

**South Devon Healthcare NHS Foundation Trust**

**Annual Report and Annual Accounts 2012/13**



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



## Annual Report and Annual Accounts 2012/2013

Incorporating the quality report, directors' report, financial review and required reporting on equality and diversity, sustainability and regulatory findings.

### **Alternative formats**

This report is available in large print, on-line or other formats on request. Please call 01803 210511 or email [communicationsmanager.sdhct@nhs.net](mailto:communicationsmanager.sdhct@nhs.net) or write to Senior Communications Manager, South Devon Healthcare NHS Foundation Trust, Torbay Hospital, Torquay TQ2 7AA.

## **Laid before Parliament**

This Annual Report 2012/13 has been produced to be laid before Parliament in July 2013, together with the full accounts for the same period, and to be presented to the Trust's Council of Governors at its annual members' meeting. It will be available on the Trust's website [www.sdhct.nhs.uk](http://www.sdhct.nhs.uk) and Monitor's website.

A Summary Annual Review, based on this report will also be available later in the year.

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# Part I: Review of the year

## Chairman's statement

At a time when the NHS has faced much criticism, I am pleased to say that South Devon Healthcare achieved another strong performance in 2012/13. Our patient satisfaction reports have been good, and many people speak highly of their experience at our hospital. We met our financial target, we have been recognized nationally for our record of capable leadership, and we have continued to invest in improvements to our facilities.

Those of us who serve on the Trust Board know that sustaining a positive staff culture is the most important ingredient in a safe and successful hospital. The Francis inquiry into events in Stafford has underlined the link between staff morale and good patient care. The reputation of the Trust rests on the care, compassion and skill of all those individual members of staff who meet patients face-to-face, in both clinical and non-clinical roles. The Board puts a high priority on values and culture. In the annual NHS staff survey we score strongly on staff feeling satisfied with the quality of patient care they are able to deliver and being prepared to recommend our Trust as a place to work or receive treatment.

However, 2012/13 was far from an easy year. We have experienced a continued rise in the number of emergency medical patients being admitted to the hospital, putting front-line staff under great pressure. The theory that more patients can be treated away from the acute hospital has not yet been turned into reality: we have had to keep open more beds than planned, and to recruit more nurses. The hospital never closes, and it functions as the place of last resort for people who are unwell. Our capacity to meet this demand for unscheduled care has repeatedly come under strain, and it is difficult to provide an optimal experience for patients in such overload conditions. Also the patients we are seeing have a higher level of dependency than in the past, and consequently they require more staff attention.

The hospital cannot solve this challenge on its own. As a Trust we recognise the importance of working closely with our partners who provide community health and social care, and with GPs, in order to operate a more joined-up and integrated system that treats people in the right place, at the right time. Following the latest NHS reforms, we are building a strong working relationship with the newly formed South Devon and Torbay Clinical Commissioning Group, the GP-led body which now has responsibility for planning and funding services in our area. We are also hopeful that in the course of 2013-14 we will be able to join forces with our neighbours, Torbay and Southern Devon Health and Care NHS Trust, in setting up a pioneering Integrated Care Organisation, bringing management of all the services closer together in a single Trust and making it easier to provide seamless pathways of care for our population.

We face many other challenges in 2013-14: maintaining our focus on patient safety; achieving another steep savings target; improving our efficiency in delivering elective surgery; and investing in improvements to the hospital. Given our record, I am confident that we will make further progress with all of these.



## Chief Executive's statement

The last 12 months has seen an unparalleled amount of attention focussed on the NHS particularly following the findings of the Francis report. Compassionate care is fundamentally important to the way we care for patients at Torbay Hospital and that's something, as a former nurse, that I strongly value.

I am constantly heartened by the dedication, professionalism and caring attitude of our staff. Whether clinical or non-clinical, our staff continues to deliver innovative initiatives that improve patient experience and safety. For example, the ward improvement programme rolled out last summer has improved safety, effectiveness and efficiency. By freeing up time nurses have been able to focus more on providing care for patients at their bedside. Something as little as being by someone, to provide them that encouragement and reassurance can make a massive difference. It is these face to face patient interactions that shape the way people think of our services and our hospital.

Improving patient care is why I came into the NHS. Clearly during such a challenging economic time investment is not easy. However, the Trust has used precious NHS resources wisely. In December 2012 the hospital became the first in the country to provide robotic surgery for throat and mouth cancers. The high-tech equipment allows surgeons to remove cancers of the tonsil, back of the tongue and voice box that may not otherwise have been removable without extensive surgery or a long course of chemotherapy and radiotherapy. The service development has been realised through a donation by the League of Friends of almost £175,000. This purchased the extra equipment required to perform the surgery and added to the list of procedures the Trust has already been performing using its existing £1.5m da Vinci Si Robot, which was funded by the League of Friends in 2009.

The Da Vinci Si Robot was also used earlier in the year to perform the world's first major urology procedure, known as nephroureterectomy, in a day case. The procedure involved the removal of a kidney as well as the entire ureter, a tube which leads from the kidney to the bladder. All in a day's work!

We've also started building a new pharmaceutical centre near Paignton which will be used to manufacture medicines for the NHS and hospitals overseas. Under the development we will consolidate existing production, storage and office functions which are currently provided across three sites and we are expecting to create up to 70 new jobs.

We are hugely fortunate to have the support of our exceptional League of Friends and an extensive sounding board among the people we serve, in the shape of our very sizeable Foundation membership and the Council of Governors which represents them.

Applying the same focus on compassionate care and high quality service provision, I am confident that we can continue to make good progress in 2013-14.

## About our Trust

South Devon Healthcare NHS Foundation Trust runs Torbay Hospital – a medium sized acute hospital which serves the South Devon area.

The Trust catchment area covers 300 square miles - from South Dartmoor to the length of coastline which stretches from Dawlish, at the mouth of the River Exe, past the Teign and Dart estuaries and up to Dartmouth.

Torbay Hospital serves a resident population of approaching 300,000 people, but the population increases by as many as 100,000 visitors at any one time during the summer holiday season.

South Devon Healthcare was established in 1991 and became an NHS Foundation Trust in 2007. As a Foundation Trust we remain part of the NHS and subject to the same national standards and inspections.

Our Board of Directors is accountable to local people, who are represented by elected members on our Council of Governors.

The services that we provide are funded by our Clinical Commissioning Groups, who receive an allocation of NHS money from the government each year and who decide on the healthcare priorities for their local population. The amount of income that we earn depends on the services we are commissioned to undertake.

The majority of commissioning funding for South Devon Healthcare NHS Foundation Trust comes from the South Devon and Torbay Clinical Commissioning Group and we are partly commissioned by Northern, Eastern, Western (NEW) Devon Clinical Commissioning Group.

We are a core partner on the Clinical Cabinet, a group of local senior clinicians and health service directors, which makes decisions about how to develop services to achieve the best outcomes for patients.

### At a glance - how 2012/13 shaped up...facts and figures

	Previous year (2011/12)	This year (2012/13)
Total revenues	£218,279,000	£231,295,000
Trust funded Capital Expenditure	£17,852,000	£16,761,000
Total expenses (including PDC*)	£214,427,000	£229,018,000
Pay expenditure (excluding capitalised costs)	£133,847,000	£141,021,000
Non-pay expenditure (including depreciation and PDC)	£80,580,000	£87,997,000
How much we spend per day (excluding depreciation)	£613,000	£649,000
Staff number (FTE*)	3,313	3,472
Staff numbers headcount	3,838	4,057

\*PDC: Public Dividend Capital; FTE: Full-Time Equivalent

## **Our values and the NHS Constitution**

The Trust has adopted the set of core values incorporated in the NHS Constitution which includes all of the commitments agreed locally. This is consistent with our vision and in particular our aim to improve quality through partnership.

The NHS Constitution sets out the principles and values which underpin the actions and operations of the NHS and the rights and pledges for patients and staff. The rights are legally enforceable entitlements, and the pledges set out how the NHS will strive to deliver higher quality care and high quality employment.

Our staff will put patients first by following the NHS Constitution's core values:

- respect and dignity;
- commitment to quality of care;
- compassion;
- improving lives;
- working together for patients; and
- everyone counts.

## **Our ambition**

*'For South Devon Healthcare to be the best provider of healthcare services delivering excellence in all that we do.'*

## **Our vision**

The environment within which our organisation operates has been subject to significant change during the past two years, with the publication and passing into law of the Health and Social Care Act. We are committed to enabling our Trust to evolve in line with these changes, which promote increasing choice for patients and more clinician involvement in the development of services.

We work closely with General Practitioners (GPs) in South Devon, and with the community healthcare provider Torbay and Southern Devon Health and Care NHS Trust, to identify, develop and implement methods for providing healthcare which is effective, efficient and focused on achieving the best outcomes for patients.

We value and promote integration and collaboration, between organisations and individuals, wherever this can deliver better care.

We believe patients deserve to be treated with dignity and respect. We are committed to listening to our patients, and to learning from what they tell us.

## **Our priorities**

In 2010 we published our Summary Strategic Directions, which confirms the themes and issues the Trust must continue to address over the next five years to achieve our ambition *'... for South Devon Healthcare to be the best provider of healthcare services delivering excellence in all that we do.'*

We recognise that this document seeks to outline strategy during a period of unprecedented change for the NHS, and that therefore the principles through which it is delivered will change.

We also recognise that there are some fundamental factors which affect the context within which we work, now and in the future: spend on NHS services will remain static or reduce; our local older population will increase thereby placing greater demands upon certain services; the commissioning shift toward community, rather than acute, based care will continue.

The continued success of our Trust therefore relies upon greater collaboration, capitalising upon opportunities to deliver and enable preventative care and self-care, and achieving excellence in everything we do in order to drive patient satisfaction and make us first choice for care.

## **2012/2013 – a year in headlines**

### ***April 2012 – Local power Women launch Women's Health Unit***

Three of Torbay's most influential women, responsible for shaping and managing many local public services, gathered at Torbay Hospital on Wednesday 4th April 2012 to celebrate the launch of the hospital's new women's health unit.

The £1.4 million refurbished unit has created new and improved facilities for women's health and was officially opened by Sarah Wollaston, MP for Totnes, Debbie Stark, Director of Public Health for Torbay, and Paula Vasco-Knight, Chief Executive of South Devon Healthcare NHS Foundation Trust, the Trust which runs Torbay Hospital.

The new unit has brought together enhanced facilities for inpatient maternity and neonatal services, as well as brand new areas for inpatient gynaecology and breast surgery services. The unit now also incorporates outpatient services for gynaecology, antenatal, early pregnancy and fertility services.

The creation of this multi-functional unit brings together a range of services for women; all under one roof, in a tailor made environment for newborn babies and for women who are receiving healthcare at what can often be a particularly sensitive time of their lives.

The completion of this extensive refurbishment has been a long held vision for South Devon Healthcare NHS Foundation Trust and will enable the Trust to continue to provide high quality and specialist health care.

### ***May 2012 – Technology revolutionising women's health***

Women in South Devon were the first patients in the South West and of just a few in the country to benefit from the most advanced form of surgery, using the Da Vinci Si Robot to perform hysterectomies.

The £1.5 million Robot, purchased by the Torbay Hospital League of Friends in 2009 works by using a collection of 'arms' to operate a variety of surgical instruments which are controlled remotely by the surgeon from a nearby console giving a magnified view of the operation site.

The instruments are 'wristed' so they closely mimic the 'human' range of movement and with 3d vision and magnification the robot allows the surgery to be more precise and enable the surgeon to fully control the robot and carry out complex and intricate procedures through the smallest of incisions.

There are numerous benefits for women having a hysterectomy in this way, including more precise surgery, minimal tissue damage, less discomfort and a much quicker recovery time.

Torbay Hospital is incredibly proud to be leading the way forward in this advanced form of surgery. It will not replace laparoscopic or open surgery, as there is never a one size fits all approach, but for women who are not suitable candidates for conventional laparoscopic treatment, robotic surgery is another option to an open surgery procedure, which can carry a longer recovery time.

### ***June 2012 – Ten minute lifesaving screening for men***

Men across Devon aged 65 and over are being offered a simple non-invasive screening test, which usually takes less than 10 minutes, to see if they have a potentially fatal condition.

An abdominal aortic aneurysm (AAA) often has no symptoms, but around 6,000 people die every year in England and Wales from a ruptured AAA, and older men are most at risk.

The Exeter and South Devon AAA Screening Programme, based at Torbay Hospital, was one of the first in the country to implement the national NHS AAA Screening Programme in 2009 because of their own successful local screening programme.

The aorta is the main blood vessel that supplies blood to your body. It runs from your heart down through your chest and abdomen. In some people, as they get older, the wall of the aorta in the abdomen can become weak. It can then start to expand and form what is called an abdominal aortic aneurysm. Large aneurysms are rare but can be very serious. As the wall of the aorta stretches it can rupture. If this happens, the person usually dies.

The condition is most common in men aged 65 and above. We offer screening so we can find aneurysms early and monitor or treat them. This greatly reduces the chances of the aneurysm causing serious problems.

### ***July 2012 – Hospital 'Highly Commended' for Patient Safety***

Torbay Hospital has beaten hundreds of other hospitals to be 'highly commended' in a prestigious event recognising the best in patient safety.

The Hospital was narrowly beaten to first place in the 'Patient Safety in Clinical Practice' category of the Patient Safety Awards, which are presented by the Nursing Times and Health Service Journal and are designed to identify and recognise excellence in one of the most important areas of healthcare.

There were almost 500 entries across nine categories, and the Patient Safety in Clinical Practice category was shortlisted to just 10 entries. This category recognises organisations that have introduced a specific initiative into clinical practice to improve patient safety.

The award was won for the Trust's Ward Improvement Programme, improving safety, effectiveness and efficiency on wards. This programme has freed up nurses to provide more time caring for patients at the bedside, and introduced improved systems for checking on patients' conditions and comfort.

As a result, the Hospital has improved the experience for patients and made their stay at the Hospital safer and more comfortable, as well as reducing the amount of time they have to stay in Hospital.

In addition, the Hospital has implemented the use of electronic white boards which has improved the way information is shared, and has redesigned nursing shifts to support better patient continuity.

### ***July 2012 – A world first for major day case op at Torbay Hospital***

Torbay Hospital became the first place in the world to perform a major urology procedure known as nephroureterectomy in a day case.

The major procedure which involves the removal of a kidney as well as the entire ureter, a tube which leads from the kidney to the bladder, was carried out using the most advanced and innovative technology in the form of the Da Vinci Si Robot, funded by the League of Friends in 2009.

The advance in day case surgery builds upon the Hospitals current reputation as one of just two units worldwide to perform day case laparoscopic nephrectomy, the removal of the kidney alone.

Although the Trust had been using the Robot for a while now in urology, to be able use it for such a complex procedure and as a day case is a great achievement.

A patient having this procedure in the more conventional way could expect to stay in hospital for about five days, so being able to carry out this procedure with the use of robotic technology and as a day case means that a patient can go home within just a few hours. Robotically assisted surgery also means less discomfort for the patient, with minimal incisions, something which is very appealing to anyone who requires surgery.

### ***August 2012 – Cancer Services score highly at Torbay Hospital***

Cancer services at South Devon Healthcare NHS Foundation Trust have been rated highly by patients, according to the results of the 2011 National Cancer Patient Experience Survey published by Quality Health, on behalf of the Department of Health. The results show that Torbay Hospital scored average or good in all 70 areas of the survey and was also within the top 20 per cent of the country in 30 areas.

### ***September 2012 – Young people with learning disabilities celebrate the start of their journey into working life***

A group of young people with learning disabilities started internships in Torbay Hospital under the banner of Project SEARCH in September 2012.

Project SEARCH has had success all over the world and is being delivered in Torbay by South Devon Healthcare NHS Foundation Trust, South Devon College, and the social enterprise Pluss which provides specialist employment support services across Devon and Cornwall for people with learning disabilities, physical disabilities and mental health issues.

The programme lasts a year, during which time 10 students will work in three placement rotations in many different areas within the Trust including catering, postal service, portering, medical records, haematology clinical preparation and administrative support in human resources.

The end aim is to help the students find paid employment within the Hospital or elsewhere in the community.

### ***September 2012 – Transport Team ‘Highly Commended’ at National Efficiency Awards***

The Hospital came a close second to the top prize for the Efficiency in Transportation and Logistics category in the National Health Service Journal (HSJ) Efficiency Awards.

The awards, presented by the HSJ and Health Trust Europe, identify and reward organisations that have delivered tangible improvements in healthcare efficiency and cost savings, whilst maintaining the highest levels of patient care.

The Efficiency in Transportation and Logistics category, which recognises organisations that have introduced a specific initiative into clinical practice to improve patient safety, was shortlisted to just seven entries. Torbay Hospital was 'Highly Commended' in recognition of its patient transport fleet replacement project which has delivered a hugely improved patient experience as well as productivity gains and financial savings.

Detailed consultation with patients, staff and commissioners took place to enable the team to commission vehicles which would meet patient needs and were economically and environmentally sustainable. The vehicles are packed with some of the most up to date safety equipment allowing patients to be transported in the safest way possible and making them easier for staff to manoeuvre. A bespoke vehicle tracking and communications system was also introduced.

### ***November 2012 – Leadership and patient care initiative ‘Highly Commended’***

Chief Executive, Paula Vasco-Knight, was 'Highly Commended' (second-place) in the Chief Executive of the Year category of the prestigious Health Service Journal Awards, following nomination by members of the Trust's staff.

Also receiving recognition was the Trust's Outpatient and Home Antibiotic Therapy and Anticoagulation initiative, which was a finalist in the Acute and Primary Care Innovation category.



The initiative has helped keep people healthier during a stay in Hospital, enabled patients to return home quickly and safely with the appropriate medication and support, and avoided the need for some patients to attend hospital at all.

Bringing together those working in the Hospital with GPs and those in community healthcare organisations, the initiative involved the employing of new specialist nurses and a programme of education and training to enable clinicians across hospital and community care to provide even more effective care for those suffering, or at risk of suffering from potentially serious problems such as deep vein thrombosis, or pulmonary embolism, as well as cellulitis.

### ***December 2012 – First NHS Trust to provide Trans Oral Robotic Surgery for cancer***

On 11<sup>th</sup> December 2012 Torbay Hospital became the first in the country to provide robotic surgery for throat and mouth cancers, meaning a less invasive procedure for patients, with a quicker recovery time and fewer side effects.

The League of Friends donated almost £175,000 to buy the extra equipment required to perform the Trans Oral Robotic Surgery (TORS), adding to the list of procedures the Trust is already performing using its existing £1.5 million da Vinci Si Robot, which was funded by the League of Friends in 2009.

TORS allows surgeons to remove cancers of the tonsil, back of the tongue and upper larynx (voice box) that may not otherwise have been removable without extensive major surgery or a long course of chemotherapy and radiotherapy and its associated side effects. The incidence of these types of cancer is rising throughout the country and in a younger population.

The new robotic equipment also means that Torbay Hospital is able to perform tongue base reduction surgery for those suffering with obstructive sleep apnoea, which is another major problem nationally.

### ***December 2012 – Chief Executive wins national Leadership Award & Trust is finalist in Board of the Year Category***

Paula Vasco-Knight was named as the best in her field at this year's prestigious NHS Leadership Recognition Awards and the Trust's Board was a finalist in the Board of the Year category.

Organised by the NHS Leadership Academy, the national awards recognise and celebrate outstanding leadership practice in health, and shine a spotlight on those who have made a significant impact in improving the quality of care for patients. The awards span every level of the healthcare system across nine categories.

The winners were all nominated by their peers and were put through a rigorous three stage judging process. The judging panel was chaired by NHS Medical Director Professor Sir Bruce Keogh and included distinguished leaders across healthcare including Katherine Murphy, Chief Executive at the Patients' Association, and General Secretary of the Royal College of Nursing, Dr Peter Carter OBE.



### ***March 2013 – Work starts on new £20m NHS pharmaceutical centre***

Bulldozers have moved onto the site at Yannons Farm, off Brixham Road, Paignton, to begin construction of the new two storey pharmaceutical centre which will be used to manufacture medicines for the NHS and hospitals overseas.

The Trust is developing the new Pharmaceutical Manufacturing Unit (PMU) to consolidate the existing production, storage and office functions which are currently provided across three sites. Once completed the new centre is expected to create up to 70 new jobs taking the current workforce up from 90 to about 160.

### ***March 2013 – Torbay in Top 10 says new report into Hospital performance***

Torbay Hospital Torbay Hospital, was ranked as the 10th highest performing Hospital Trust in the country in a new report by independent health think-tank, MHP Health Mandate.

After speaking with more than 2,000 people to understand what would be most important to them when choosing a hospital, MHP gathered data on these themes from a number of official sources - including the Health Protection Agency, the Office for National Statistics, CQC and the Department of Health - to produce an aggregate 'quality score' for each NHS Hospital Trust in England.

While the rankings are not officially endorsed by the Department of Health, MHP say rankings such as these could, in the future, enable patients to make more informed choices about where they receive their care.

### ***March 2013 – Trust scoops three honours in Apprenticeship Awards***

Torbay Hospital's Vocational Education Team won the Education Provider Award and two individual staff members were 'Highly Commended' at the South West NHS Apprenticeship Awards.

The Awards recognise the achievement, enthusiasm and commitment of NHS employees, employers and education providers within the NHS in the South of England.

Lisa Thomas, who works in the Hospital's Radiology department, was Highly Commended for her Level 3 Advanced Diploma in Clinical Healthcare Support. Also Highly Commended was Melanie Bowden for her Level two Intermediate Diploma in Clinical Healthcare Support. Melanie works in the Critical Care Unit (CCU) at the Hospital.

