactions and balances Group 2016/17**

Related party	Income £000	Expenditure £000	Receivable £000	Payable £000
NHS South Tyneside Clinical Commissioning Group	99,427	0	1,092	559
NHS Sunderland Clinical Commissioning Group	31,671	51	770	54
NHS Newcastle Gateshead Clinical Commissioning Group	15,675	0	277	0
NHS Durham Dales, Easington and Sedgfield Clinical Commissioning Group	369	0	70	0
NHS North Durham Clinical Commissioning Group	139	0	16	0
NHS North Tyneside Clinical Commissioning Group	172	0	0	8
NHS Other Clinical Commissioning Groups	414	0	54	0
Other NHS Trusts	1	10	0	0
City Hospitals Sunderland NHS Foundation Trust	1,299	2,988	326	104
Gateshead Health NHS Foundation Trust	981	3,532	143	168
North East Ambulance NHS Foundation Trust	16	7	0	0
Northumberland Tyne and Wear NHS Foundation Trust	497	290	348	81
Northumbria Healthcare NHS Foundation Trust	0	97	0	8
The Newcastle upon Tyne Hospitals NHS Foundation Trust	711	294	64	122
County Durham and Darlington NHS Foundation Trust	0	65	3	0
North Tees and Hartlepool NHS Foundation Trust	2	35	2	2
Other Foundation Trusts	0	30	2	5
Department of Health and Social Care	4	0	0	0
Department of Health PDC Dividend	0	0	248	0
NHS England	19,312	568	4,666	453
NHS Litigation Authority	0	4,932	6	0
Public Health England	1	37	0	9
Health Education England	4,364	0	0	0
NHS Property Services Limited	181	4,082	11	0
Care Quality Commission	0	137	0	0
Other NHS & DH bodies	(1)	4	1	0
NHS Blood and Transplant Authority	15	432	1	0
South Tyneside Council	7,901	967	101	0
Gateshead Council	6,203	29	245	0
Sunderland City Council	7,526	208	635	0
Other Local Government	253	0	55	0
NHS Pension Scheme	0	13,601	0	1,695
HMRC	0	11,162	0	2,711
Other WGA	17	52	3	0
Totals	<u>197,150</u>	<u>43,610</u>	<u>9,139</u>	<u>5,979</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 20 Financial instruments

IFRS 7, Financial Instruments: Disclosures, requires disclosure of the role that financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities. Financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies.

#### **Credit risk**

Because of the continuing service provider relationship that the NHS Foundation Trust has with local commissioning bodies and the way those bodies are financed, the NHS Foundation Trust is not exposed to the degree of financial risk faced by other business entities.

No collateral is held as security and there are no other credit enhancements.

The carrying value of financial instruments held by the Trust is equal to their fair value and as such this represents the maximum exposure to risk as at the reporting date.

The NHS Foundation Trust has the freedom to borrow funds and can invest surplus funds in accordance with NHS Improvement's guidance on Managing Operating Cash. This includes strict criteria on permitted institutions, including credit ratings from recognised agencies. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to manage the risks facing the NHS Foundation Trust in undertaking its activities.

Financial assets held by the NHS Foundation Trust are made up of cash and other cash equivalents and trade receivables. As the majority of these trade receivables are due from related parties (mainly commissioning bodies) The NHS Foundation Trust fully expects that all non-impaired financial instruments are fully recoverable.

#### **Liquidity risk**

The NHS Foundation Trust's net operating costs are incurred under legally binding contracts with local commissioning bodies, which are financed from resources voted annually by Parliament.

The NHS Foundation Trust has included a planned deficit of £16.990m in its Annual Plan submission for 2018/19. Due to the expected level of deficit the Trust has applied for interim cash support from the Department of Health and Social Care in the form of a loan. The first application has been approved and this was drawn down by the Trust in April 2018. The liquidity risk arising from the planned deficit will therefore be mitigated by this support.

#### **Market risk**

The Trust has minimal exposure to market risk. The Trust's financial liabilities carry nil or fixed rates of interest. Cash balances are held in interest bearing accounts for which the interest rate is linked to bank base rates and changes are notified to the Trust in advance. The Trust is not, therefore, exposed to significant interest-rate risk.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 20 Financial instruments (continued)

20.1 Financial assets by category	Group Loans and receivables £000	Trust Loans and receivables £000
<b>Assets as per Statement of Financial Position</b>		
Trade and other receivables excluding non-financial assets (at 31 Mar 2018)	6,379	7,849
Cash and cash equivalents at bank and in hand (at 31 Mar 2018)	12,628	12,006
<b>Total at 31 March 2018</b>	<b>19,007</b>	<b>19,855</b>
Trade and other receivables excluding non-financial assets (at 31 Mar 2017)	9,900	10,942
Cash and cash equivalents at bank and in hand (at 31 Mar 2017)	6,162	5,800
<b>Total at 31 March 2017</b>	<b>16,062</b>	<b>16,742</b>