The awards were judged by Skills for Health, South West Strategic Health Authority and the National Apprenticeship Service and were a chance to celebrate the excellent work and dedication shown by apprentices and all those involved in delivering and promoting the benefits of apprenticeships.

## Library and information services

Library and Information Services are provided for all health and care staff across South Devon. Monitoring shows performance is substantially above the national average, for which the team has been awarded certificates of innovation and good practice.

Highlights in 2012/13 have contributed to the Trust's wider agenda by:

1. Supporting patient care through new outreach activities taking Library and Information services to community staff in Newton Abbot Hospital;
2. Promoting evidence-based practice by delivering information-skills training at Community Nurses' Forums in Newton Abbot;
3. Helping to improve staff health/wellbeing and patient experience by establishing mood-boosting reading sessions for staff and patients, using a national collection of books selected by the public. Collaborating with the Chaplaincy, ward staff, health/wellbeing group and staff counselling team and gaining national recognition from the Reading Agency;
4. Contributing to community engagement by organising a public celebration on 9th May of the Trust's partnership with Nanyuki Hospital in Kenya, attended by about eighty NHS staff, governors, League of Friends, and public;
5. Finding published evidence to support complex South-Devon wide projects for the Trust and the CCG. Projects included identifying systems to improve out-of-hours care and demand/capacity issues in primary care;
6. Welcoming 668 new staff including trainee doctors and medical and nursing students to the Services through the year.

Improvements to the Services in 2012/13 have included:

1. Saving time for busy clinicians and Library staff by introducing automated emailed book-due and overdue book reminders, saving nearly 2,000 items of stationery per year
2. Making information easier to find wherever clinicians are by launching a new version of the Library's website in August 2012, created using improved software
3. Contributing to safer patient care by reviewing and maintaining an up to date book stock, with purchases covering topical themes such as leadership and management, dignity and compassion in care, care of the elderly and patient feedback.

## Part II: Quality

### Introduction & statement of quality from the Chief Executive

I am delighted to present the South Devon Healthcare NHS Foundation Trust Quality Report for 2012/13. The purpose of this report is to promote the quality of service provision provided at Torbay Hospital in a way that's open and transparent.

We believe that quality is at the heart of everything we do, whether it is nurses and doctors caring for patients on wards or IT services ensuring we have the tools to help us do our jobs on a daily basis.

This Quality Report is a reflection of the work we have undertaken during the year and clearly demonstrates how we have achieved continued success at the hospital.

As a qualified nurse with a focus on care and compassion, notable highlights include the ward-based projects such as the 'productive ward' and the end-of-life care work. Both have a direct impact on the way people experience our services and the quality of care we offer.

We will continue to focus on improving the quality of services at the front line and this is reflected in the 2013/14 priorities agreed with local stakeholders including Governors, Local Involvement Networks (now Healthwatch), Commissioners and Councils.

We know that 2013/14 will be a challenging year but with the development of our joined-up vision of health and care with our health and social care partners, we believe that through working together we can deliver a continued programme of improvement across services bringing a wide range of benefits to our local community in South Devon and Torbay.

I hope you will find this year's Quality Report informative and stimulating. I confirm that, to the best of my knowledge, the information in this document is accurate.



Paula Vasco-Knight  
Chief Executive



For the Trust's Quality Report please see pages 95 to 163.

## **Part III: Sustainability**

### **Sustainability strategy 2011/2015**

South Devon Healthcare NHS Foundation Trust is actively working in partnership with Torbay District Council to investigate and develop a green travel policy that will investigate alternative methods and routes to work that will encompass the sustainability agenda. This includes supporting the Bike to Work scheme through the provision of secure cycle storage and changing facilities and by working with the Council to establish green cycle ways.

As a caring and considerate environmental neighbour, South Devon Healthcare NHS Foundation Trust has a corporate social responsibility to increase sustainability and reduce carbon emissions as a result of its activities. This, combined with the ever increasing funding challenges increases the need to become more innovative in meeting these targets.

Managing sustainability has become ingrained into all the business activities that we undertake, from the strategic planning and development of the site to the purchases we make. It is important to us to ensure that we consider the impact we make on the environment of everything we do. To this end we are constantly reviewing our strategy, taking action, refocusing our efforts and measuring success against set targets, both locally and nationally.

Key elements of sustainability are now included into our redevelopment of the site, from reusing building waste to purchasing sustainable materials.

Recycling too has an important place and by working in partnership with Torbay District Council, we aim not only to reduce landfill waste through recycling, but to support the Council in meeting their key targets.

### **Greenhouse gas emissions**

The first phase of the long term energy reduction strategy has commenced with the purchasing of new more efficient boiler plant which is aimed to help the Trust save 10 per cent in carbon emissions against the existing plant on top of other savings generated from more efficient lighting and tighter controls on heating and ventilation systems.

The Trust is currently reviewing and updating its Sustainability Strategy to reflect the ever-changing landscape of both use and reduction which will include some key deliverables in the energy sector. Conclusion of the national energy negotiations has made sure that the best possible price for all the utilities we use are purchased at the most competitive price thereby releasing further funds for reinvestment into the sustainability agenda.

We are also embarking on an exciting new opportunity to assist with the electrical generation required of the National Grid in that our standby generators will support the local power community to aid the costly electrical generation as a result of peaks and troughs.

Business travel usage continues to rise, and through investment in technology such as conferencing facilities has seen a benefit in reducing this reliance in attending meetings etc. Although patient transport vehicles are excluded from the general business use, the vehicles continue to be well serviced and a driver training exercise shortly to be

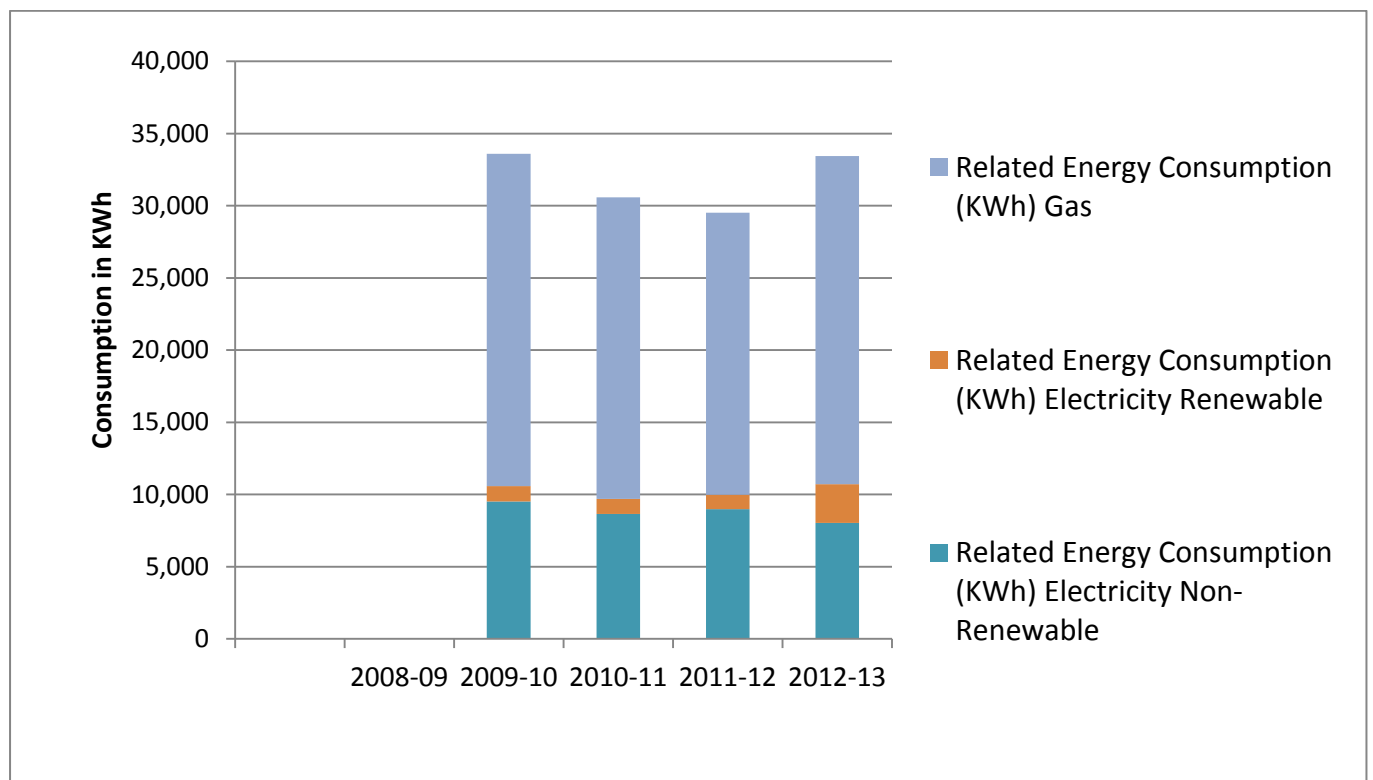
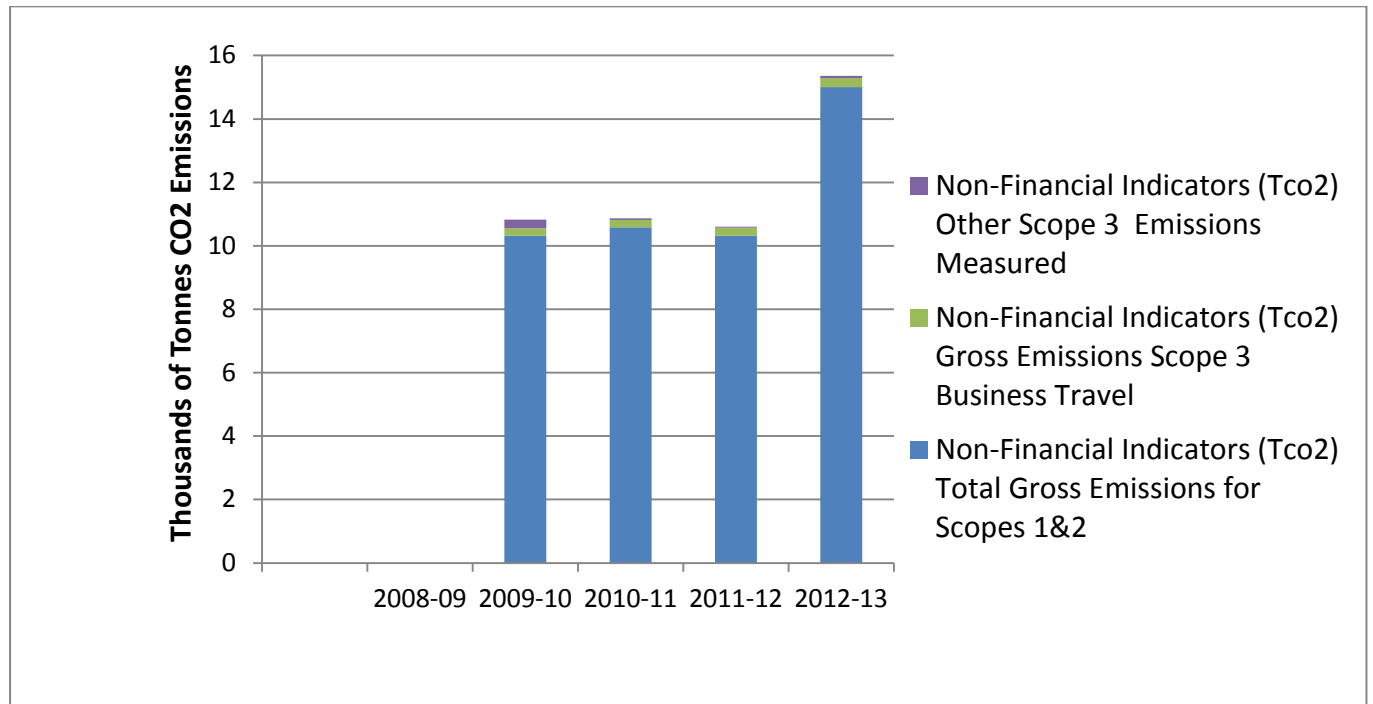
introduced will aid drivers to recognise and operate their vehicles in a more efficient and sustainable manner.

Phase two of the LED lighting upgrade within the communal areas of the Hospital is being carried out which, combined with further lighting controls will reduce energy consumption linked directly to lighting.

Additional ventilation controls linked to spaces that when not in use can switch off the ventilation plant will save both on the cost of operating the plant and maintenance as filters and other equipment will last longer before needing replacement.

Greenhouse Gas Emissions		2010-11	2011-12	2012-13
Non-Financial Indicators (Tco2)	Total Gross Emissions for Scopes 1&2	10,580	10,326	15,006
	Total Net Emissions for Scopes 1&2 (ie less reductions - e.g. Green Tariffs)	10,580	10,326	15,006
	Gross Emissions Scope 3 Business Travel	238	249	284
	Other Scope 3 Emissions Measured	44	32	66
Related Energy Consumption (KWh)	Electricity Non-Renewable	8,652,299	8,995,761	8,043,452
	Electricity Renewable	1,034,550	999,499	2,681,150
	Gas	20,896,136	19,517,285	22,727,106
	LPG			
	Other			
Financial Indicators	Expenditure on Energy	£1,598,568	£2,122,804	£2,238,248
	CRC License Expenditure (2010 onwards)	£1,100	£1,100	£1,100
	CRC Income from Recycling Payments	N/A	N/A	N/A
	Expenditure on Accredited offsets	N/A	N/A	N/A
	Expenditure on Official Business Travel	£99,800	£104,277	£120,426

## Greenhouse gas emissions - graphical analysis



## Waste

Over the year the Trust has continued to work hard at reducing the waste of all types it produces, and to maximise re-cycling. The waste compound has been completed and consequently the waste team are now able to actively and effectively manage all streams of waste to reduce both the cost and the affect on the environment.

The Trust manages two main and distinct waste streams; a hazardous waste stream which consists predominantly of the clinical or healthcare waste it produces and the domestic waste stream which consists of all the other types of waste, disposed of by various different routes

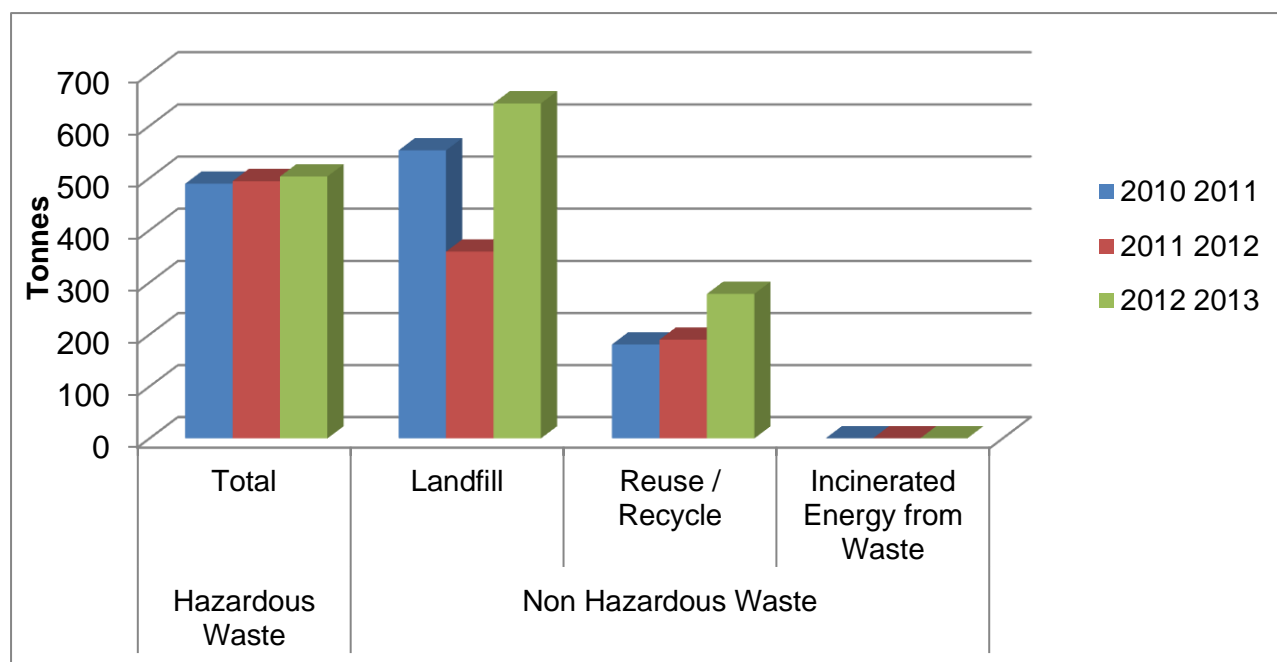
The clinical waste disposal contract which the Trust has been using for the last 15 years was re tendered during the course of 2012. The new disposal contract was awarded to specialist healthcare disposal contractor SRCL. The new contract which commenced on the 1<sup>st</sup> April 2013 has within it various different disposal routes for clinical waste, rather than the previous one. The new contract has enabled the Trust to dispose of its waste more efficiently, safely and significantly more cost effectively whilst continuing to fulfil its responsibilities towards the environment.

The Trust's output of waste has significantly increased over the year as a result of an increase in activity, single use/disposable items and infection control. The team have been working hard to mitigate this and have successfully managed a corresponding 46 per cent increase in recycling over the same period. Trust staff will continue to drive the reduction in waste and increase in recycling levels over the forthcoming year.

The domestic waste contract which covers all waste streams other than clinical waste will be tendered during the course of Spring and Summer 2013 with the new contract starting on the 1 October 2013. This contract will be let as a recycling contract rather than a domestic waste contract and reaffirms the Trust's positive attitude and commitment to recycling rather than disposal via landfill. This will be a significant development and one the Trust is looking forward to introducing.

Waste			2010-11	2011-12	2012-13
Non-Financial Indicators (Tonnes)	Total Waste		1223	1043	1426
	Non Hazardous Waste	Total	489	494	503
		Landfill	553	359	643
		Reuse / Recycle	181	190	278
		Incinerated Energy from Waste	0	0	0
Financial Indicators	Total Disposal Cost		£351,389	£351,904	£392,154
	Hazardous Waste Disposal Cost		£269,465	£271,390	£287,184
	Non Hazardous Waste	Landfill	£69,100	£70,164	£93,970
		Reuse / Recycle	£12,194	£10,350	£11,000
		Incinerated Energy from Waste	0	0	0

## Waste - graphical analysis



## Water

Water consumption for the site continues to be of concern as whilst there is no direct carbon emission link, water is a precious resource that needs to be used sparingly and is of increasingly limited supply. Better control can be gained from sub metering and what's known as SMART Metering. These meters will form the backbone in establishing how much water is used where and aid us to understand and develop a robust strategy in how to manage its use to minimise waste.

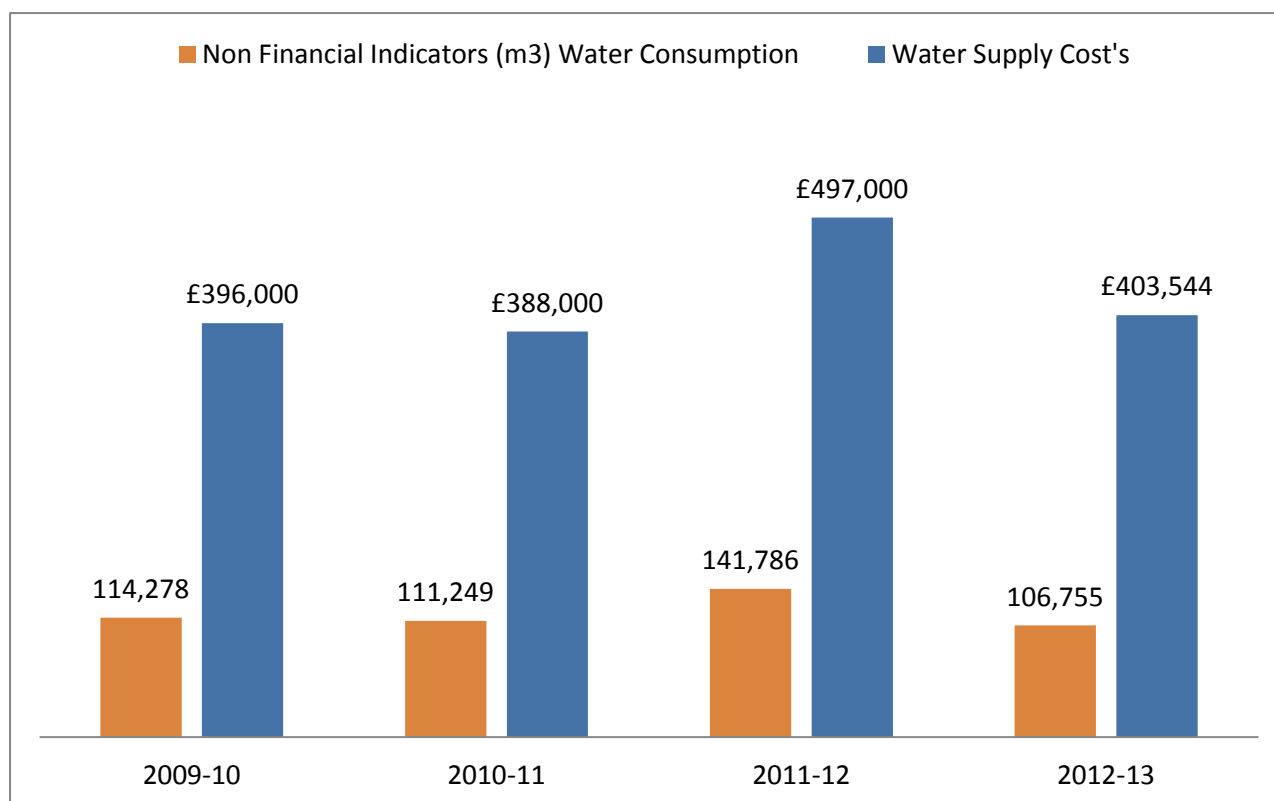
The 2013/14 capital programme will provide funding for the installation of the SMART metering which would enable us to trace or provide early warning if a leak was starting to develop as the readings are almost instantaneous.

We continue to work in partnership with our water supplier and during the last 12 months, we have identified numerous leaks and more efficient ways of using water that continues to support the Trust in becoming more sustainable.

Water			2010-11	2011-12	2012-13
Non-Financial Indicators (m3)	Water Consumption	Supplied	111,249	141,786	106,755
		Abstracted	0	0	0
Financial Indicators	Water Supply Costs		£388,000	£497,000	£403,544



## Waste - graphical analysis



## Part IV: Valuing people

### Staff wellbeing at work

The Trust recognises the evidence that a healthy workforce leads to improved patient experiences, performance and heightened 'whole organisation wellbeing'.

The Trust has a 'Wellbeing at Work' Project Board which is chaired by the Director of Workforce and Organisational Development (OD). The purpose of the group is to oversee the development of the Trust's response to the Boorman report and implement the recommendations; develop a joint Health and Wellbeing Strategy across both Trusts ensuring that the health and wellbeing of staff remains a priority and focus; develop, propose and maintain staff wellbeing initiatives and encourage staff engagement; investigate best practice evidence from other organisations and national initiatives; observe results of staff surveys and action plan priorities as appropriate; and observe contribution to green travel plan.

The support from the project board along with a strategy to take the organisation forward to 2013 demonstrates the importance the organisation places on its employee's wellbeing.

The Trust has a Wellbeing at Work programme which promotes health and wellbeing for all our staff, providing opportunities and support through a range of services and offers. In 2012 the Trust had a re-launch of the agenda, highlighting to all employees what was available to them in terms of wellbeing at work; this included the following:

- The launch of measured walks on the Torbay Hospital site in order to promote more physical activity. Four colour coded walk routes have been created around the Torbay Hospital Site. The walks vary from 200m to 1300m and are signposted and maps are available on the staff intranet.
- The Trust re-launched the staff counselling service as the new Staff Support Service which now offers a broader range of support for staff. The service is part of the Occupational Health department and are there to support staff on sustaining their emotional and mental health at work.
- The Trust introduced a Stress Management Course in 2012 to help managers better understand the causes of stress and, what steps they can take to help limit stress on their employees.
- The Trust has been trialling physiotherapy lunchtime drop in clinics for staff where they can meet with a physiotherapist and get advice on any muscular skeletal, ergonomic and work related queries.
- The staff intranet page has also been updated to become a one-stop shop for health and wellbeing enquiries.

## 2012 national NHS staff survey

### Commentary

The Trust has a multi-faceted approach to staff engagement which includes a range of opportunities for staff to have their views heard and to engage with the wider Trust agenda. These opportunities include:

- 'Listening into Action' sessions for all staff;
- all managers briefing;
- all staff conference;
- staff bulletin;
- joint consultations/negotiations with the Trade Unions; and
- annual staff survey.

The Trust objectives are to enhance and improve these mechanisms and encourage greater engagement with staff.

### Summary of findings

A total of 477 staff took part in the national staff survey 2012. This represents a response rate of 56 per cent which is in the highest 20 per cent of acute trusts in England, and compares with a response rate of 22 per cent in the 2011 survey.

In comparison to all acute Trusts South Devon Healthcare NHS Foundation Trust has performed as average or better than average in 21 of the 28 key findings. The Trust was rated in the best 20 per cent of acute trusts nationally for:

- staff recommendation of the Trust as a place to work or receive treatment;
- percentage of staff receiving job relevant training, learning or development in the last 12 months; and
- low levels of staff working extra hours.

The Trusts was rated above the national average in an additional seven areas, including:

- percentage of staff feeling satisfied with the quality of work and patient care they are able to deliver;
- low levels of work pressure;
- low levels of staff suffering work related stress; and
- high levels of staff receiving equality and diversity training.

The Trust's overall staff engagement indicator was better than the national average.

## 2012/13 National NHS staff survey results

The following table is based on Monitor's template taken from the NHS Foundation Trust Annual Reporting Manual 2012/13.

		2011/12		2012/13		Trust Improvement/ Deterioration
Top four ranking scores		Trust	National Average	Trust	National Average	Trust
KF24	Staff recommendation of the trust as a place to work or receive treatment*	3.78	3.50	3.85	3.57	+0.07
KF5	Percentage of staff working extra hours *	59%	65%	63%	70%	-4%
KF6	Percentage of staff receiving job-relevant training, learning or development in last 12 months *	Not comparable as change to question/response options		83%	81%	
KF26	Percentage of staff having equality and diversity training	63%	48%	64%	55%	+1

\* The Trust's was rated in the highest (best) 20 per cent of acute trusts nationally.

		2011/12		2012/13		Trust Improvement/ Deterioration
Bottom four ranking scores		Trust	National Average	Trust	National Average	Trust
KF8	Percentage of staff having well-structured appraisals in last 12 months	33%	34%	31%	36%	-2%
KF9	Support from immediate managers	3.68	3.61	3.55	3.61	-0.13
KF22	Percentage of staff able to contribute towards improvements at work	62%	61%	66%	68%	+4%
KF18	Percentage of staff experiencing harassment, bullying or abuse from patients relatives or the public in last 12 months	Not comparable as change to question/response options		32%	30%	

### Areas for development

The findings from the staff survey identify seven areas in which the Trust performs slightly below the national average. There are an additional five areas in which the Trust performs at or above the national average but for which there has been a decline internally since 2011. The priority areas include addressing bullying and harassment of staff by patients, reducing work related stress, increasing the number of staff who receive health and safety training, ensuring staff have well-structured appraisals, feel supported by their immediate managers and are able to contribute towards improvements at work.

### Action plans

Staff opinion is being sought on how those areas identified for development within the staff survey can be improved. This is being sought through 'listening into action' workshops and attendance at departmental/team meetings. This information will be used to inform the Trust action plan which will be monitored through Workstream four (Human Resources and Educational Governance).

## Equality and diversity

South Devon Healthcare NHS Foundation Trust is committed to providing an inclusive and welcoming environment for our patients, staff and visitors. The values of our organisation include clear recognition of the importance of respecting and recognising each other as individuals. Our aim is to promote good relations, meeting the needs of our patients, service users, staff and visitors in the very best way, whilst celebrating the very positive benefits to be gained from being part of a diverse community.

The **Equality Act 2010** provided a new cross-cutting legislative framework which updated, simplified and strengthened the previous legislation to protect individuals from unfair treatment and promote a fair and more equal society. The primary provisions of the Equality Act came into force in October 2010. The Act applies to all organisations that provide a service to the public or a section of the public and to anyone who sells goods or provides facilities, whether or not a charge is made for them.

### Our achievements for 2012/2013

- Project Search, an employment-focused programme for young people (aged 18-24) with learning disabilities, started in September 2012. The young people participate in a variety of work 'rotations' within Torbay Hospital to develop their skills. This diversity initiative has had a significant positive impact throughout the Trust, particularly on staff morale. It is hoped many of the young people will be employed by the Trust once the programme is finished.
- The Trust is committed to the Personal, Fair and Diverse campaign championed by NHS Employers. The campaign aims to raise awareness for staff and patients of the NHS Constitution and the individual needs of staff and patients.
- The Trust has become a member of Stonewall's Diversity Champions programme. Stonewall is the UK's leading Lesbian, Gay and Bisexual (LGB) equality charity. The programme will help to create an LGB inclusive workplace environment.
- Established a Black Minority Ethnic (BME) Health Forum for Torbay and South Devon with partner organisations. This group aims to reduce health inequalities for BME people in the community by improving their access to and experience of health and care.
- An English language and cultural awareness course has been set up to support overseas staff in terms of communication.

### The Equality Delivery System

The NHS Equality Delivery System (EDS) sets out the way the Trust intends to meet its duties under the Equality Act 2010. The EDS was formally launched by the NHS Equality Delivery Council on 8 November 2011. The EDS is not a self-assessment tool to measure equality. Rather, it is an engagement mechanism to capture feedback and evidence from people who use the Trust's services across Torbay and South Devon as well as the Trust's workforce in respect to equality.

The EDS has 18 outcomes spread across four goals:

1. Better Health Outcomes for All.
2. Improved Patient Access and Experience.
3. Empowered, Engaged and Well-Supported Staff.
4. Inclusive Leadership at All Levels.

The Chief Executive of the Trust is the Senior Responsible Officer (SRO) for the EDS and was appointed National Equality Lead for NHS England (previously NHS Commissioning Board). The EDS is currently undergoing an independent two stage evaluation. Stage one of the evaluation is complete and has shown the EDS to be a highly effective tool for promoting equality and strengthening engagement with local communities. The EDS is a holistic tool that has mainstreamed equality and made a real difference to patients and staff.

### **What we are doing as a Foundation Trust?**

The Foundation Trust is committed to using the EDS to support our work in continually promoting equality and diversity. The EDS has been fully embedded within the organisation and the aim is now to use it as lever to mainstream equality.

In April 2013 we held an EDS stakeholder engagement event in which patients, voluntary organisations, governors and people from the community were in attendance from across all the protected characteristics described in the Equality Act 2010.

This was the second time the Trust has run an EDS event and will be held annually. The event provided an introduction to the EDS and an assessment of the Trust's performance on Equality and Diversity. The Chief Executive of the Trust (also NHS National Equality Lead) presented the national equality and health inequalities strategy.

The feedback from the EDS event will inform the evidence-gathering process to grade the Trust on progress in equality.

### **Equality Objectives**

The Trust developed four strategic equality objectives from last year's EDS grading. These objectives aim to promote equality and reduce health inequalities; which will drive forward a more inclusive and accessible health service for all.

The Public Sector Equality Duty (PSED) requires NHS organisations to develop specific and measurable equality objectives in order to maintain legal compliance with the Equality Act 2010. There is a requirement to publish equality objectives every four years, however, the Trust will review its objectives annually. Our equality objectives are available on the Trust's public website (<http://www.sdhct.nhs.uk/aboutus/equalityanddiversity/>)

### **Equality and Diversity Action Plan (2010–2013)**

The Trust has an action plan which charts equality and diversity priorities. This action plan is informed by our equality objectives. It was fully updated in March 2013 and is available on the Trust's public website.

# Part V: Foundation Trust membership

## Comparison 2011 and 2012 - staff and public membership

	Staff Membership				Public Membership			
	2011/12	%	2012/13	%	2011/12	%	2012/13	%
<b>Age</b>								
0-16	44	1.3	47	1.3	*		1	<1
17 -21					8	<1	7	<1
22+	3381	98.7	3566	98.7	13823	98.3	13069	98.2
Not stated	-				233	1.6	226	1.7
TOTAL	3425		3613		14064		13303	
<b>Ethnicity</b>								
White	3211	93.8	3389	93.8	12560		12029	90.4
Mixed	18	0.5	28	0.8	10	<1	12	<1
Asian	10	0.3	14	0.4	26	<1	26	<1
Asian British	72	2.1	73	2.0				
Black	3	0.1	1	0.0	4	<1	4	<1
Black British	10	0.3	15	0.4				
Other	48	1.4	40	1.1	21	<1	20	<1
Undefined	0		0	0	-	-		
Not stated	53	1.5	53	1.5	1443	10.2	1212	9.1
TOTAL	3425		3613		14064		13303	
<b>Sex</b>								
Male	773	22.6	819	22.7	5969	42.4	5609	42.1
Female	2652	77.4	2794	77.3	7946	56.5	7593	57.1
Not stated	-		0		149	1	101	<1
TOTAL	3425		3613		14064		13303	
<b>Recorded Disability</b>								
Yes	76	2.2	77	2.1	6	<1	6	<1
No	2417	70.6	2599	71.9	-	-	-	-
Not declared	140	4.1	182	5.0	-	-	-	-
Undefined	792	23.1	755	20.9	-	-	-	-
TOTAL	3425		3613		6	<1	6	<1

\* Not applicable

Staff Membership figures exclude opt-outs and staff on fixed term contracts under 12 months.



## Part VI: Regulatory findings

NHS Foundation Trusts receive regulatory ratings from the independent regulator Monitor and from the Care Quality Commission. This section of the Annual Report describes the ratings, the reasons for them and the actions being taken to address any significant issues. It details our ratings from Monitor in comparison with the expectation of the annual rating which had been published in our Annual Plan.

The Trust's Care Quality Commissions declaration is reported elsewhere in this Annual Report – see page 85.

### Monitor's regulatory findings

#### Table of analysis – 2011/12

	Annual Plan 2011/12	Quarter 1 2011/12	Quarter 2 2011/12	Quarter 3 2011/12	Quarter 4 2011/12
Financial Risk Rating	3	4	4	4	4
Governance Risk Rating	Amber - Green	Amber - Red	Amber - Green	Amber - Red	Amber - Red

#### Table of analysis – 2012/13

	Annual Plan 2012/13	Quarter 1 2012/13	Quarter 2 2012/13	Quarter 3 2012/13	Quarter 4 2012/13
Financial Risk Rating	3	4	4	4	4
Governance Risk Rating	Amber-Red	Green	Amber-Green	Amber-Green	Amber-Green

### Explanation of ratings

Each year Monitor (the independent Regulator for NHS Foundation Trusts) produces a Compliance Framework which sets out the approach to monitoring compliance by NHS Foundation Trusts within their Terms of Authorisation. As the environment within which NHS Foundation Trusts operate evolves, the Compliance Framework is updated accordingly.

The regulatory framework allows NHS Foundation Trusts to make best use of their freedoms while operating within the boundaries of their Authorisation. This is designed to ensure that the interests of patients and the public are protected, and at the same time National Health Service objectives are delivered.

There are three main components to the Compliance Framework:

- annual risk assessment;
- in-year monitoring (typically quarterly); and
- intervention.

For both the annual risk assessment and in-year monitoring, Monitor will assign a risk rating in two areas – financial and governance. Monitor will use these risk ratings to guide the intensity of its monitoring and to signal to the NHS Foundation Trust its degree of concern with specific issues identified and the risk of breach of the Authorisation. The risk ratings that Monitor assigns to NHS Foundation Trusts and which are published therefore differ from other healthcare regulators, such as the periodic assessments of the Care Quality Commission, in three respects:

- **Limited scope.** Monitor's regulation is designed to ensure that NHS Foundation Trusts do not significantly breach their Authorisation. The risk ratings it assigns to NHS Foundation Trusts are for that purpose alone. They are not a comment on the overall performance of NHS Foundation Trusts.
- **Forward-looking nature.** The risk ratings are intended to indicate how likely it is that an NHS Foundation Trust is, or will be, in significant breach of its Authorisation; and
- **Limited target audience.** The main audiences for Monitor's risk ratings are Boards of Directors, senior staff, governors and, to a lesser extent, commissioners. Monitor recognises that its risk ratings will inevitably be of interest to other stakeholders. While ratings by a regulator of public benefit corporations should be public, the ratings are designed primarily for regulatory purposes and not for use by third parties.

For the annual risk assessment, Monitor requires each NHS Foundation Trust to submit a plan ('Annual Plan') including forecast financial performance and details of any major risks to compliance with their Authorisation and how the Trust intends to address these.

**Financial risk rating** – When assessing financial risk, Monitor assigns a risk rating using a scorecard which compares key financial metrics on a consistent basis across all NHS Foundation Trusts. A score of '1' represents the highest risk of an 'Authorisation Breach' whereas a score of '5' represents the lowest level of financial risk.

**Governance risk rating** – Governance ratings for 2012/13 are rated using a traffic light system, of green, amber-green, amber-red and red, where green indicates low risk and red indicates high risk. An NHS Foundation Trust may be rated amber or red on governance for failing to comply with material obligations in areas which are not directly monitored by Monitor – such as those required under the registration regulations of the Care Quality Commission.

Rather than lead to direct intervention, an amber rating is likely to result in Monitor asking the NHS Foundation Trust to propose remedial actions to address the specific issues noted. Failure to address an issue on a timely basis noted in previous assessments will result in a red rating and could lead to an intervention under section 52 of the NHS Service Act 2006.

Further information about Foundation Trust ratings is available on Monitor's website at [www.monitor-nhsft.gov.uk](http://www.monitor-nhsft.gov.uk)

## **Summary of rating performance throughout the year and comparison to prior year**

2012/13 was a successful year for South Devon Healthcare NHS Foundation Trust with the organisation achieving financial risk ratings that exceeded Annual Plan expectations. Likewise, compliance with Governance targets was maintained throughout the year.

The Trust has responded and performed well during 2012/13 in maintaining safety and quality care whilst delivering the financial challenges imposed on all NHS trusts, achieving a year-end position above what was submitted in its Annual Plan to Monitor on the 31 May 2012. The Governance risk rating at the end of March 2013 was 'red' due to the Trust's challenging clostridium difficile target not being met; 21 cases against a plan of 20 (whereas the target for the previous year was 21). Following a review of the Trust's reports in February and March 2013, Monitor reduced the Trust's Governance rating from 'red' (high risk) to 'amber-green' (low risk).

### **Analysis of actual quarterly rating performance compared with expectation in the annual plan**

The following commentary covers the explanation for differences in actual performance versus expected performance at the time of the annual risk assessment.

**Quarter one 2012/13** – The governance risk rating was above (better than) plan with the Trust meeting all healthcare targets and indicators. The financial risk rating was above (better than) plan.

**Quarter two 2012/13** – The Trust reported nine cases of clostridium difficile against a plan of five resulting in the amber-green governance rating. This rating was in line with expectations outlined within the Trust's Annual Plan 2012/13. The financial risk rating was above (better than) plan. The Trust received an unannounced visit from the Care Quality Commission (CQC) during September 2012 and received two compliance actions; Outcome 4 (Care & welfare of people who use services) and outcome 8 (cleanliness & infection control) on two ward areas. The CQC's follow-up visit in quarter three (January 2013) found the Trust fully compliant with all standards/outcomes.

**Quarter three 2012/13** – The Trust had five cases of clostridium difficile against a plan of five resulting in a year-to-date total of 20 confirmed cases. As this number was not above plan i.e. 21 or more cases, the Trust's governance risk rating remained at amber-green. The financial risk rating was above (better than) plan.

**Quarter four 2012/13** – The Trust reported just one case of clostridium difficile against a plan of five, however, the position as at 31 March 2013 was 21 cases against a plan of 20. The Trust submitted a 22-page report on clostridium difficile on 6 February 2013 to Monitor outlining everything the Trust was doing to reduce the number of infections. The Trust's governance rating as at quarter four was 'amber-green'. The financial risk rating was above (better than) plan.

There have been no formal interventions by Monitor during 2011/12 or 2012/13.

## Part VII: Local Assurance

### The NHS Foundation Trust – background (pre 1 April 2013)



**Above:** Our NHS Foundation Trust public membership is divided into three public constituencies and elections are held within each to choose representatives to sit on the Council of Governors.

#### The legislative basis

South Devon Healthcare NHS Foundation Trust has been founded as a public benefit corporation under the Health and Social Care (Community Health and Standards) Act 2003.

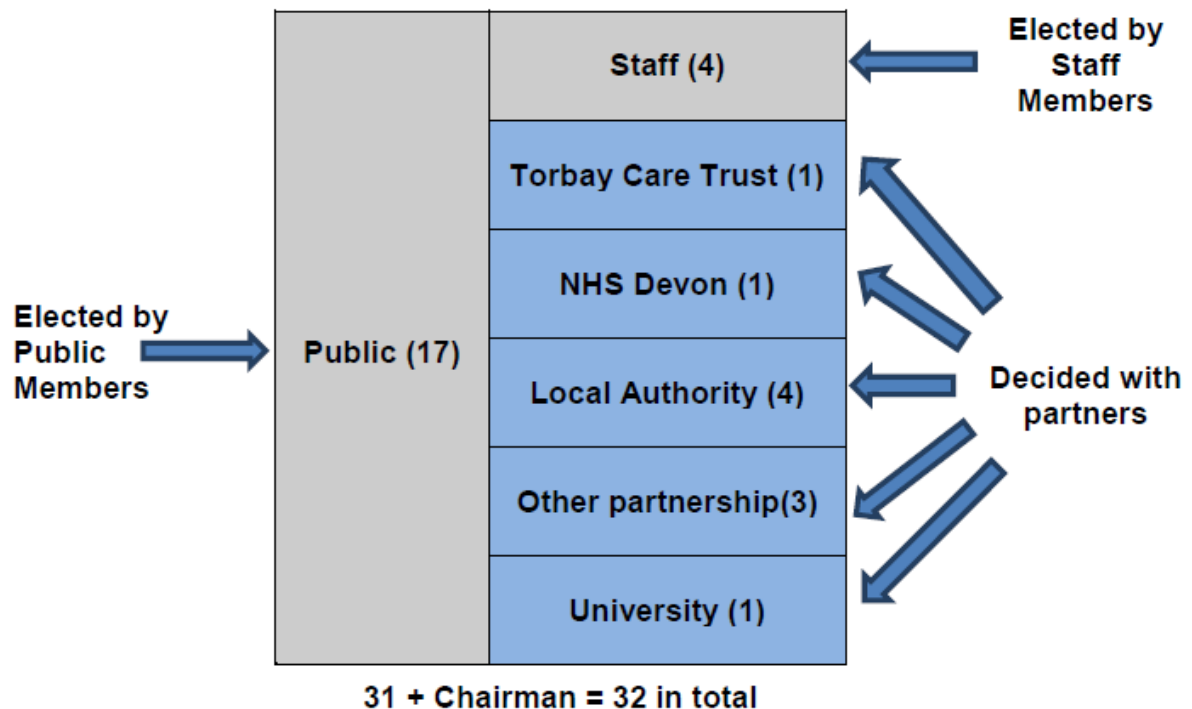
The Board of Directors is accountable to a Council of Governors. Because the NHS Foundation Trust is entrusted with public funds, it is essential that we operate according to the highest corporate governance standards. For this reason, the Trust is following the guidance laid down by the independent regulator, Monitor, in the NHS Foundation Trust Code of Governance. Monitor's website address is [www.monitor-nhsft.gov.uk](http://www.monitor-nhsft.gov.uk)

#### Decision making and responsibilities

The operation, resource management and standards of the NHS Foundation Trust are the responsibility of the Board of Directors, with day-to-day decisions delegated to management. The main function of the Council of Governors is to work with the Board of Directors to ensure that the Trust acts in a way that is consistent with its constitution and objectives, and to help set the Trust's strategic direction. The Council of Governors is not involved in matters of day-to-day management, but has powers of appointment to the Board of Directors (non-executives) and represents the interests and views of the

community, staff and partner organisations, ensuring these are taken into account in the Trust's forward plans. Governors also have an important, outward-facing role to play with regards to the NHS Foundation Trust membership.