## 20.2 Financial liabilities by category

Liabilities as per Statement of Financial Position	Group Current Other financial liabilities £000	Non-Current Other financial liabilities £000	Trust Current Other financial liabilities £000	Non-Current Other financial liabilities £000
Borrowings (31 March 2018)	4,613	16,106	4,614	16,105
Obligations under finance leases (31 March 2018)	109	1,150	109	1,150
Trade and other payables excluding non financial assets (31 Mar 2018)	16,500	0	16,386	0
Provisions under contract (at 31 Mar 2018)	513	352	513	352
<b>Total at 31 March 2018</b>	<b>21,735</b>	<b>17,608</b>	<b>21,622</b>	<b>17,607</b>
Borrowings (31 March 2017)	2,529	16,970	2,529	16,970
Trade and other payables excluding non financial assets (31 Mar 2017)	8,224	0	8,070	0
Provisions under contract (31 Mar 2017)	74	353	74	353
<b>Total at 31 March 2017</b>	<b>10,827</b>	<b>17,323</b>	<b>10,673</b>	<b>17,323</b>

## 20.3 Maturity analysis of financial liabilities

	Group 31 Mar 2018 £000	Trust 31 Mar 2018 £000
In one year or less	21,735	21,622
In more than one year but not more than two years	4,800	4,800
In more than two years but not more than five years	5,631	5,630
In more than five years	7,177	7,177
<b>Total as at 31 March 2018</b>	<b>39,343</b>	<b>39,229</b>

## 20.4 Fair values of financial assets and financial liabilities at 31 March 2018

There is no difference between the book value and fair value of the financial assets and financial liabilities.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****21 Losses and special payments**

There were 104 cases of losses and special payments totalling £123,458 (2016/17 - 168 cases totalling £284,956). These amounts are reported on an accruals basis.

	Number	£000
<b>Losses</b>		
Losses of cash	1	0
Bad Debts and claims abandoned (excluding those between the Trust and other NHS bodies)	56	21
Stores Losses including damage to buildings and other properties as a result of theft, criminal damage and neglect	13	56
	<u>70</u>	<u>77</u>
<b>Special Payments</b>		
Compensation under legal obligation	15	41
Ex gratia payments	19	6
Special severance payments	0	0
	<u>34</u>	<u>46</u>
<b>Total</b>	<u><u>104</u></u>	<u><u>123</u></u>

There were no clinical negligence cases where the net payment exceeded £100,000.

There were no fraud cases where the net payment exceeded £100,000.

There were no personal injury cases where the net payment exceeded £100,000.

There were no compensation under legal obligation cases where the net payment exceeded £100,000.

There were no fruitless payment cases where the net payment exceeded £100,000.

All losses and special payments were in relation to the Foundation Trust.

**22 Third party assets**

The Trust held £1,513 cash at bank and in hand at 31 March 2018 (2016/17 - £17,415) which relates to monies held by the NHS Foundation Trust on behalf of patients. This has been excluded from cash at bank and in hand figure reported in the financial statements.

**23 Loans to subsidiaries**

During the year ended 31 March 2017 the Trust approved a loan of £920,000 over 10 years to STFT Holdings Limited. The interest rate on the loan is 3.9%. To date £700,100 has been drawdown and £38,142 of the principal has been repaid.

The Trust also approved a loan of £350,000 to South Tyneside Integrated Care Limited during the year ended 31 March 2017. This loan is also repayable over 10 years with an interest rate of 3.9%. To date £350,000 has been draw down and principal of £18,426 has been repaid.

**24 Carbon reduction commitment energy efficiency (CRC) scheme**

The CRC scheme is a mandatory cap and trade scheme for non-transport CO<sub>2</sub> emissions. Where NHS Foundation Trusts are registered with the CRC scheme they are required to surrender to the government an allowance for every tonne of CO<sub>2</sub> emitted during the financial year. Therefore, registered NHS Foundation Trusts should recognise a liability (and related expense) in respect of this obligation as CO<sub>2</sub> emissions are made.

The carrying amount of the liability at 31 March 2018 will therefore reflect the CO<sub>2</sub> emissions that have been made during that financial year.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 24 Carbon reduction commitment energy efficiency (CRC) scheme (continued)

The liability is measured at the amount expected to be incurred in settling the obligation. This is the cost of the number of allowances/tonnes required to settle the obligation, being £17.70 (2016/17 £17.20) per allowance/tonne. The Trust has included an accrual in the financial statements at 31 March 2018 of £127,779 in relation to this obligation.

### 25 Events after the reporting date

On 16 April 2018 the Trust received interim support funding from the Department of Health totalling £2,130,000. This funding was in the form of a loan to be repaid on 21 April 2021. The rate of interest on the loan is 1.5%.