## Our Council of Governors



In the lists on the following pages, each representative's term of office is recorded; new public, staff and nominated governors are elected for a three-year term of office. Each governor's number of attendances at Council of Governors meetings during the year is also shown, and also membership of, and attendance at, any sub-committees. Membership numbers are given for each constituency. All numbers are as at 31 March 2013.

Any declarations of interests for the Council of Governors members and for the Board of Directors is called for at the beginning of each Council of Governors or Board of Directors meeting. You can ask to see the register of interests at any other time or to contact your elected Council of Governors members.

*Contact: Foundation Trust Office, Hengrave House, Torbay Hospital, Torquay TQ2 7AA, telephone 01803 655705.*

## Council of Governors members

South Hams and Plymouth (eastern area)  
Elected public governors  
(3 representatives: 1,559 members)

Name	Term of office  Committee and Group membership	Declaration of interests  Council of Governors Attendance record 2012/13
<b>Roy Allison</b>	<p><b>Current</b></p> <p>Elected for 1 year term (1 March 2007 – 29 February 2008)</p> <p>Re-elected for 3 year term (1 March 2008 – 28 February 2011)</p> <p>Re-elected for 3 year term (1 March 2011 – 28 February 2014)</p> <p>Member of Remuneration Committee</p> <p>Member of Mutual Development Group</p> <p>Member of Equality, Diversity and Human Rights Group</p>	<p>None declared</p> <p>Attended Council of Governors 4/4</p>
<b>Christina Carpenter</b>	<p><b>Current</b></p> <p>Elected for 3 year term (1 March 2011 – 28 February 2014)</p> <p>Governor observer – Workstream 2 (Patient Experience and Community Partnerships)</p> <p>Member of Quality and Compliance Committee</p> <p>Member of Communications Development Group</p>	<p>None declared</p> <p>Attended Council of Governors 4/4</p>

<p><b>Anne Harvey</b></p>	<p><b>Current</b></p> <p><b>Council of Governors lead governor</b></p> <p>Elected for 3 year term (1 March 2007 – 28 February 2010)</p> <p>Re-elected for 3 year term (1 March 2010 – 28 February 2013)</p> <p>Re-elected for 3 year term (1 March 2013 – 28 February 2016)</p> <p>Member of Nominations Committees (Chair if dealing with matters associated with the Chairman)</p> <p>Chair of Remuneration Committee</p> <p>Governor observer – Infection Prevention and Control Committee</p> <p>Member of Quality and Compliance Committee</p>	<p>None declared</p> <p>Attended Council of Governors 4/4</p>
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**Teignbridge Constituency**  
**Elected public governors**  
**(7 representatives: 4,920 members)**

Name	Term of office  Committee and Group membership	Declaration of interests  Council of Governors Attendance record 2012/13
<b>Terry Bannon</b>	<b>Current</b>  Elected for 3 year term (1 March 2011 – 28 February 2014)  Member of Nominations Committee  Governor observer – Workstream 5 (Infrastructure and Environment)  Member of Quality and Compliance Committee	None declared.  Attended Council of Governors 3/4
<b>Barrie Behenna</b>	<b>Current</b>  Elected for 2 year term (1 March 2007 – 28 February 2009)  Re-elected for 3 year term (1 March 2009 – 29 February 2012)  Re-elected for 3 year term (1 March 2012 – 28 February 2015)  Member of Nominations Committee  Member of Remuneration Committee  Chair of Quality and Compliance Committee	None declared  Attended Council of Governors 3/4
<b>Carol Day</b>	<b>Current</b>  Elected for 3 year term (1 March 2013 – 28 February 2016)	None declared  Attended Council of Governors 0/0



Name	Term of office  Committee and Group membership	Declaration of interests  Council of Governors Attendance record 2012/13
<b>Cathy French</b>	<p><b>Current</b></p> <p>Elected for 3 year term (1 March 2009 – 28 February 2012 )</p> <p>Re-elected for 3 year term (1 March 2012 – 28 February 2015)</p> <p>Member of Remuneration Committee</p> <p>Chair of Mutual Development Group</p> <p>Governor observer – Workstream 1 (Patient Safety Committee)</p> <p>Member of Quality and Compliance Committee</p>	<p>None declared</p> <p>Attended Council of Governors 4/4</p>
<b>Alan Hitchcock</b>	<p><b>Current</b></p> <p>Elected for 3 year term (1 March 2007 – 28 February 2010)</p> <p>Re-elected for 3 year term (1 March 2010 – 28 February 2013)</p> <p>Re-elected for 3 year term (1 March 2013 – 28 February 2016)</p> <p>Member of Mutual Development Group</p>	<p>None declared</p> <p>Attended Council of Governors 3/4</p>
<b>George-Alfred Husband</b>	<p><b>Current</b></p> <p>Elected for 3 year term (1 March 2007 – 28 February 2010)</p> <p>Re-elected for 3 year term (1 March 2010 – 28 February 2013)</p> <p>Re-elected for 3 year term (1 March 2013 – 28 February 2016)</p> <p>Member of Mutual Development Group</p>	<p>Interests declared: Patient lead and chair of newly formed PPG (Patient Participation Group) at Cricketfield Surgery/Newton Abbot.</p> <p>Attended Council of Governors 2/4</p>

<b>Name</b>	<b>Term of office</b>  <b>Committee and Group membership</b>	<b>Declaration of interests</b>  <b>Council of Governors Attendance record 2012/13</b>
<b>Sally Rhodes</b>	<b>Current</b>  Elected for 3 year term (1 March 2013 – 28 February 2016)	None declared  Attended Council of Governors 0/0

## **Torbay Constituency**

**Elected public governors**  
**(7 representatives: 6,824 members)**

<b>Name</b>	<b>Term of office</b>  <b>Committee and Group membership</b>	<b>Declaration of interests</b>  <b>Council of Governors Attendance record 2012/13</b>
<b>Stephen Acres</b>	<b>Current</b>  Elected for 2 year term (1 March 2007 – 28 February 2009)  Re-elected for 3 year term (1 March 2009 – 29 February 2012)  Re-elected for 3 year term (1 March 2012 – 28 February 2015)  Member of Mutual Development Group	None declared  Attended Council of Governors 3/4
<b>Will Baker</b>	<b>Current</b>  Elected for 3 year term (1 March 2012 – 28 February 2015)	Interests declared: South Devon Cardiac Services Clinical Pathway Group. One son is currently employed on the physiotherapy bank, working in Dartmouth Hospital; the other son is a physiotherapist currently on rotation at Torbay Hospital.  Attended Council of Governors 4/4
<b>Sylvia Gardner-Jones</b>	<b>Current</b>  Elected for 3 year term (1 March 2011 – 28 February 2014)	None declared  Attended Council of Governors 3/4

Name	Term of office  Committee and Group membership	Declaration of interests  Council of Governors Attendance record 2012/13
<b>Philippa Grantham</b>	<b>Term ended</b>  Elected for 3 year term (1 March 2010 – 28 February 2013)	Interests declared: Chairman of Arthritis Care Torbay. Member of the Executive Committee of Brixham Does Care.  Attended Council of Governors 3/4
<b>Rick Hillier</b>	<b>Current</b>  Elected for 3 year term (1 March 2007 – 28 February 2010)  Re-elected for 3 year term (1 March 2010 – 28 February 2013)  Re-elected for 3 year term (1 March 2013 – 28 February 2016)  Member of Nominations Committee  Member of Remuneration Committee  Governor observer – Workstream 3 (Finance Committee)  Member of Quality and Compliance Committee	Interests declared: Director of the Community Care Trust (South Devon) Ltd.  Attended Council of Governors 3/4
<b>Lynne Hookings</b>	<b>Current</b>  Elected for 3 year term (1 March 2013 – 28 February 2016)	Interests declared: Trustee of Torbay Hospital League of Friends
<b>John Hyde</b>	<b>Current</b>  Elected for 3 year term (1 March 2011 – 28 February 2014)	None declared  Attended Council of Governors 2/4
<b>David Wootten</b>	<b>Resigned – 17 April 2012</b>  Elected for 3 year term (1 March 2008 – 28 February 2011) Re-elected for 3 year term (1 March 2011 – 28 February 2014)	None declared  Attended Council of Governors 0/1

## Staff Constituency

### Elected staff governors

(4 representatives: 3,613 members)

Name	Term of office	Declaration of interests Attendance record 2012/13
<b>Cleo Allen</b>	<b>Current</b>  Elected for 3 year term (1 March 2013 – 28 February 2016)	None declared  Attended Council of Governors 0/0
<b>Rachael Glasson</b>	<b>Current</b>  Elected for 3 year term (1 March 2012 – 28 February 2015)  Governor observer – Workstream 4 (Workforce & Education Governance Board)  Member of Quality and Compliance Committee	None declared  Attended Council of Governors 3/4
<b>Jon Goldman</b>	<b>Current</b>  Elected for 3 year term (1 March 2012 – 28 February 2015)  Member of Nominations Committee	None declared  Attended Council of Governors 4/4
<b>Helen Wilding</b>	<b>Current</b>  Elected for 3 year term (1 March 2013 – 28 February 2016)	None declared  Attended Council of Governors 0/0
<b>Liz Williams</b>	<b>Resigned – 28 February 2013</b>  Elected for 3 year term (1 March 2009 – 29 February 2012)  Re-elected for 3 year term (1 March 2012 – 28 February 2015)  Member of Mutual Development Group	None declared  Attended Council of Governors 4/4

## Partner Organisations

### Nominated governors (10 representatives)

Name	Term of office  Committee and Group membership	Declaration of interests  Attendance record 2012/13
<b>Julia Blood</b>	Carers  <b>Current</b>  1 March 2010 – 28 February 2013	Interests declared: Development Manager and Lead Practitioner for Learning Disability for Devon Carers Centre. Employed by registered charity South Devon Carers Consortium (SDCC) working in partnership with the Carers+ Consortium, which commissions SDCC to deliver services in South Devon. The Carers+ Consortium receives funding from Devon Primary Care Trust and Devon County Council. The Carers Centre provides information, support and short breaks for Carers living in Devon.  Attended Council of Governors 0/4
<b>Carolyn Bruce-Spencer</b>	South Hams District Council  <b>Resigned - 10 April 2012</b>  10 June 2011 – 9 June 2014	Attended Council of Governors 0/0
<b>Gill Montgomery</b>	Devon Partnership Trust  <b>Current</b>  1 March 2007 – 31 March 2013	Interests declared: Assistant Director – Devon Partnership Trust.  Attended Council of Governors 2/4
<b>Trevor Pennington</b>	Devon County Council  <b>Current</b>  1 December 2009 – 31 March 2013	None declared  Attended Council of Governors 1/4

Name	Term of office  Committee and Group membership	Declaration of interests  Attendance record 2012/13
<b>Christine Scouler</b>	Torbay Council  <b>Current</b>  1 June 2011 – 28 February 2014  Governor observer – Audit and Assurance Committee  Member of Quality and Compliance Committee	Interests declared: Executive Lead for Adult Social Care, Co-Chair of Supporting Learning Disabilities Board, member of Health and Wellbeing Board, Councillor on Torbay and Southern Devon Health and Care NHS Trust.  Attended Council of Governors 2/4
<b>Lindsay Ward</b>	South Hams District Council  <b>Current</b>  1 July 2012 – 30 June 2015	None declared  Attended Council of Governors 2/3
<b>Jon Welch</b>	Torbay and Southern Devon Health and Care NHS Trust <b>Current</b>  1 March 2007 – 1 March 2010  Re-nominated for 3 year term (1 March 2010 – 28 February 2013)	Interests declared: Board member of Torbay and Southern Devon Health and Care NHS Trust.  Attended Council of Governors 2/4
<b>Jennifer Winslade</b>	NHS Devon (Primary Care Trust) <b>Resigned - 17 December 2012</b>  1 September 2008 – 31 August 2011  Re-nominated for 3 year term (1 September 2011 – 31 August 2014)	Interests declared: Member Devon Children's Trust Partnership Council. Assistant Director of Patient Safety and Quality Devon Primary Care Trust (commissioning). Member of Devon Primary Care Trust Professional Executive Committee and Board.  Attended Council of Governors 0/4
<b>Peninsula College of Medicine and Dentistry</b>		Vacant
<b>Teignbridge Council</b>		Vacant
<b>Voluntary Services</b>		Vacant

The Council of Governors is chaired by the Trust Chairman Peter Hildrew. He has attended all of the Council of Governors meetings held during the year.

## **Elections**

Some of the public and staff member representatives, known as governors, came to the end of their terms of office during the year, while others have resigned. Approximately a third of the elected seats come up for election each year, to ensure that the Trust's public and staff memberships have a regular opportunity to exercise their right to vote for the representatives of their choice.

During the last 12 months, elections have been held in December 2012 – for one of the three South Hams and Plymouth (eastern area) seats, four of the seven Teignbridge constituency seats and for three of the seven Torbay constituency seats.

There was only one candidate for the South Hams and Plymouth (eastern area); Anne Harvey was re-elected for a three-year term unopposed.

Five candidates put themselves forward for the Teignbridge constituency seats; Carol Day, Alan Hitchcock (re-elected), George-Alfred Husband (re-elected) and Sally Rhodes were all elected for three-year terms of office.

Two candidates put themselves forward for the Torbay constituency seats; Rick Hillier was re-elected and has been joined from March (2013) for a three-year term on the Trust's Council of Governors by the other successful candidate Lynne Hookings. The additional vacant seat for Torbay would be filled during the early part of 2013.

Five staff candidates put themselves forward for two non-clinical seats; Cleo Allen and Helen Wilding taking them for three years from 1 March 2013 and joining Rachael Glasson and Jon Goldman who hold the clinical seats.

The 17 publicly-elected representatives form the majority on the Council of Governors.

## **Community involvement**

We have been authorised as an NHS Foundation Trust for six years now, and we are maintaining a public membership of more than 13,000 people whom we stay in contact with several times a year. An annual survey of their views about our forward plans and about their experiences of our service – as recent patients, carers or visitors - is now an established part of our communications with our members. The level of responses we receive gives us a statistically significant sounding board from households across the South Devon community. This year the annual survey resulted in our second highest number of responses; nearly 3,365. Most of the responses were happy with the level of service being provided, but where we do not always get it right first time, the Trust is committed to improving these areas for everyone.

The membership is represented by the 17 people they have elected to our Council of Governors, whose responsibility it is to ensure that the Trust's directors take account of the collective views of the membership and work in the interests of the local community when setting the Trust's strategy and forward plans.

## **Understanding the patient experience**

The Trust continues to increase its understanding of what patients and the public think about the services we offer and recognise the value of their ideas about how services can be developed and improved.

Feedback from formal national inpatient and outpatient surveys and from sources such as complaints and compliments provide important information about the patient experience. In addition, we receive valuable ideas and suggestions from patients and the service user groups which are well established in a number of specialties.

Over the last year we have focused in particular on harnessing the knowledge and experience of members of our Foundation Trust. The members of our Working with Us Panel have provided useful insight and perspective, as patients or members of the public, using real time feedback to improve the patient experience. In addition, a number of members of the Panel continue to be trained to undertake 'observations of care'.

The Trust has set up a virtual patient information review group involving Working With Us Panel members, Healthwatch and governor representatives.

Foundation Trust members also sit on important groups such as our Patient Safety Committee, our Learning from Complaints Group and the committee responsible for developing partnerships with patients and patient groups in the wider community so that the Trust better understands the patient experience.

The Trust Board recognises the importance of understanding the patient experience and continues to receive a patient story at the start of each Board meeting.

We maintain contact with the local Healthwatch and see this as potentially valuable source of information from local people who use the services at Torbay Hospital.

## **Work of the Council of Governors**

The Council of Governors held four public meetings during the year and made decisions in accordance with the Trust's Constitution. In addition, to routine agenda items, governors received presentations on the staff survey, emergency department, diabetes and the chaplaincy with its volunteers. The Trust welcomes anyone who would like to attend these public meetings.

In February 2013, the Council of Governors held its annual self-assessment session; a review of the previous year and actions being agreed for 2013/14.

The Committees/Groups that report to the Council of Governors are described below.



## **Non-Executive Director Nominations Committee**

The Nominations Committee is a standing Committee of the Council of Governors whose primary function is to assist the Board of Directors with its oversight role through:

- periodic review of the numbers, structure and composition (including the person specifications) of the Chairman and Non-Executive Directors, to reflect the expertise and experience required, and to make recommendations to the Council of Governors;
- developing succession plans for the Chairman and Non-Executive Directors, taking into account the challenges and opportunities facing the Trust; and
- identifying and nominating candidates to fill the Chairman and Non-Executive Director posts.

The meetings are chaired by the Trust Chairman but he shall not Chair the Committee when it is dealing with any matter of appointment concerning the Chairman; the Chair for this item will be the lead governor.

Following Jack Buckner's term of office coming to an end in October 2012, having served seven successful years at the Trust, an executive search agency was used to fill the vacant Non-Executive Director position. Interviews for the position were held in December 2012 and the Council of Governors appointed Sally Taylor, for a three-year term of office from 1 January 2013.

In the spring (2013), the Nominations Committee and the Senior Independent Director conducted an annual performance review of the Chairman. The Non-Executives' annual performance reviews were conducted by the Chairman of the NHS Foundation Trust and the Council of Governors' lead governor. Reports generated by the reviews are put forward to the Council of Governors.

## **Non-Executive Director Remuneration Committee**

The Non-Executive Director Remuneration Committee is a standing Committee of the Council of Governors whose primary functions are:

- to receive advice as necessary on overall remuneration and terms and conditions of service for the Chairman and Non-Executive Directors;
- to recommend to the Council of Governors the levels of remuneration and terms and conditions of service for Chairman and Non Executives;
- to monitor the performance of the Non-Executive Directors through the Trust Chairman; and
- to monitor the performance of the Foundation Trust Chairman.

The meetings are chaired by the lead governor.

All the recommendations for 2012/13 put forward by the Remuneration Committee were agreed by the majority of the Council of Governors in July 2012.

## Mutual Development Group

One of the Council of Governors' sub-groups, the Mutual Development Group, focuses on ensuring that there is an ongoing dialogue with our members and that we continue to develop the membership to make it as representative as possible of the whole community.

Public membership at the end of March 2012 totalled 14,064, and 13,303 at the end of March 2013. We estimate that this represents around seven per cent of the households in our catchment area.

The Group has adopted the following objectives for 2013/14 and are annually reviewable:

**Advice** - To continue to offer advice and information to the Council of Governors on the community perception of the Foundation Trust's conduct of its healthcare provision.

**Recruitment** - To seek to maintain the registered membership at its present level of 13,000 – 14,000 and to maintain under review means of achieving a representation of all sectors of the community.

**Information** - To continue to promote a series of seminars for members, focusing on significant sectors of the Foundation Trust's work.

**Communication** - To promote the on-line facility for newsletters and all other communications to and from members.

**Partnership** - To actively work with LINKs (Local Involvement Networks) in their transition to HealthWatch, Devon Health and other appropriate agencies whose experience might add to the pool of knowledge about the public response to the Foundation Trust and the delivery of its services.

Members of the public, living in any of the three public constituencies and aged over 16, are eligible to become members. Our map (see page 36) shows the areas covered by our public constituencies.

The Trust always welcomes new members.

It is simple to sign up and add yourself to the membership, so that you can vote in the elections and receive regular news from Torbay Hospital and the NHS Foundation Trust which runs it. Just ring **01803 655705** to register your details (or visit [www.sdhct.nhs.uk](http://www.sdhct.nhs.uk)). This is also the number to call to request a nomination form, if you might be interested in standing as a public representative on the Council of Governors. **It is also the contact point for any member wishing to communicate with their elected representatives or with the Trust's directors.**

The Trust ran several Medicine for Members events during the year attracting between 40 and 70 members per event to see a variety of presentations from clinical and non-clinical staff. All events were very well received and have included topics such as dementia, stroke and ophthalmology.

## Quality and Compliance Committee

The Quality & Compliance Committee is a standing Committee of the Council of Governors whose primary function is to develop and maintain the Council of Governors' understanding and oversight of the Care Quality Commission (CQC) registration requirements and of the Trust's assurance processes underpinning its self-assessment declarations of compliance.

Members of the Committee shall be in accordance with the Constitution and shall comprise of at least eight governors composed as follows:

- governor observers from Workstreams one to five;
- governor observer from the Audit and Assurance Committee;
- lead governor;
- staff governor chosen by the staff governors; and
- one other publicly-elected governor.

It is the Quality and Compliance Committee's responsibility to write the governor statement in the Quality Report (page 153).

Two members of the Quality and Compliance Committee attended the annual stakeholders' meeting to decide upon the priorities for care in the forthcoming year.

The Committee reports to the Council of Governors on its proceedings after each meeting on all matters within its duties and responsibilities and makes whatever recommendations to the Council of Governors it deems appropriate.

## **Our Directors' report**

The Directors of South Devon Healthcare NHS Foundation Trust state that, as far as they are aware, there is no relevant audit information of which the NHS body's auditors are unaware.

The Directors have taken all appropriate steps to ensure they are aware of relevant audit information and that the auditors are aware of such information.

## **Our Board of Directors**

South Devon Healthcare NHS Foundation Trust is managed by our Board of Directors made up of both Executive and Non-Executive Directors. The Board is responsible for the operational management of the hospital and, with input from the Council of Governors, sets the future direction of the hospital.

It is also responsible for monitoring performance against national, regional and local objectives and ensuring the highest levels of standards and performance.

The Executive Directors work in the Trust full time while the Non-Executive Directors are appointed by the Council of Governors for a term of up to three years; a further term/extension may be offered. Non-Executive Directors commit as much time as they can to the Trust by attending Board meetings and working on specific Committees and groups and by offering their expertise in a specific field.

The Trust seeks to ensure that at least some of the following specialist skills are available within the overall complement of Non-Executive Directors: accountancy, corporate finance or commercial leadership; entrepreneurial; human resources; leadership of democratic or membership-based organisations; legal experience; management of large professional-based organisations; marketing or customer services; strategic development; clinical experience.

Several of the Non-Executive Directors are allocated a liaison role with one of the clinical divisions, enabling them to develop a closer understanding of the hospital, arrange ward visits and meet key staff including clinical directors. Meetings of the Non-Executive Directors have continued to be held on a regular basis during the year. Executive and Non-Executive Directors attend meetings of the Council of Governors, and at each meeting one of the Non-Executive Directors has the opportunity of giving a report covering their portfolio of committee responsibilities.

As mentioned above there has been one appointment to the Non-Executive team during 2012/13 year; Sally Taylor was appointed for three years following an open process which attracted more than 30 applications from around our constituency areas.

Appraisal of Executive Directors is conducted by the Chief Executive.

A review of the Trust's Corporate Strategy continues to take account of changes in the external environment whilst ensuring that the revised Board establishes clear direction and priorities. For 2012/13 the Board adopted a set of key corporate objectives, linked to the Annual Plan.

The Board collectively reviewed its performance against the corporate objectives towards the end of the financial year; sub-committees are reviewed periodically. For example, the Audit and Assurance Committee has decided how to conduct its performance review, the results of which are reported back to the Committee during 2013/14. The Pharmacy Manufacturing Board, Finance Committee and Patient Safety and Quality Committee will be conducting performance reviews during 2013/14.

## Non-Executive Directors

Non-Executive Directors, place of residence, term of office, attendance at meetings	Background	Declared interests
<p><b>Peter Hildrew</b>, Haytor, re-appointed for three years until February 2014.</p> <p>Attendance:</p> <p>Board of Directors 13/13</p> <p>Nominations Committee 4/4</p> <p>Charitable Funds 3/3</p> <p>Risk &amp; Assurance Integrated Governance Group 2/3</p> <p>Executive Nominations &amp; Remuneration Committee 5/5</p>	<p>Appointed as Chairman from March 2008, Peter Hildrew was previously a non-executive member of the Board for three years. His selection process was overseen by the Trust's Governance Board, which was established when South Devon Healthcare was authorised as an NHS Foundation Trust and which is primarily made up of public representatives elected by the Trust's Foundation membership from across South Devon. Peter has chaired the Trust's Patient Safety and Quality Committee and takes a particular interest in safeguarding patients by improving the standards of care. He has wide experience of working on boards, including for health authorities in London and Northamptonshire. His career has spanned NHS management, the voluntary sector (as a director for the National Association of Citizens Advice Bureau) and chairing a Community Health Council. Previously, he worked in the media, where he specialised in reporting on health and social services. Peter lived in the South Hams from 2001 to 2010 and now lives in Haytor, Teignbridge.</p>	<p>None declared</p>

<p><b>David Allen, OBE</b>, Chudleigh, appointed for three years until February 2015.</p> <p>Attendance:</p> <p>Board of Directors 11/13</p> <p>Audit and Assurance Committee 4/5</p> <p>Executive Nominations &amp; Remuneration Committee 3/3</p>	<p>David Allen OBE spent 37 years in higher education and retired as Registrar and Deputy Chief Executive of the University of Exeter in 2013. He is a Principal Consultant with Perrett Laver, an executive search firm, and a Council member of the Higher Education Funding Council for Wales. He is a Governor of Exeter College. David was awarded an OBE for services to higher education in the 2012 New Year Honours List.</p>	<p>Interests declared: Principal consultant, Perrett Laver Executive Search Company. Former employee, University of Exeter. Governor, Exeter College.</p>
<p><b>John Brockwell</b>, Salcombe, appointed for three years until March 2015.</p> <p>Attendance:</p> <p>Board of Directors 12/13</p> <p>Audit and Assurance Committee 5/5</p> <p>Executive Nominations &amp; Remuneration Committee 1/3</p> <p>PMU 9/12</p>	<p>John Brockwell from Salcombe, has operated at Board level as a finance professional in both the public and private sectors and in 2000 he was President of the Association of Chartered Certified Accountants. John spent much of his career with Marks and Spencer, where roles included Group Financial Controller for UK Stores and Head of Finance for one of the four UK divisions of Marks and Spencer, where he was responsible for financial management and strategy. He also served for six years as a Non-Executive Director and Vice Chair on the Royal Berkshire &amp; Battle Hospitals NHS Trust and more recently four years as a Non-Executive Director and Chair of the Audit Committee for Torbay Care Trust.</p>	
<p><b>Jack Buckner</b>, Totnes, appointed until October 2012.</p> <p>Senior Independent Director (from 1 March 2012 to 31 September 2012)</p> <p>Attendance:</p> <p>Board of Directors 7/8</p>	<p>Jack Buckner was a management consultant who brought a wide range of business experience from across public, private and voluntary organisations to the Board. He worked for Sport England, with the national governing bodies of sport.</p>	<p>None declared</p>

<p>Audit and Assurance Committee 2/4</p> <p>PMU Board 3/7</p> <p>Executive Nominations &amp; Remuneration Committee 2/2</p>		
<p><b>Les Burnett</b>, Torquay, appointed until February 2014.</p> <p>Attendance:</p> <p>Board of Directors 11/13</p> <p>Audit and Assurance Committee 4/5</p> <p>PMU Board 9/12</p> <p>Executive Nominations &amp; Remuneration Committee 2/5</p>	<p>Les Burnett, from Maidencombe in Torquay and appointed from March 2008, brings expertise as a chartered accountant to the Board as well as experience of giving financial, tax and strategic advice. He is Managing Partner at Francis Clark, Chartered Accountants. Les has also been Chair of Torbay Development Agency Ltd.</p>	<p>Interests declared:</p> <p>My wife is a Practice Nursing Sister at Barton Medical Centre.</p>
<p><b>Philip Johnston</b>, Totnes, appointed until December 2013.</p> <p>Attendance:</p> <p>Board of Directors 12/13</p> <p>Audit and Assurance Committee 4/5</p> <p>Executive Nominations &amp; Remuneration Committee 2/3</p>	<p>Phil Johnston has lived locally for 11 years and joined the Trust Board in January 2007. He was a commercial business director with the Met Office for 5 years, and brings over 25 years' experience of senior management within the consumer healthcare and pharmaceutical industry to the Trust. He now runs his own successful business consultancy Spring South West advising, coaching and training business across the South West on sales, marketing, business development and brand.</p>	<p>Interests declared:</p> <p>My wife is a Consultant Doctor at the Trust.</p>

<p><b>Topsy Murray</b>, Dunsford, appointed until July 2013.</p> <p>Trust's Vice Chairman (from 1 March 2012) and Senior Independent Director (from 1 October 2012)</p> <p>Attendance:</p> <p>Board of Directors 12/13</p> <p>Audit and Assurance Committee 4/5</p> <p>Executive Nominations &amp; Remuneration Committee 5/5</p>	<p>Topsy Murray has lived in the Dunsford area for thirty years and was appointed to the Trust in July 2010. She has wide experience of the NHS where she held a number of senior posts developing primary care services with both local and national bodies. Topsy has been a magistrate for 28 years. She is Bench Chairman for the North &amp; East Devon Bench and the South West regional representative for 17 Bench chairmen. She specialises in Family court work and has been agreed as the NED lead for Safeguarding for the Trust. Topsy is Chairman of a small charity - Upstream - in Mid Devon which supports older people to remain independent at home. She is the joint author of three books on health and social policy.</p>	<p>None declared</p>
<p><b>Sally Taylor</b>, Modbury, appointed for three years until December 2015.</p> <p>Attendance:</p> <p>Board of Directors 3/3</p> <p>Audit and Assurance Committee 1/1</p> <p>Executive Nominations &amp; Remuneration Committee 0/1</p>	<p>Sally Taylor joined the board in January 2013. She has been the Chief Executive of St Luke's Hospice in Plymouth since 1994. St Luke's delivers specialist palliative care, including advice and support to other professionals, for patients in Derriford, at home and in the hospice in-patient unit. Prior to that she spent nine years as a Chartered Accountant with PricewaterhouseCoopers (PwC) in London, specialising in corporate finance for small and growing businesses. She has been trustee/ treasurer/chairman of a number of charities including Help the Hospices (the national membership body for hospices), the Harbour Centre drug and alcohol advisory service and the Barbican Theatre in Plymouth. She currently sits on the Local Education and Training Board for health in the South West.</p>	<p>None declared</p>



## Executive Directors

Executive Directors and responsibilities, Board of Directors attendance record	Background	Directors' Declared Interests
<p><b>Paula Vasco-Knight</b>, Chief Executive</p> <p>Attendance:</p> <p>Board of Directors 11/13</p>	<p>Paula Vasco-Knight began her career as an enthusiastic nurse and throughout her career she has continued as a nursing professional, committed to making a difference to patients and their families. She has held a variety of senior posts in a number of different organisations including: Deputy Chief Executive/Chief Operating Officer; Executive Director of Operations and Service Improvement; Executive Director of Nursing and Midwifery; Deputy Director of Nursing and Governance; and Senior Nurse Manager. Paula sits on the National Leadership and Equality and Diversity Councils, helping to shape policy and steer the direction of the NHS for the future. Paula is the national senior responsible officer (SRO) for the Equality Delivery Scheme (EDS) and also a member of the National Futures Forum reviewing the NHS Constitution. Paula has been Chief Executive at South Devon Healthcare NHS Foundation Trust for five years, won a national leadership award in 2012 and was appointed National Equality Lead for NHS England.</p>	<p>None declared</p>
<p><b>Liz Childs</b>, Director of Nursing &amp; Patient Experience (retired March 2013)</p> <p>Attendance:</p> <p>Board of Directors 10/13</p> <p>Risk &amp; Assurance Integrated Governance 3/3</p>	<p>Having trained initially as a general nurse in London, and undertaking sick children training at Guy's Hospital, Liz Childs settled in the South West in 1993. She joined the Trust in September 2000 from the Taunton and Somerset Trust where she had been General Manager of the integrated women's and children's directorate. Before retiring in March 2013, she directed the Trust's patient and public involvement work and infection control. Liz was also a member of the South West Patient Safety Faculty and a qualified Executive Coach.</p>	<p>None declared</p>

Executive Directors and responsibilities, Board of Directors attendance record	Background	Directors' Declared Interests
<p><b>Paul Cooper</b>, Director of Finance, Performance and Information and Deputy Chief Executive</p> <p>Attendance:</p> <p>Board of Directors 12/13</p> <p>Audit &amp; Assurance Committee 4/5</p> <p>Charitable Funds 3/3</p> <p>Risk &amp; Assurance Integrated Governance 2/3</p> <p>PMU Board 11/12</p>	<p>Paul Cooper qualified as a Chartered Accountant with KPMG (KPMG is a global network of professional firms providing audit, tax and advisory services) before joining the NHS in 1992. He has undertaken a wide variety of financial management roles in Health Authority, PCT and Provider organisations, all within the South and West Devon area. Paul joined the Trust in July 2010, from his previous post at Plymouth Hospitals NHS Trust. As well as leading on all aspects of financial management, Paul has a wealth of experience in contracting, performance and information management and is committed to integrating all of these disciplines, delivering comprehensive business support to clinical teams as they steer their services through what are challenging times for the NHS. Paul is an active member of the Healthcare Financial Management Association, and his work in integrating governance and performance management systems has been recognised with national awards.</p>	<p>None declared</p>
<p><b>John Lowes</b>, Medical Director</p> <p>Attendance:</p> <p>Board of Directors 11/13</p> <p>Risk &amp; Assurance Integrated Governance 1/3</p>	<p>John Lowes qualified in Medicine from Cambridge University and King's College Hospital London in 1980. After training jobs in London, Oxford, and Birmingham he was appointed Consultant Gastroenterologist at Torbay Hospital in 1993, Clinical Tutor 1994, Director of Education 2003-2009, and became Medical Director October 2009. John chairs the Torbay Hospital Clinical Management Group and has Board responsibility for Patient Safety.</p>	<p>Interests declared: My wife is a partner in The Old Farm Surgery, Paignton, and refers patients to the Trust.</p>
<p><b>Paul Mears</b>, Chief Operating Officer (resigned April 2012)</p> <p>Attendance:</p> <p>Board of Directors 2/2</p> <p>Risk &amp; Assurance Integrated Governance 0/0</p>	<p>Paul Mears was Director of Operations for Torbay Care Trust responsible for leading the delivery of integrated health and social care services before taking responsibility for leading the operational activities and performance of this Trust. Paul joined the NHS in 2003 on the national Gateway to Leadership programme from the private sector having worked previously in commercial management roles.</p>	<p>None declared</p>

Executive Directors and responsibilities, Board of Directors attendance record	Background	Directors' Declared Interests
<p><b>Adrienne Murphy,</b> Director of Workforce and Organisational Development</p> <p>Attendance:</p> <p>Board of Directors 13/13</p>	<p>Adrienne Murphy has been a manager in the NHS for over 20 years working in a variety of settings including acute, primary care and Strategic Health Authority. She is a Fellow of the Chartered Institute of Personnel Development.</p>	<p>Interests declared:</p> <p>Director of Workforce and Organisation Development for a shared service of human resources, workforce, payroll, occupational health and education across South Devon Healthcare NHS Foundation Trust and Torbay and Southern Devon Health and Care NHS Trust.</p> <p>Member of Torbay and Southern Devon Health and Care NHS Trust Board of Directors with non-voting rights.</p>

Executive Directors and responsibilities, Board of Directors attendance record	Background	Directors' Declared Interests
<p><b>Lesley Darke</b>, Director of Estates and Commercial Development (commenced 1 August 2012)</p> <p>Attendance:</p> <p>Board of Directors 7/8</p> <p>Risk &amp; Assurance Integrated Governance 3/3</p>	<p>Lesley Darke began her career as a nurse, training at Guy' Hospital London and in Cardiothoracics at the Royal Brompton. She has held a variety of senior nursing and management posts in a variety of provider organisations and Health Authority most recently Director of Planning, Deputy and interim Chief Operating Officer and Director of Estates, Facilities and Site Services. She also has a Masters Degree in Business Administration. Lesley is experienced in strategic planning and managing support and commercial services. She retains her nursing values and is passionately committed to ensuring estates and facilities management services support quality care, are patient centred and is extremely proud to be the champion of the patient environment. Lesley joined the Trust in August 2012 and is very excited to be part of the team.</p>	<p>Interests declared:</p> <p>Joint Director of Estates and Commercial Development for South Devon Healthcare NHS Foundation Trust and Torbay and Southern Devon Health and Care NHS Trust.</p>

The Board has given careful consideration to the range of skills and experience required for the running of an NHS Foundation Trust and confirms that the necessary balance and completeness has been in place during the year under report.

Peter Hildrew, Trust Chairman had no other significant commitments other than to the Foundation Trust.

You can request to see the Register of Interests for the Council of Governors and for the Board of Directors by contacting the Foundation Trust Office, Torbay Hospital, Torquay TQ2 7AA, telephone 01803 655705. The Register of Interests is also made available at each Council of Governors meeting and through our Freedom of Information Publication Scheme on our website [www.sdhct.nhs.uk](http://www.sdhct.nhs.uk)

## **Remuneration report (unaudited information)**

### **The role of the Executive Nominations and Remuneration Committee**

The Executive Nominations and Remuneration Committee advises the Trust Board on matters regarding the remuneration and conditions of service for senior managers.

The term 'senior managers' covers Trust employees in senior positions, who have authority and responsibility for directing and controlling major Trust activities. These employees influence the decisions of the entire Trust, meaning that the definition covers the Chief Executive and Board-level Directors.

The advice the Executive Nominations and Remuneration Committee offers covers all aspects of salary, including performance related pay, bonuses, pensions, provision of cars, insurance and other benefits. Advice on arrangements for termination of contracts and other general contractual terms also falls within the remit of the Committee. Specifically, the Committee is charged with:

- advising on appropriate contracts of employment for senior managers;
- monitoring and evaluating the performance of individual senior managers;
- making recommendations regarding the award of performance related pay based; on both the Trust's performance and the performance of individuals; and
- advising on the proper calculation of termination payments.

The Committee is empowered to obtain independent advice as it considers necessary. At all times, it must have regard to the Trust's performance and national arrangements for pay and terms of service for senior managers.

The Committee meets approximately twice per year, in order to enable it to make its recommendations to the Board. It formally reports in writing to the Board, explaining its recommendations and the bases for the decisions it makes.

### **Membership**

The Committee's membership was changed in July 2012 from three Non-Executive Directors to all Non-Executive Directors. Prior to July 2012 the Trust's Committee's membership included the Board Chairman, the Board Vice-Chairman and at least one other Non-Executive Director.

The Chief Executive and other senior managers should not be present when the Committee meets to discuss their individual remuneration and terms of service, but may attend by invitation from the Committee to discuss other staff's terms. Accordingly, the Chief Executive and the Director of Workforce and Organisational Development attend the Committee when required.

The Membership of the Executive Nominations and Remuneration Committee for 2012/13 was as follows:

Period 1st April 2012 – 31st March 2013

Member	Meeting date				
	2 May 2012	30 May 2012	4 Jul 2012	5 Sept 2012	29 Jan 2013
Mr P Hildrew*	√	√	√	√	√
Mrs T Murray**	√	√	√	√	√
Mr D Allen	n/a	n/a	√	√	√
Mr J Buckner	n/a	n/a	√	√	n/a
Mr J Brockwell	n/a	n/a	√	apologies	apologies
Mr L Burnett	apologies	apologies	√	apologies	√
Mr P Johnston	n/a	n/a	apologies	√	√
Mrs S Taylor	n/a	n/a	n/a	n/a	apologies

\*Chairman \*\*Vice Chair n/a = non-applicable

### Trust policy on the remuneration of senior managers

Trust senior managers' remuneration is based on market rates.

To ensure that the pay and terms of service offered by the Trust are both reasonable and competitive, comparisons are made between the scale and scope of responsibilities of senior managers at the Trust and those of employees holding similar roles in other organisations.

A report is prepared for the Executive Nominations and Remuneration Committee by the Director of Workforce and Organisational Development, which makes these comparisons between the Trust's remuneration rates for senior managers and market rates.

The Executive Nominations and Remuneration Committee also takes note of the annual NHS cost of living increase.

For all staff other than doctors and Board-level directors, remuneration is set in accordance with NHS Agenda for Change. Pay and conditions of service for doctors is agreed at a national level.

The Trust has not utilised a performance related pay system for Board-level Directors for 2012/13.

### Performance objectives

In order to agree the objectives of each senior manager, the following process is adopted:

- senior managers meet annually with the Chief Executive to agree core and individual performance objectives;
- senior managers then meet with the Chief Executive on a monthly basis to discuss these objectives and the progress that has been made towards the targets set and
- a formal interim progress review is held six months after the objectives were set, and a final review of performance and achievement of objectives is held at the end of the year, when objectives for the following year are also discussed and agreed.

The Chief Executive's performance is subject to appraisal using the same system, but her performance objectives are agreed with and monitored by the Trust Chairman.

This process was designed to ensure that clearly defined and measurable performance objectives are agreed, and progress towards these objectives is regularly and openly monitored, both formally and informally.

### **Duration of contracts, notice periods and termination payments**

The Chief Executive and the majority of senior managers have permanent contracts of employment. The exception to this is the Medical Director, whose contract is for a fixed term three year period, which started on 1st October 2012.

The Trust's current policy is to appoint with a requirement for six months notice by either party.

There are no arrangements relating to termination payments other than the application of employment contract law.

### **Service contracts**

The terms outlined above apply to the service contracts held by:

- Chief Executive;
- Director of Nursing and Patient Experience;
- Director of Finance, Performance and Information;
- Director of Workforce and Organisational Development;
- Director of Estates and Commercial Development;
- Chief Operating Officer (resigned early in April 2012); and
- Medical Director.