The Trust is expecting to make further applications for funding during 2018/19 due to the planned deficit for the year of £16,990,000.

On 22 May 2018 the Boards of South Tyneside NHS Foundation Trust and City Hospitals Sunderland NHS Foundation Trust confirmed a shared intention to progress plans to become one organisation in the future. Such plans are subject to approval from NHS Improvement and both Trusts will work towards developing a business case for consideration by the end of 2018.

## **Independent auditor's report to the Council of Governors of South Tyneside NHS Foundation Trust on the quality report**

We have been engaged by the Council of Governors of South Tyneside NHS Foundation Trust to perform an independent assurance engagement in respect of South Tyneside's NHS Foundation Trust's quality report for the year ended 31 March 2018 (the 'quality report') and certain performance indicators contained therein.

This report, including the conclusion, has been prepared solely for the council of governors of South Tyneside NHS Foundation Trust as a body, to assist the Council of Governors in reporting South Tyneside 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 South Tyneside NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

### **Scope and subject matter**

The indicators for the year ended 31 March 2018 subject to limited assurance 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; and
- 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 auditors**

The directors are responsible for the content and the preparation of the quality report in accordance with the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual' issued by NHS Improvement.

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

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual' and supporting guidance;
- the quality report is not consistent in all material respects with the sources specified in section 2.1 of the NHS Improvement 2017/18 Detailed guidance for external assurance on quality reports; and
- the indicators in the quality report identified as having been the subject of limited assurance in the quality report are not reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual' and the six dimensions of data quality set out in the 'Detailed guidance for external assurance on quality reports'.

We read the quality report and consider whether it addresses the content requirements of the 'NHS Foundation Trust Annual Reporting Manual' and supporting guidance, and consider the implications for our report if we become aware of any material omissions.

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

- Board minutes for the period April 2017 to May 2018;
- papers relating to quality reported to the Board over the period April 2017 to March 2018;
- feedback from Commissioners, dated 18 May 2018;
- feedback from governors, dated 11 May 2018;
- feedback from local Healthwatch organisations, dated 16 May 2018;
- feedback from Overview and Scrutiny Committee, dated 21 May 2018;
- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 8 May 2018;
- the latest national patient survey, dated 20 July 2017;
- the latest national staff survey, dated 6 March 2018;

- Care Quality Commission inspection report, dated 2 March 2018; and
- the Head of Internal Audit's annual opinion over the trust's control environment, dated 22 May 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.

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.

#### **Assurance work performed**

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

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the 'NHS foundation trust annual reporting manual' to the categories reported in the quality report; and
- reading the documents.

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

#### **Limitations**

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

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the 'NHS foundation trust annual reporting manual'.

The scope of our assurance work has not included testing of indicators other than the two selected mandated indicators, or consideration of quality governance.

#### **Basis for Qualified Conclusion**

##### **Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period**

The "percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period" indicator requires that the NHS Foundation Trust accurately record the start and end dates of each patient's treatment pathway, in accordance with detailed requirements set out in the national guidance. This is calculated as an average based on the percentage of incomplete pathways which are incomplete at each month end, where the patient has been waiting less than the 18 week target.

Our procedures included testing a risk based sample of 24 items, and so the error rates identified from that sample should not be directly extrapolated to the population as a whole.

Whilst progress has been made on the Trust's process for managing and reporting RTT pathways over recent years, our testing in 2017/18 has identified a number of findings.

The following errors were found during our testing:

- 2 instances where there was insufficient evidence to verify the stop date;
- 2 instances where the stop date on the system was incorrect to patient notes;
- 1 instance where the pathway was created in error and should not have been recorded as an RTT pathway; and
- 10 instances where the pathway was reported in the monthly census as an open pathway after the pathway had closed month.

We noted a total of 15 errors in our testing, with at least one error found on 13 of the 24 pathways we tested (54%).

As a result of the issues identified, we have concluded that there are errors in the calculation of the "percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period" indicator for the year ended 31 March 2018. We are unable to quantify the effect of these errors on the reported indicator.

The "Quality of Data" section on page 68 of the NHS Foundation Trust's Quality Report details the actions that the NHS Foundation Trust is taking to resolve the issues identified in its processes.

#### **Qualified Conclusion**

Based on the results of our procedures, except for the effect of the matters set out in the basis for qualified conclusion section of our 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';
- the quality report is not consistent in all material respects with the sources specified in NHS Improvement 2017/18 Detailed guidance for external assurance on quality reports; and
- the indicators in the quality report subject to limited assurance have not been reasonably stated in all material respects in accordance with the 'NHS Foundation Trust Annual Reporting Manual' and supporting guidance.



Deloitte LLP  
Newcastle  
24 May 2018