Unless noted above, all of these post holders have been in post throughout 2012/13.

No significant awards have been made to either present or past senior managers within 2012/13.

### **Governor expenses**

Governors may be reimbursed for legitimate expenses, incurred in the course of their official duties, as governors of the South Devon Healthcare NHS Foundation Trust. The total amount of expenses claimed by governors during the year was £4,630.

### **Off Payroll arrangements**

The Trust did not have any off payroll engagements at a cost of over £58,200 per annum in place as of 31 January 2012. The Trust has one new off payroll engagement between 23 August 2012 and 31 March 2013, for more than £220 per day and more than six months. The Trust has received assurances in relation to income tax and national insurance obligations for this engagement.

**Signed**



Chief Executive Officer

**Date**

29 May 2013

## Remuneration report (audited information)

### Salary and pension entitlements of senior managers

	2011/12			2012/13		
	Salary	Other remuneration	Benefits in kind	Salary	Other remuneration	Benefits in kind
Name and Title	(bands of £5,000) £000	(bands of £5,000) £000	(to nearest £100) £	(bands of £5,000) £000	(bands of £5,000) £000	(to nearest £100) £
<b>Ms P Vasco-Knight</b> Chief Executive	160 - 165	-	2,500	165 - 170	15 - 20	2,800
<b>Dr J R Lowes</b> Medical Director	75 - 80	110 -115	-	80 - 85	105 -110	-
<b>Ms E Childs</b> Director of Nursing and Governance	90 - 95	-	-	70 - 75	-	100
<b>Mr P Cooper</b> Director of Finance	115 - 120	-	500	125 - 130	-	1,100
<b>Mrs L Darke</b> Director of Estates and Commercial Development				70 - 75	-	300
<b>Mr P Mears</b> Chief Operating Officer	105 - 110	-	-	10 - 15	-	-
<b>Mrs A Murphy</b> Director of Workforce and Organisational Development	50 - 55	50 - 55	-	110 - 115	-	-
<b>Mr P Hildrew</b> Chairman	40 - 45	-	-	40 - 45	-	-
<b>Mr D Allen</b> Non-Executive Director	0 - 5	-	-	10 - 15	-	-



<b>Mr D J Barnes</b> Non-Executive Director	15 - 20	-	-			
<b>Mr J Brockwell</b> Non-Executive Director				15 - 20	-	300
<b>Mr J R Buckner</b> Non-Executive Director	10 - 15	-	-	5 - 10	-	-
<b>Mr L M Burnett</b> Non-Executive Director	10 - 15	-	-	10 - 15	-	-
<b>Mr A J C Cooper</b> Non-Executive Director	10 - 15	-	-			
<b>Dr P I Johnston</b> Non-Executive Director	10 - 15	-	-	10 - 15	-	-
<b>Mrs L Murray</b> Non-Executive Director	10 - 15	-	600	10 - 15	-	200
<b>Mrs S Taylor</b> Non-Executive Director				0 - 5	-	-

The benefits in kind are travel expenses that are subject to income tax.

The Other Remuneration received by Ms P Vasco-Knight is in respect of duties performed in her role as Senior Responsible Officer for the NHS Equality Delivery system.

The Other Remuneration received by Dr J R Lowes is in respect of duties performed in his role as clinician in the Trust.

In 2011/12 the Other Remuneration received by Mrs A Murphy was in respect of duties performed in her role as Director of Workforce and Organisational Development for Torbay and Southern Devon Health and Care NHS Trust. In 2012/13 Mrs Murphy was employed full time by South Devon Healthcare NHS Foundation Trust.

Paul Cooper was appointed Deputy Chief Executive on 1 April 2013.

## Pension benefits

Name and title	Real increase in pension and related lump sum at age 60  (bands of £2,500) £000	Total accrued pension and related lump sum at age 60 at 31 March 2013  (bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2013  £000	Cash Equivalent Transfer Value at 31 March 2012  £000	Real Increase / (Decrease) in Cash Equivalent Transfer Value  £000	Employers Contribution to Stakeholder Pension  To nearest £100
<b>Ms P Vasco-Knight</b> Chief Executive	7.5 – 10.0	160 - 165	701	614	55	-
<b>Dr J R Lowes</b> Medical Director	12.5 - 15	325 - 330	1,744	1,539	125	-
<b>Ms E Childs</b> Director of Nursing & Governance	5.0 - 7.5	190 - 195	-	908	0	-
<b>Mr P Cooper</b> Director of Finance, Performance and Information	12.5 - 15	135 - 140	547	458	65	-
<b>Mrs L Darke</b> Director of Estates and Commercial Development	5.0 – 7.5	100 - 105	445	382	31	-
<b>Mr P Mears</b> Chief Operating Officer	0.0 - 2.5	70 - 75	253	169	8	-
<b>Mrs A Murphy</b> Director of Workforce and Organisational Development	5.0 – 7.5	115 - 120	482	422	37	-

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

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2005-06 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.

## **Financial overview**

This describes the Board of Directors' view on the Trusts financial position and prospects, and complements the information in the financial statements in the Trust's Annual Accounts.

### **Financial performance in 2012/13**

Against the increasingly challenged financial environment facing the wider NHS, the Trust achieved all of its financial targets for the year and, in doing so, continued a tradition of strong financial management. The Trust finished the year with a surplus, prior to technical accounting adjustments, of £2.3 million. Technical adjustments totalling a net £3.4 million relating to donations of plant, property and equipment and revaluations are shown in the financial statements and are not included in the assessment of financial performance by Monitor. The overall financial risk rating for 2012/13 is 4 on a scale of 1 to 5, with a score of 5 being the best. This was made possible through the Trust achieving efficiency savings in the year of £10.8 million; a £1.5m over achievement of the planned level.

Careful planning, flexibility and well-established financial practices and systems enabled the Trust to develop and improve facilities and services for patients and staff and, as in previous years, the organisation met the demands placed upon it throughout the year.

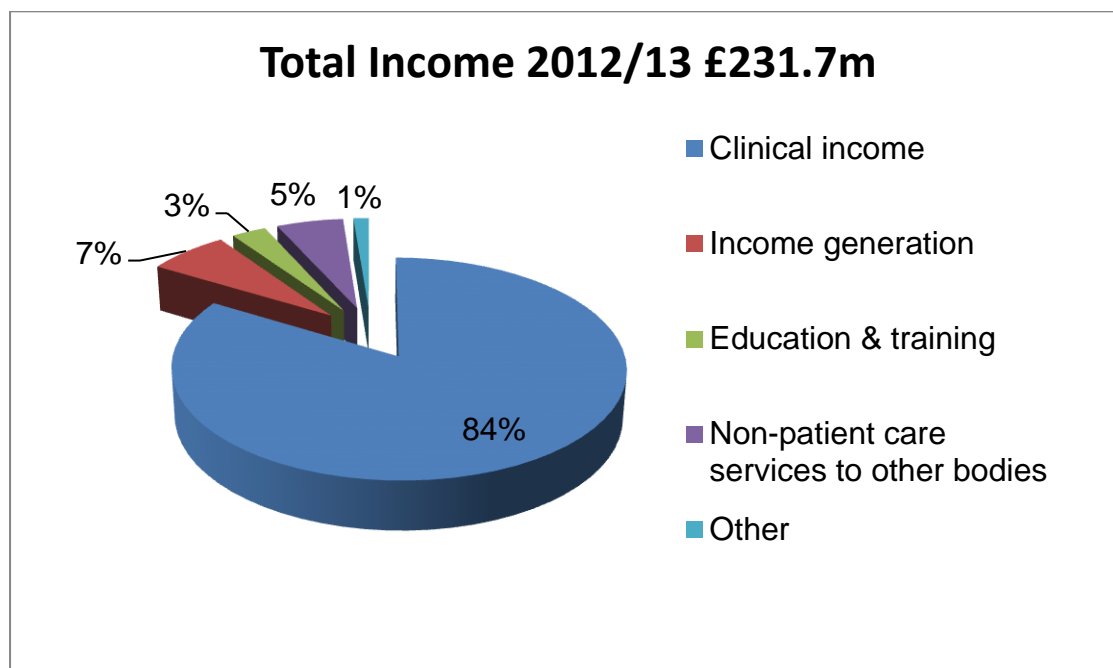
### **Funding overview**

The Trust earned £232 million of income during 2012/13 primarily from clinical activities but the Trust also received a considerable amount of income from education and training and income generation schemes.

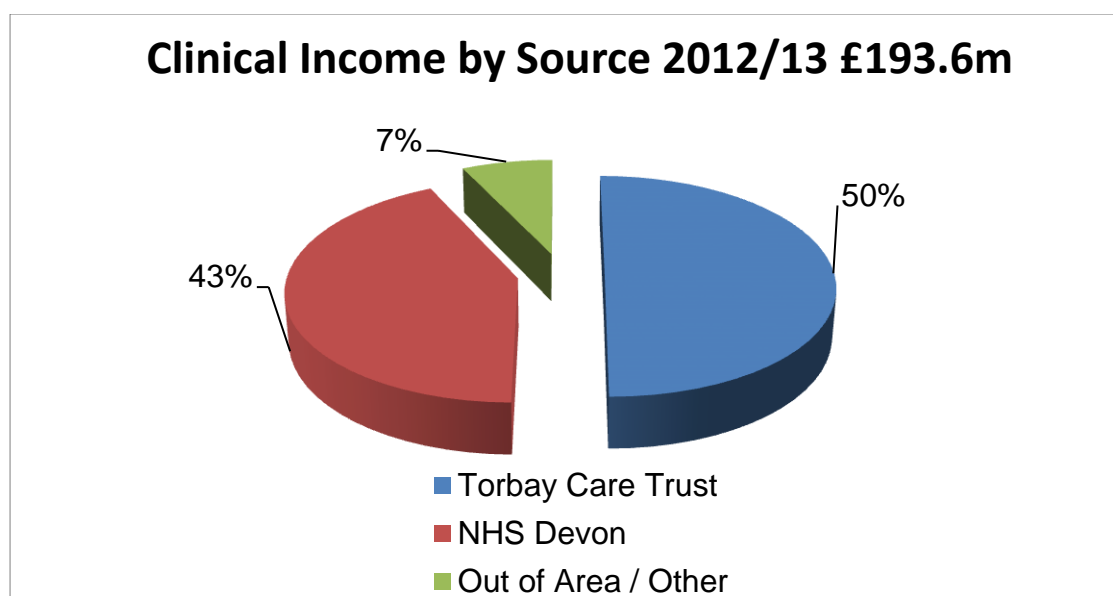
A large proportion of the clinical income received by the Trust was derived from activity undertaken at a tariff price, following the funding principles of the system known as Payment by Results, which is now embedded within the NHS. Under this system, the Trust received income based on the number of in-patient, day case, out-patient and emergency patients treated. The remainder of the Trust's patient related income was mainly received on a block contract basis, with the Trust receiving a fixed amount of income for providing a defined range of services.

The Payment by Results system presents the Trust with challenges as we have to provide services at a fixed tariff, adjusted by a market forces factor to reflect the assumed cost of delivering healthcare in a given area. The Trust has been allocated one of the lowest market forces factors and therefore one of the lowest relative incomes of the acute trusts in the country.

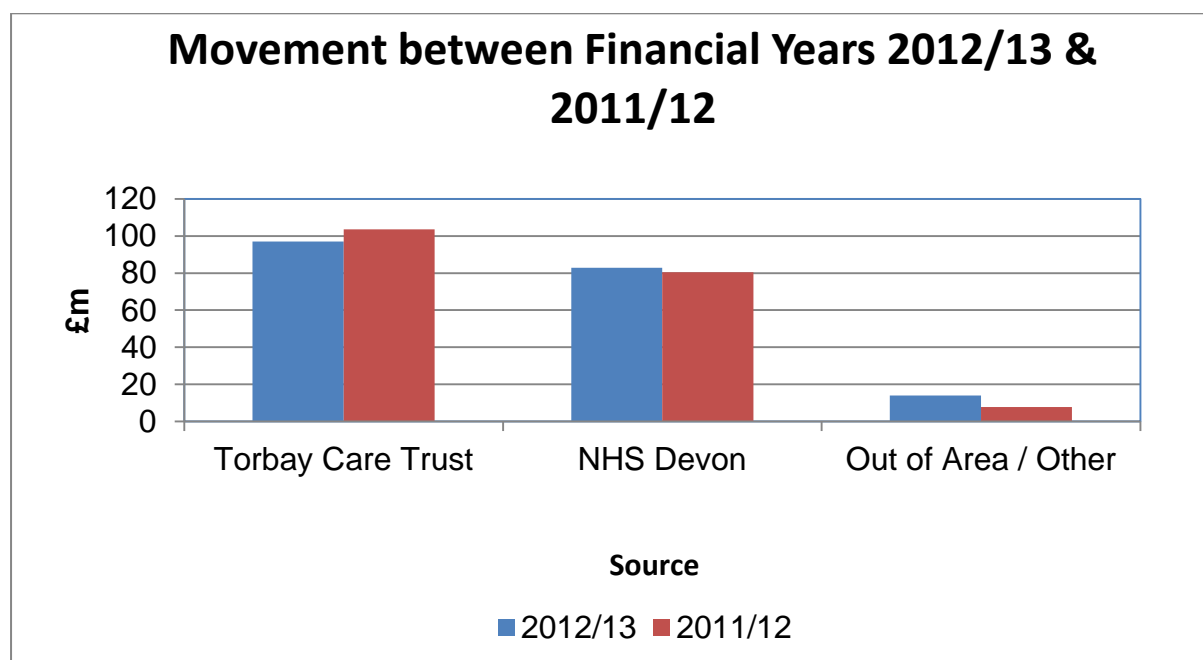
**An analysis of the Trust's income and expenditure for 2012/13 is shown in the following charts:**



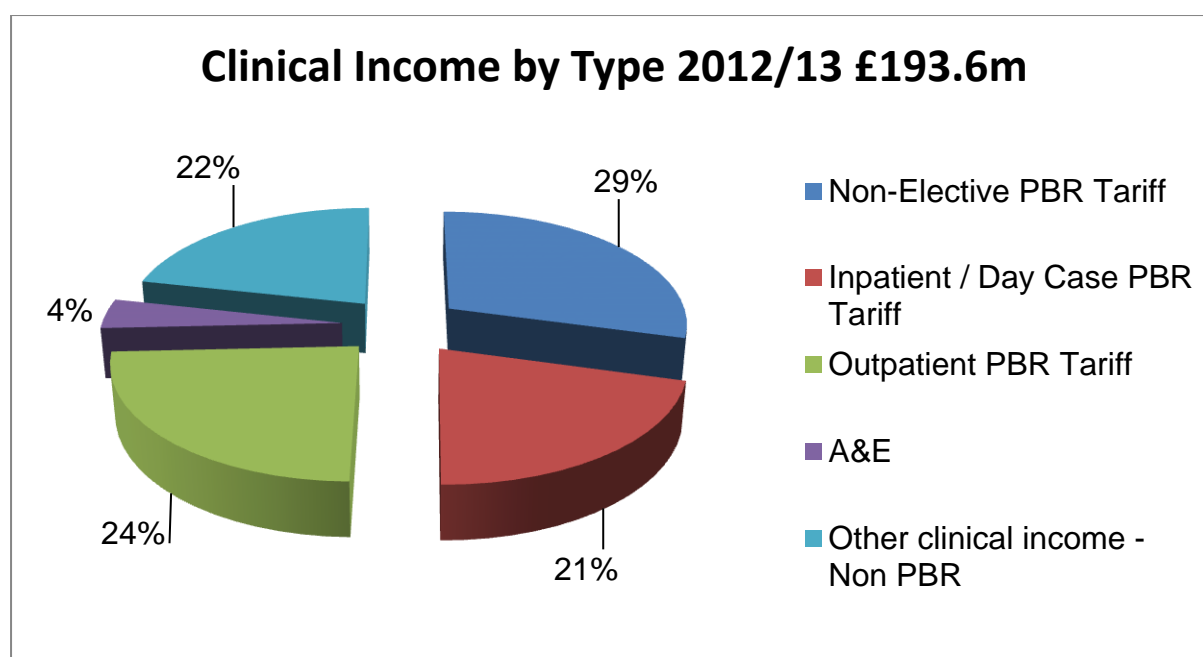
The above chart, 'Total income 2012/13 £231.7m', shows the income split by the income type.



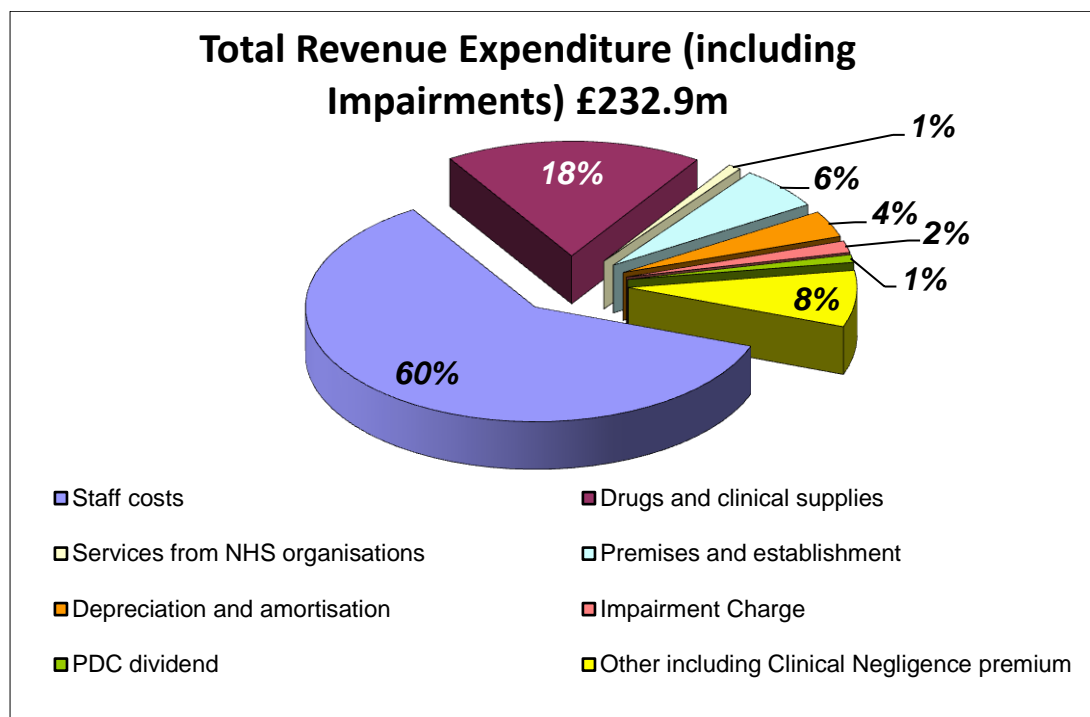
The above chart, 'Clinical Income by Source 2012/13 £193.6m', shows the clinical income split by purchasing commissioner.



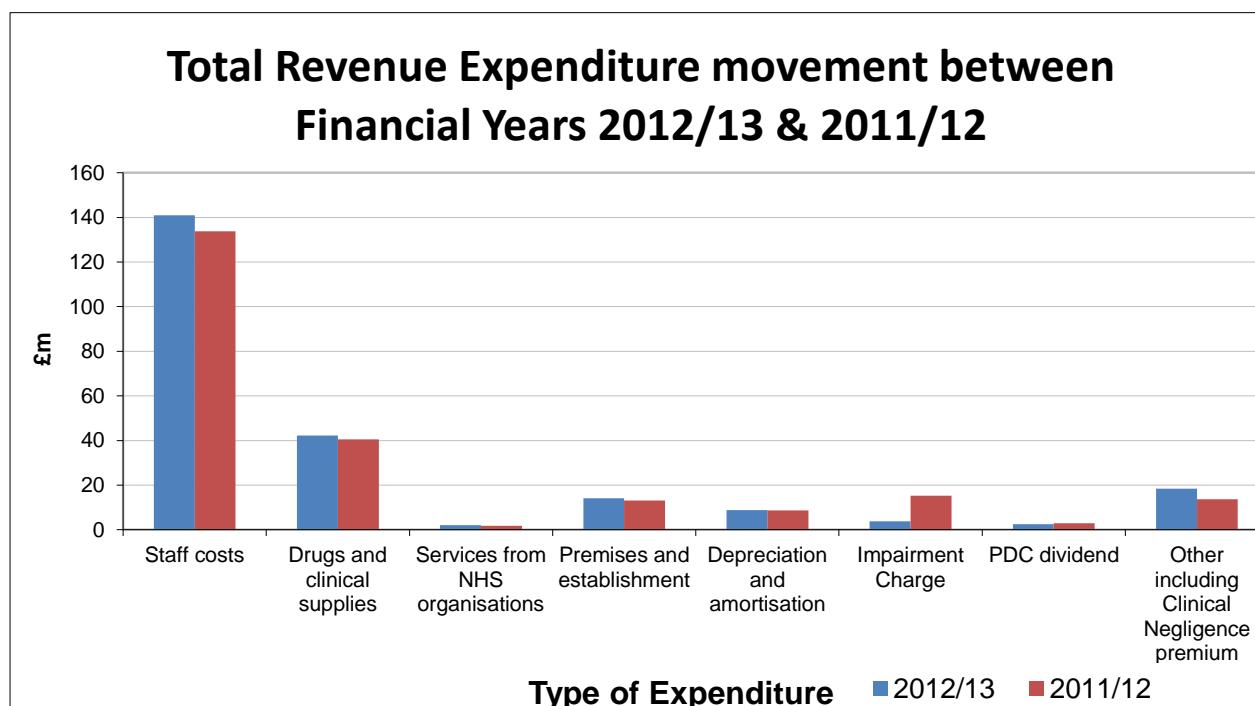
The above chart, 'Movement between Financial Years 2012/13 & 2011/12', shows the total clinical income by commissioner for each of the Financial years.



The above chart, 'Clinical Income by Type of Activity 2012/13 £193.6m', shows the split of the clinical income by the type of clinical activity undertaken.

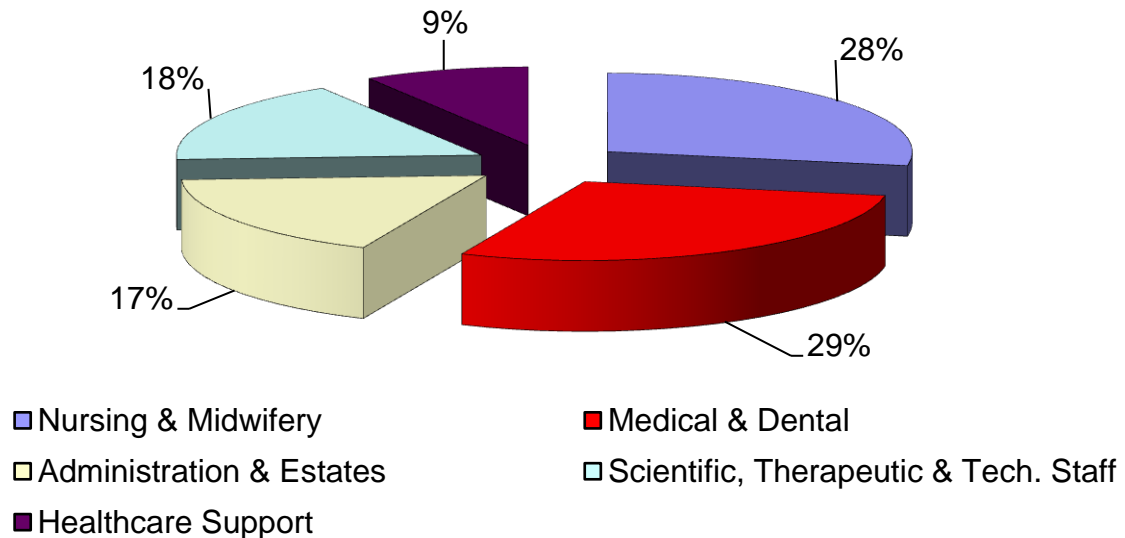


The Above chart, 'Total Expenditure (including Impairments) £232.9m', shows the split of operating Expenditure over the cost types. The largest proportion is staff costs which include doctors, nurses, other clinicians, managers and support staff. Drugs and clinical supplies make up the second largest element.



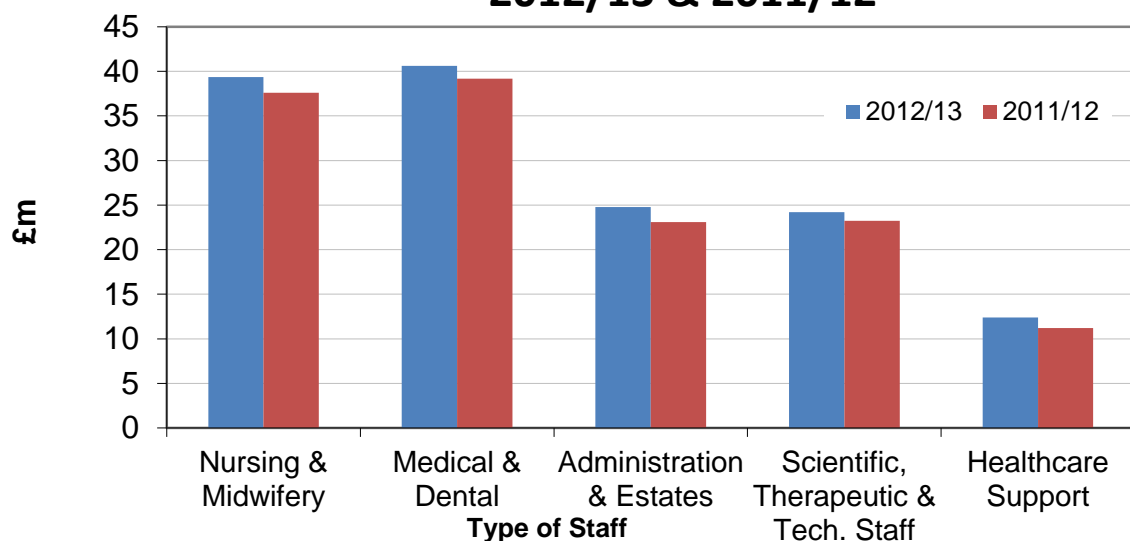
The adjacent chart, 'Total Revenue Expenditure movement between Financial Years 2012/13 & 2011/12', shows the costs by category for the two financial years. There is general consistency between the years except for the Impairment category which reflects the technical accounting adjustment in the valuation of Land and Buildings which is not included in Monitors assessment of Financial Performance.

### Staff Costs 2012/13 £141.4m (including capitalised)



The above chart, 'Staff Costs 2012/13 £141.4m' shows the split of staff cost across the types of staff used in the delivery of the Trust's services. It shows that 83% of staff cost is clinical and only 17% is admin and estates.

### Staff Costs Movement between Financial Years 2012/13 & 2011/12



The chart above, 'Staff Costs Movement between Financial Years 2012/13 & 2011/12', shows the staff costs charged in each of the years. The changes in Trust pay scales are: i) A flat rate increase of £250 to AfC (Agenda for Change) pay spine points 1-15 (ie up to band 4 earning a full time equivalent of £21,000 or less) ii) All remaining AfC pay points are unchanged as part of the second year of NHS Pay freezes iii) Hospital Medical staff were also part of the pay freeze and had no change in salary other than clinical excellence awards iv) Incremental points have been awarded during this period for all staff where applicable.



## **Value for money**

As an NHS Foundation Trust, we focus on ensuring economy, efficiency and effectiveness in the use of resources. We aim to provide the best possible healthcare within available resources. Ensuring value for money in all of the Trust's activities is, therefore a fundamental part of our financial strategy. The national tariff, which forms the basis of the funding that NHS trusts receive for the activity they complete, assumes that annual efficiency savings will be made. In 2012/13, the Trust estimated that savings of £9.3 million would be required and achieved a total of £10.8 million in the year.

To demonstrate value for money, the Trust also uses benchmarking information such as the NHS productivity metrics. For procurement of non-pay related items, the Trust has a procurement strategy which maximises value through the use of National Contracts and through collaboration with other NHS bodies in the Peninsula Procurement Alliance.

## **Capital developments during the last year**

During 2012/13, the Trust continued to invest in its facilities and equipment and carried out capital projects totalling £16.8 million. Part of this capital expenditure has been supported by loans received from the Department of Health's Foundation Trust Financing Facility. The loans received are for defined purposes, specifically investment in the infrastructure of Torbay Hospital and to enable the expansion of the Trust's Pharmacy Manufacturing Unit which supplies pharmaceutical products to both NHS and commercial customers. As at 31st March 2013 a total of £16.8million of these facilities have been drawn down. The balance of the loan funds will be drawn down as and when the Trust incurs future expenditure on these projects.

## **Cashflow**

During 2012/13, the Trust has continued to review its cash and working capital management to ensure it is in line with the more commercial approach expected of NHS foundation trusts. Cash balances grew slightly from £16.5 million to £16.6 million during the course of 2012/13.

## **Financial framework**

Being licensed as an NHS Foundation Trust means that the Trust, as well as being more accountable to its local public and patients, has greater financial freedoms. NHS foundation trusts are free to retain any surpluses they generate and to borrow in order to support investment.

As noted in Part VI of the Annual Report, the Trust's financial performance is monitored by the Independent Regulator to NHS foundation trusts (Monitor). The Trust has achieved a financial risk rating of four in 2012/13 – in a range of one (worst) to five (best).

## **Accounting framework**

As an NHS Foundation Trust, we apply accounting policies compliant with Monitor's Foundation Trust Annual Reporting Manual which are judged to be the most appropriate to our particular circumstances for the purpose of giving a true and fair view.

## **Resources management**

A fundamental principle of operation for the healthcare organisations within the South Devon health economy is that resources will be managed on a community wide basis. Chief Executives, Clinical Leaders and Finance Directors meet on a monthly basis at the Joined Up Health and Care Cabinet to review progress against the key targets across the whole of the health system.

Within the Trust, resource management forms a high priority and is controlled through a well-defined internal governance structure. The Finance Committee, involving executive and non-executive directors, a governor and senior managers, meets monthly to review financial performance and the progress made against the annual efficiency targets. Clinical teams are also informed of progress monthly and fully involved in the decision making processes of the Trust.

## **Prudential borrowing limit**

The financial risk rating assigned by Monitor is used to determine a prudential borrowing limit. This is a limit on the amount of borrowing the Trust is permitted to utilise. South Devon Healthcare NHS Foundation Trust's prudential borrowing limit for 2012/13 was £51.8 million for long term borrowing and a working capital facility of £15 million. Against this, the Trust had total net loan liabilities of £16.9 million of its currently agreed £36.0 million of loan facilities as at 31<sup>st</sup> March 2013.

## **Managing risks**

Managing risk effectively is a key requirement for all NHS bodies. The Trust has an established risk management structure and all its Divisions have a risk register highlighting key service risks. The major risks against the Trust's corporate objectives are brought together on a Board Assurance Framework and reviewed regularly by the Trust Board of Directors, Audit & Assurance Committee and Risk & Assurance Integrated Governance Group.

## Prospects

### What are the trends for the future?

Going forward, the financial outlook becomes increasingly challenging. The government has set out its spending plans requiring significant efficiencies to be delivered throughout the wider public sector. Despite the health sector being protected relative to other public sector bodies, the efficiency challenge will increase in the coming years. For 2013/14, the national tariff has reduced by 1.3 per cent on average and this is expected to continue. The Trust will therefore need to maintain a strong focus on cost control and achieve significant annual efficiency savings, estimated to be at least five per cent per annum to accommodate cost inflation within this environment.

The commissioning landscape has changed significantly from the 1st April 2013. The Trust now has one main local commissioner, South Devon and Torbay CCG (SDTCCG), other services (including specialist, dental and screening) are commissioned by Area Teams from NHS England Commissioners and sexual health services are now commissioned by two local authorities. Commissioners have provided a flat cash envelope of funding meaning 2012/13 out-turn. In addition, SDTCCG has provided £3.3 million funding support clearing the backlog of patients the Trust has waiting over 18 weeks for treatment. The Trust is actively engaged in assisting Commissioners in achieving a balanced financial position and with this in mind has agreed a risk management strategy aim at stabilising our contract with SDTCCG. All other NHS commissioners' contract terms are fully variable. The Trust continues to support the redesign needed to secure cost effective delivery through our local Clinical Pathway Groups, with local General Practitioners (GP) and Trust Consultants to devise the best clinical pathways for local patients.

The introduction of GP led commissioning as part of the Government's restructuring of the NHS, will further support the Trust's approach to contracting, focusing on the priorities of local health system. The Trust's major contract for the delivery of Healthcare is now with South Devon and Torbay Clinical Commissioning Group.

There will also be substantial opportunities for those trusts that can continue to provide high quality, cost-effective services within the funding available. As an NHS Foundation Trust, we are part of a more rigorous financial regime but - as a reward - have access to greater financial freedoms, particularly access to additional capital resources which will enable the development of services, facilities and equipment to provide first class care in the most appropriate settings.

Monitor and governors are aware of the Trust's long held intention to pursue integration with Torbay and Southern Devon Health and Care NHS Trust. The Trust believes that the integration of care across secondary, community and social care would deliver the best patient experience, improve efficiency and would best underwrite the provision of acute services in Torbay into the future. The business case for integration has been developed and will be finalised in the coming year.

### Our budget for 2013/14

Given the financial context outlined above, the budget position for the Trust in 2013/14 is extremely challenging, with significant waiting list activity reductions to deliver and to maintain the referral to treatment target whilst delivering at five per cent cost

improvement. Delivering activity, costs and efficiencies within planned levels will allow the Trust to achieve a surplus of £2.4 million.

Achieving a surplus of this level is necessary in order to invest in service developments and for further capital investment in upgrading the hospital site. Good relationships and partnership working with other organisations, together with the opportunity to explore new business and commercial opportunities, will be key to the Trust in the coming year, as will its performance against existing and new national targets.

## **Future spending plans**

The Trust has developed a long-term financial strategy that presently includes financial projections up to and including 2018/19; a period during which the Trust continues the refurbishment of the hospital site. This will be achieved through building cash surpluses and exercising the right to borrow funds in order to provide updated hospital buildings and equipment.

The ability to spend capital funding to improve buildings, equipment and infrastructure beyond 2013/14 will be dependent upon the affordability of the loan repayments and revenue cost of the capital.

The key priorities of the Trust's capital plans for 2013/14 are to further improve infection control across the hospital; improve diagnostic and percutaneous coronary intervention facilities, continued building maintenance programmes to ensure the Trust's premises are fit for purpose; investment in information technology; and further improvements to the Pharmacy Manufacturing Unit to increase income for patient care in the longer term.

The expected value of capital investments in 2013/14 is £28.4 million.

## **Key financial and operational risks**

The key financial and operational risks identified include:

- delivering the levels of activity agreed with commissioners in order to secure the appropriate level of income and achieve waiting time targets;
- delivering efficiency requirements of the NHS funding settlement;
- maintaining the risk rating assigned by Monitor at a minimum level of 3 in order to demonstrate financial viability and sound financial governance;
- achieving national targets, including the referral-to-treatment targets, four-hour admissions target, cancer waiting times and infection control targets; and
- protecting infrastructure through maintenance and ongoing development of the hospital site and implementation of new information technology systems.

Only by managing these risks effectively will the Trust ensure achievement of our key objectives, supporting the delivery of high quality patient care.

Although the Trust remains subject to the NHS National Acute Service contract, a range of modifications have been agreed locally to minimise the risks of penalties and variation, enabling a joint focus with Commissioners on delivering real cost reductions across the healthcare system including:

- the level of income that varies according to the delivery of quality schemes that has been agreed with commissioners has reduced from £2.0 million to £0.5 million; and

- under the NHS National Acute Service contract, financial penalties can still be levied for breaches of mixed sex accommodation rules, 18 week referral to treatment targets, breaches of hospital acquired infection rates etc. However, we have agreed that where action plans are in place to address the penalty area, Commissioners will either return the funding to the Trust or leave funding with the Trust to progress the action plan and deliver the target in the agreed term.

## **Competitive environment**

Experience to date of Patient Choice has shown the local health market to be relatively stable. Progress on reducing waiting times ahead of national targets and improving patient safety is keeping the Trust in a strong competitive position.

Increasingly the Government's 'Any Qualified Provider' initiative generates competition, but in relatively limited spheres of activity. Any provider assessed as meeting key standards and, as such 'qualified' will be entitled to provide services to NHS patients under this framework. In 2012/13 commissioners went through a process in introducing more competition and put MRI and ultrasound services as well as adult hearing services through an AQP process. We are starting to see the impact of this but it is still early days to provide an assessment of the likely impact. During 2013/14 we are not aware of any new services that commissioners are intending to manage in this way.

Given the size of the population the Trust serves it is unlikely that a significant service provider, other than the elements listed above, will enter the Torbay market and there should not be any major impact on the Trust's operations. A more detailed analysis of our competitive position is given in our Service Development Strategy, available on our website at [www.sdhct.nhs.uk](http://www.sdhct.nhs.uk)

## Required reporting

### Private Patient Income

During 2012/13 Monitor changed the rules in respect of the private patient income cap. Previously NHS Foundation Trusts were restricted to the amount of income they could earn from private patients. The value of the income that could be earned in any given financial year was capped using a base year figure. This meant that the amount of private patient income earned by the Trust expressed as a percentage of the total patient related income could not exceed the base year percentage. The base year percentage, and therefore the private patient cap that the Trust must stay within is 0.59%. Had this cap been in place throughout 2012/13 the Trust would not have exceeded it.

	Base year comparison £'000	2012/13 £'000
Private Patient income	608	455
Total Patient Income	102,906	193,605
Proportion	0.59%	0.23%

### Charitable Funds

The South Devon Healthcare Charitable Fund is a registered charity and as such a separate legal entity, established to benefit the patients and staff of South Devon Healthcare NHS Foundation Trust and Torbay and Southern Devon Health and Care NHS Trust. Donations are received from individuals and organisations and are independent of the monies provided by the Government.

These charitable donations are a very important source of funds and continue to provide benefits for both patients and staff. In 2012/13, the Charitable Fund received over £1,495K of income. This included funding of £278K from the Torbay Hospital League of Friends for a Da Vinci surgical robot system, Digital Mammography equipment and other items. Community Hospital Leagues of Friends were also generous in contributing a total of £70K towards the purchase of equipment at their respective hospitals.

Torbay Medical Research Fund (TMRF) contributed £27K in respect of various research projects within the Trust. Other notable donations included £87K from Novartis Pharmaceuticals for an ophthalmic scanner, £61K from the Tropical Health & Education Trust for a partnership project in Kenya, £28K from Torbay Prostate Support Association for a Transrectal Biplane Transducer and Counselling Room and £15K from three Little Miracles Fund for a Brainz Monitor.

The Endoscopy and Haematology departments benefitted from a substantial legacy from the late Mr John Cheetham. A number of other legacies were received which have benefitted various funds within the Charitable Fund.

Numerous items of medical and other equipment across the Trust and community health services were donated, as well as benefiting staff training, education and welfare. Full details of Charitable Funds are available in a separate annual report produced by the Trustees of the fund.

## Cost allocation and charging

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

## Accounting policies

Accounting policies for pensions and other retirement benefits are set out in a note to the full accounts (note 1.4) and details of senior employees' remuneration are given in this report – see page 64. To obtain a copy of the full accounts please contact the Director of Finance, South Devon Healthcare NHS Foundation Trust, Regent House, Regent Close, Torquay, TQ2 7AN.

## Director Remuneration

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 remuneration of the highest-paid director in South Devon Healthcare NHS Foundation Trust in the financial year 2012/13 was between £165,000 to £170,000 (2011-12, between £160,000 to £165,000). This was 7.3 times (2011-12, 7.1 times) the median remuneration of the workforce, which was £22,676 (2011-12, £22,683).

The median calculation is based on the full-time equivalent staff of the Trust, including agency based staff, at the reporting period end date on an annualised basis.

In 2012/13, there were 12 employees (2011-12, 13 employees) who received remuneration in excess of the highest paid director. Remuneration across all staff groups ranged from £14,153 to £203,655 (2011-12, £13,903 to £203,655).

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

## Sickness Absence Figures for NHS 2012/13

12 Months Sickness	FTE	FTE Days Available	FTE Days Lost to Sickness Absence	Average Number of Days' Sickness Absence
4%	3,472	1,218,094	48,673	14.1

Source: Information Centre sickness absence publications and iView workforce staff in post, sourced from Electronic Staff Record (ESR) data warehouse.

Full Time Equivalent (FTE) days available, sickness absence days and average sickness are derived from:

- Total FTE Days Lost (from ESR Absence Timeline report).
- Total Staff Years (Total Available FTE / 365 from the same report).
- Average days Lost (a/b).

## **Serious data loss**

The Trust is required under NHS Information Governance rules to publish details of serious untoward incidents involving data loss or confidentiality breach. The Trust reported three incidents regarding data breaches to the Information Commissioner during 2012/13. The conclusion of the Information Commissioner's Office to their investigation of the first incident was that the Trust's policies and procedures were adequate and no regulatory action was taken against the Trust. The other two incidents are still being investigated by the Information Commissioner's Office.

Any other incidents involving the loss of personal data during 2012/13 were assessed as being of low or little significant risk.

## **Counter Fraud**

The Trust acknowledges that it has a responsibility to ensure that public money is spent appropriately and that it has policies in place to counter fraud and corruption. The Trust has detailed Standing Financial Instructions and a Counter Fraud Policy to ensure probity. In addition, the Trust raises awareness of fraud in its staff communications and through displays in public and staff areas.

Counter Fraud arrangements are reviewed annually by the Local Counter Fraud Specialist who is employed by Audit South West. During 2012/13 a total of 121 days were provided to the Trust. The Audit and Assurance Committee receives and approves the Counter Fraud Annual Workplan and the Annual Report and monitors the adequacy of Counter Fraud arrangements at the Trust and reports on progress to the Board.

There was no quality assessment in 2012/13, however, the Trust took part in a national pilot of a new qualitative assessment process. The pilot involved the completion of a self-assessment questionnaire which was submitted to NHS Protect. This will be used by NHS Protect to select one of three types of assessment for the Trust; full, thematic or focussed.

## **Audit and Assurance Committee**

The Trust's Audit and Assurance Committee has met on five occasions during the financial year. The names of the six Non-Executive Directors and their attendance record at the Audit and Assurance Committee meetings are listed on pages 53 to 56, under Board of Directors. The committee has been chaired by a Non-Executive Director, Mr John Brockwell (from 1 April 2012). The Trust's Chairman and Chief Executive both have rights of attendance at the Audit and Assurance Committee and both are members of the Risk & Assurance Integrated Governance Group which keeps the principal risks to the Trust's achievement of its objectives under constant review. The committee is the senior sub-committee of the Board and its role is central to the organisation's governance. The committee is responsible for scrutinising the risks and controls which affect the organisation's business and for ensuring that appropriate assurance is in place when reviewed against the Trust's corporate objectives.

During 2012/13, the committee has reviewed the Trust's risk management systems, assurance framework process and undertaken a number of reviews of major areas of activity including the Care Quality Commission regulations, capital controls, creditors, duplicate payments, Rosterpro, VitalPAC project, NHS Litigation Authority, information governance, main accounting system, replacement accident and emergency system,



patient drugs distribution, medicines management and banking, cashiering and cash flow management; all the reviews were conducted by Internal Audit.

The external auditors focused on the Quality Report, Internal Audit's processes in line with ISA requirements and three-year strategic internal audit plan 2011/14, audit of the overall computer environment, fraud and financial accounts.

### **Auditors' appointment**

At its meeting on the 12 December 2012 the Council of Governors agreed to reappoint PricewaterhouseCoopers (PwC) to undertake the audit of the Trust's annual accounts for the year ended 31 March 2014, subject to the agreement of an acceptable audit fee by the Director of Finance, Performance and Information, and subject to the conduct of the 2012/13 external audit being to a satisfactory standard.

If management wishes to use the services of the Trust's external auditor for any non-audit purposes, we demonstrate why this is appropriate. The Director of Finance, Performance and Information will provide professional advice on the appropriateness of such an arrangement and approves any arrangements. The approval of the Audit and Assurance Committee will be required in advance of any commitment being made to the external auditor. This safeguard is in place to ensure independence. PwC also confirm that they would be able to carry out any non-audit work without impacting on their independence.

## Statements

### Statement of Accounting Officer's Responsibilities

#### Statement of the Chief Executive's responsibilities as the accounting officer of South Devon Healthcare NHS Foundation Trust

The NHS Act 2006 states that the chief executive is the accounting officer of the NHS Foundation Trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by Monitor.

Under the NHS Act 2006, Monitor has directed South Devon Healthcare NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of South Devon Healthcare NHS foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the NHS Foundation Trust Annual Reporting Manual and in particular to:

- observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *NHS Foundation Trust* Annual Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

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

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

**Signed**



**Paula Vasco-Knight**  
Chief Executive

**Date: 29 May 2013**

# Annual Governance Statement

## 1.0 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.

## 2.0 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 Devon Healthcare 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 Devon Healthcare NHS Foundation Trust for the year ended 31 March 2013 and up to the date of approval of the annual report and accounts.

## 3.0 Capacity to Handle Risk

Responsibility for the oversight of the risk management process has been delegated by the Board of Directors to the Risk and Assurance Integrated Governance Group consisting of two Non-Executive Directors (one being the Trust Chairman), all Executive Directors and Divisional Leads\*, supported by the Company Secretary, Governance Lead and Patient Safety Lead. The Risk and Assurance Integrated Governance Group manages the risk and assurance framework. In addition, the Executive Directors have in place a process whereby all significant risks to the achievement of Divisional and Directorate objectives, Monitor governance and compliance requirements and Care Quality Commission regulations are kept under review.

\*Divisional General Managers are responsible and accountable to the Director of Workforce and Organisational Development for the quality of the services that they manage and will ensure that any identified risks are placed on the Divisional risk register. All such risks are reviewed by the Divisional Board and any necessary escalation managed in accordance with the risk reporting process.

Divisional and Directorate risk management activities are supported by a risk management training programme and the Risk and Assurance Integrated Governance Group, whose purpose is to provide a cross-organisational support network. Executives and Non-Executives are provided with risk management training on an individual basis or collectively at Board seminars.

The Trust continues to maximise its opportunity to learn from other Trusts, Internal / External Audit and continuous feedback is sought internally on whether the systems and processes in place are fit for purpose.

## **4.0 The Risk and Control Framework**

### **4.1 Overview**

Risk is managed at all levels of the Trust and is co-ordinated through an integrated governance framework consisting of five Workstreams covering patient safety, patient experience & community partnerships, finance, human resources & educational governance and infrastructure & environment.

The Trust's risk management strategy provides an integrated framework for the identification and management of risks of all kinds, whether clinical, organisational or financial and whether the impact is internal or external. This is supported by a Board Assurance Framework, which is used to record corporate objectives, risks to their achievement, key risk controls, sources of assurance and gaps in assurance to ensure effective risk management.

There is a review process under the leadership of the Executive Directors, who meet weekly and includes discussion and review of the five Workstreams and Directorate risk management and assurance registers. Any risk identified by a Directorate, Division or Executive Lead as likely to impact adversely on organisational objectives, will be taken to either the Clinical Executive Group meeting or the Risk and Assurance Integrated Governance Group, whichever is the sooner.

In addition, the Risk and Assurance Integrated Governance Group reviews the risk and assurance framework every three months and the Audit and Assurance Committee reviews gaps in assurance throughout the year. The Board of Directors evaluates the Board Assurance Framework on a regular basis following the meeting of the Risk and Assurance Integrated Governance Group with any exceptions being reported at other times of the year.

The assessment and subsequent management of risk is informed by its quantification using a risk grading matrix, which is set by the Board of Directors. Consequence and likelihood tables are outlined in the Risk & Assurance Policy and Procedure. Across a range of domains, the consequence tables grade each risk by reference to its expected impact. This, combined with the likelihood score, defines a measure of overall risk. The Trust risk tolerance is defined as: 'the amount of risk the Trust is prepared to accept, tolerate or be exposed to at any point in time'. In setting a tolerance, it has been determined that any risks to the delivery of the organisation's objectives with inherent consequence scores of '5' or '4' will be brought through the exception reporting process and managed by the Trust Board of Directors. Actions and timescale for resolution are agreed and monitored. Such risks are deemed to be acceptable by the Risk and Assurance Integrated Governance Group only when there are adequate control mechanisms in place and a decision has been made that the risk has been managed as far as is considered to be reasonably practicable. Risks scored below this level are managed by the relevant Divisional Board or Workstream.

One example of where risk management is integrated into core Trust business is in relation to equality impact assessments. All policies and procedures when created or reviewed have to include an Equality Impact Assessment. If there are any negative impacts on a particular group of people/equality group following completion, the Trust will record any changes to the service and/or policy. Any actions will be integrated into existing service planning and performance management frameworks along with monitoring and review processes.

The internal control framework is kept under review by the Audit and Assurance Committee consisting of all of the Non-Executive Directors except the Trust Chairman.

During the past twelve months the Trust's Board of Directors has provided Monitor (Independent Regulator for NHS Foundation Trusts) with quarterly governance reports against the domains outlined within the Compliance Framework; one of which is risk and assurance management.

Locally, there is regular dialogue with our partners in the South Devon Health Community. This is supported by the strategically focused Joined up Health and Care Cabinet, which includes representation of chief executives, senior medical and commissioning staff including general practitioners from across Torbay and Southern Devon. Risks that may impact on the objectives of our principal Commissioners are kept under review by the Joined Up Health and Care Cabinet.

## **4.2 Compliance with NHS Pension Scheme Regulations**

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.

## **4.3 Care Quality Commission (CQC) Declaration**

During August 2012 the Trust reported a never event immediately following a surgical procedure involving the use of an incorrect implant/prosthesis as defined by the Department of Health (DH) never events framework 2012/13. In September 2012 the Trust carried out a routine procedure that resulted in a retained swab triggering a second never event within the Cardiac Catheter Suite. The Trust conducted detailed and immediate root cause analysis following both incidents that resulted in detailed action plans being put in place. Both incidents were reported to the Trust's Commissioners, CQC, South West Strategic Health Authority via the STEIS (Strategic Executive Information System) system and Trust Board of Directors. At the January 2013 Board meeting, the Medical Director presented a complete review of the Trust's practices, policies, procedures, assurance, monitoring systems and feedback mechanisms in relation to each never event. This will be finalised and approved in 2013/14 and will provide good assurance to the Board.

During September 2012 the Trust had an unannounced visit from the CQC that resulted in two compliance actions; outcome 4 (care & welfare of people who use services) plus outcome 8 (cleanliness & infection control) on two ward areas. These concerns were resolved in the CQC's follow-up visit in January 2013 and the Foundation Trust is now fully compliant with all registration requirements. Assurance against the CQC registration requirements is obtained through the five Workstreams where Executive Leads and supporting managers present their evidence/assurance throughout the year. This process is supported by a CQC dashboard showing areas for improvement and regular reviews by the Risk and Assurance Integrated Governance Group / Internal Audit.

#### **4.4 Compliance with Equality, Diversity and Human Rights Legislation**

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

The Trust is committed to providing an inclusive and welcoming environment for our patients, staff and visitors and is working hard to mainstream equality, diversity and human rights into our culture. The Chief Executive is the Senior Responsible Officer for the Equality Delivery System and has been appointed as the National Equality Lead for NHS England.

Performance is monitored via the Equality, Diversity and Human Rights Group who report through Workstream four – Human Resources and Educational Governance. The group meets every three months to review and report progress on the Trust's Equality and Diversity action plan. The Chairman of the Trust Board of Directors is an active member of the Group and champions diversity throughout the Trust.

The Trust Board of Directors receives monthly reports on equality and diversity issues from the Director of Workforce and Organisational Development which includes any negative impacts from equality impact assessments and an annual diversity report which will include workforce data profiled by diverse strand and pay bands, and progress against the Equality and Diversity action plan. Equality Impact Assessments can be found on the Trust's Internet website.

The Trust has a three-year rolling equality and diversity action plan which is updated annually and is reported via Workstream four to the Trust Board of Directors. The Trust recently reviewed and updated the action plan with any on-going actions being carried forward into 2013/14.

The action plan is a standing agenda item on the Equality, Diversity and Human Rights Group where priorities and actions are monitored.

#### **4.5 Compliance with Climate Change Adaptation reporting to meet the Requirements under the Climate Change Act 2008**

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 United Kingdom Climate Impacts Programme (UKCIP) 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the adaptation reporting requirements are complied with.

Sustainability is a regular item on the agenda for our Board of Directors, and the Trust's progress will be regularly reported to staff and members of the public. The Trust's Sustainability Strategy was approved by the Trust Board of Directors in March 2011.

There is a Board-level approved sustainable development management plan which accompanies the Sustainability Strategy. This is reviewed each year to ensure that the Trust fulfils its commitment to consider sustainability while providing high-quality patient care. Progress against this plan will be monitored and reported annually, with sustainability activities included in the Trust Annual Report and other documents such as the Quality Report.

#### **4.6 Compliance with the NHS Litigation Authority**

The Trust achieved level one against the NHS Litigation Authority Risk Management Standards in November 2012 and is assessed every three years. The next assessment will be no later than the autumn of 2015, although the Trust aims to complete the actions required to achieve level two before this date and will seek formal assessment when appropriate.

Maternity Services achieved Clinical Negligence Scheme for Trusts (CNST) level three for the maternity Clinical Risk Management Standards, the highest level of the NHS Litigation Authority's stringent standards to improve the safety of women and their babies. Achieving level three means a reduction of 30 per cent for the maternity element of the Trust's CNST contributions.

#### **4.7 Compliance with Information Governance Requirements**

Risks to information are managed and controlled by applying a robust assessment against the evidence collected as part of the national Information Governance Toolkit return. The Trust reported three incidents regarding data breaches to the Information Commissioner during 2012/13. The conclusion of the Information Commissioner's Office to their investigation of the first incident was that the Trust's policies and procedures were adequate and no regulatory action was taken against the Trust. The other two incidents are still being investigated by the Information Commissioner's Office. Any other incidents involving the loss of personal data during 2012/13 were assessed as being of low or little significant risk. In accordance with the 2012/13 Monitor Compliance Framework, the Trust was able to declare level two compliance against the Information Governance Toolkit requirements by 31 March 2013. A new action plan will be created to deliver improvements against the 2013/14 Information Governance Toolkit and will be overseen by the Information Governance Steering Group which is chaired by the Senior Information Risk Owner.

#### **4.8 Annual Quality Report**

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

There are five standards that support the data quality for the preparation of the Quality Report: governance and leadership; policies; systems and processes; people and skills; data use and reporting. A report is made to the Board of Directors by the Medical Director describing the steps which have been put in place to ensure that the Quality Report presents a balanced view and that there are appropriate controls in place to ensure the accuracy of the data.

Clinicians have approved the data included in the Quality Report. The Data Quality Group creates local standards and procedures to achieve appropriate external benchmarks for data quality. Membership includes local Commissioners and Internal Audit. The Quality Report has been provided to the Health Scrutiny Board of Torbay Council, lead Commissioner, Healthwatch and to Trust governors for comment.

All staff are responsible for the accuracy, completeness, timeliness, integrity and validity of their data. Data entry training encourages the approach to ensure that data is captured 'right first time'. Many of the information systems have built-in controls. Corporate security and recovery arrangements are in place in line with the Information Governance Toolkit requirements. There is a programme of training for data quality. This includes

regular updates for staff to ensure that changes in data quality procedures are disseminated and implemented.

Information which supports the Quality Report is subject to a system of internal control and validation. Clinical data such as mortality rates, hygiene standards and the Early Warning trigger tool are reported and, where appropriate challenged at Board level.

## 4.9 Major Risks

Throughout the year, major risks are escalated to the Board Assurance Framework which is regularly reviewed and managed by the Board of Directors, Audit & Assurance Committee and Risk & Assurance Integrated Governance Group..

### In-Year and Future Risks

Governance Risk Description	Consequence <sup>i</sup> / Likelihood <sup>ii</sup>	Mitigating Action	Outcome measurement
Maintaining safety and quality care whilst delivering a challenging financial target	4 / 2	<ul style="list-style-type: none"> <li>- Actions plans in place with Board approval;</li> <li>- Regular monitoring by Workstream 3, Continuous Improvement Project (CIP) Board and Board of Directors;</li> <li>- Monthly contract review meetings with commissioners / monthly;</li> <li>- Joined Up Health and Care Meetings</li> <li>- Quarterly reporting to Monitor;</li> <li>- Impact assessment for all savings programmes undertaken by Medical and Nurse Directors</li> </ul>	<ul style="list-style-type: none"> <li>- Reports from Monitor regarding Annual Risk Assessment and quarterly submissions;</li> <li>- Monthly and cumulative financial performance by Division to the finance Committee and Trust Board in line with plan.</li> </ul>
Managing transition and relationships in new provider/commissioner landscape especially partner resources that are increasingly limited	4 / 3	<ul style="list-style-type: none"> <li>- Joined Up Health and Care Cabinet;</li> <li>- Board to Board meeting with both commissioner and partner provider organisations;</li> <li>- Focus on partnerships / relationships within Workstream two;</li> <li>- Workforce, Estates and Financial models, capacity plan;</li> <li>- Workstream three - Finance;</li> <li>- Understanding of operating framework / changes to the Compliance Framework and impact of local (contractual) agreements;</li> <li>- Chief Executive 1:1s with local Health and Care Trust, Clinical Commissioning Group and Local Authorities;</li> </ul>	<ul style="list-style-type: none"> <li>- On track with key performance indicators across all Workstreams.</li> </ul>



		- Medical Director Chairing on the Joined Up Health and Care Cabinet.	
Delivery of the Estate Strategy to develop our estate	5 / 2	- Estates Strategy and three year capital programme agreed by the Trust Board - Completed action plans from Internal Audit reviews; - Regular monitoring by Workstream 5 and Board of Directors.	- Delivery against the capital plan agreed by Workstream 3 and Trust Board; - PEAT (Patient Environment Action Team) assessment; - Care Quality Commission submissions/assessments.
Maintaining compliance with national targets	3 / 3	- Actions plans in place with Board approval; - Regular monitoring by Workstream 3 and Board of Directors; - Divisional performance management process; - Commissioner performance review.	- Reports from Monitor regarding Annual Risk Assessment and quarterly submissions; - Monthly and cumulative performance reviews by Workstream / Division to the finance Committee and Trust Board in line with plan; - Outcomes from External reviews e.g. assessments conducted by the Care Quality Commission.
Achievement savings plans for 2013/14	4 / 2	- Completion of business plan for 2013/14; - Programme management function - Monitoring by CIP Board / Workstream three and Board of Directors.	- Development of plans to release efficiency savings agreed by Trust Board of Directors.

i. 5 = worst    ii. 5 = most likely

## 5.0 Review of Economy, Efficiency and Effectiveness of the Use of Resources

The Directors are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the Trust's use of resources. The Trust has established a number of processes to ensure the achievement of this. These include:

- Clear processes for setting, agreeing and implementing strategic objectives based on the needs of the local population, reflecting the priorities of key partners and the Department of Health. This includes a clear strategy for Patient and Public involvement as well as the Trust's 13,000 Foundation Trust public members, providing a key focus for our engagement work within South Devon. Established objectives are supported by quantifiable and measurable outcomes.
- Clear and effective arrangements for monitoring and reviewing performance which include a comprehensive and integrated performance dashboard used monthly in the performance management of clinical services and reported to the Board of Directors. The performance report details any variances in planned performance and key actions to resolve plus the implementation in a timely fashion of any external recommendations for improvement e.g. external audit. There is also performance management regime embedded throughout the Trust including weekly capacity review meetings, executive reviews of services, budget review (undertaken monthly) and regular work to ensure data quality.

- Robust arrangements for managing financial and other resources are in place through Workstream three (Finance Committee) and the Continuous Improvement Programme Board. The Trust has consistently and continuously met all financial targets; The Trust has delivered its efficiency savings target and uses Dr Foster and other benchmarking tools such as the NHS Productivity Metrics to demonstrate value for money is delivered. The Trust continues to develop its service line reporting data to ensure services are being provided as efficiently as possible and any surpluses generated by the Trust are reinvested back into patient care. For procurement of non-pay related items the Trust has a clear procurement strategy and collaborates with other NHS bodes to maximise value through the NHS South West Peninsular Procurement Alliance.

## **6.0 Review of Effectiveness**

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

The Board of Directors is accountable for the system of internal control and actively reviews the Board Assurance Framework to ensure the Board of Directors delivers the Trust's corporate objectives with advice from the following:

- Audit and Assurance Committee - The main purpose of the committee is to provide assurance to the Board of Directors that effective internal control arrangements are in place. In addition, the committee provides a form of independent check upon the executive arm of the Board of Directors.
- Risk and Assurance Integrated Governance Group - The main purpose of the group is to support the development of the Trust's long term strategy and implementation of the Trusts Risk Management and Assurance Framework and to review and make recommendations on all major risks to the organisation.
- Five Workstreams:
  1. Patient Safety - providing assurance to the Trust Board that patients are receiving the highest possible quality of clinical care. The Workstream monitors the systems and processes of clinical services and assures itself that services within the organisation are patient centred, continuously improving both quality and safety by preventing clinical errors wherever possible or learning from them.
  2. Patient Experience & Community Partnerships - providing the Trust Board with assurance that the organisation is delivering an excellent patient experience. Developing, maintaining and monitoring partnerships with patients and with key stakeholder groups in the wider community in order to better understand the patient experience and to meet the needs of service users.
  3. Finance - providing assurance to the Trust Board on the development and implementation of the Trust's long term strategy. The effective management on all issues of major risk in relation to the business and performance of the Trust.

4. Human Resources & Educational Governance – providing assurance to the Trust Board on all aspects of workforce and educational management including the implementation of the Equality Delivery System (EDS) by developing and monitoring the implementation of the workforce, education and development strategies.
5. Infrastructure & Environment - providing assurance to the Trust Board on all aspects of its infrastructure and environment, which includes estates and facilities management.

In reference to the Quality Report 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 by the Workstreams and the Board of Directors to confirm that they are working effectively in practice.

My review is also informed by:

- The work conducted by the External Auditors who focused on our Quality Report, Internal Audit's processes in line with ISA requirements and three-year strategic internal audit plan 2011/14, audit of the overall computer environment, fraud and financial accounts.
- Internal Audit, who have conducted reviews against the Care Quality Commission regulations, capital controls, creditors, duplicate payments, Rosterpro, VitalPAC project, NHS Litigation Authority, information governance, main accounting system, replacement accident and emergency system, patient drugs distribution, medicines management and banking, cashiering and cash flow management. Reviews are conducted using a risk based approach and in addition they have annual reviews of the Trust's risk management and governance arrangements.
- Head of Internal Audit Opinion Statement which states that:  
Significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

## **7.0 Conclusion**

No other significant internal control issues were identified.

**Signed**



**Paula Vasco-Knight**  
**Chief Executive**

**Date: 29 May 2013**

## **Statement of compliance with the Code of Governance**

The Board of Directors is committed to high standards of corporate governance. For the year ending 31 March 2013 the South Devon Healthcare NHS Foundation Trust complied with all the provisions of the Code of Governance published by Monitor in March 2010.

### **Going Concern**

Under International Accounting Standard 1 the Board is required to consider the issue of Going Concern. The Board have done this and the South Devon Healthcare NHS Foundation Trust is considered as a Going Concern.

- The Board has approved an annual plan which demonstrates compliance with its licence from Monitor.
- The Board has a strategic plan which demonstrates compliance with its licence from Monitor for the next three years.
- The Trust does not intend to apply to the Secretary of State for the dissolution of the NHS Foundation Trust
- The Trust does not intend to transfer the services to another entity concern.

South Devon Healthcare NHS Foundation Trust has prepared accounts on a going concern basis.

### **Signed**



**Paula Vasco-Knight**  
**Chief Executive**

**Date: 29 May 2013**

***To obtain a copy of the full accounts please contact the Director of Finance, South Devon Healthcare NHS Foundation Trust, Regent House, Regent Close, Torquay, TQ2 7AN.***

## Further information

To see our Annual Reports and Accounts:

- you can look on our website at [www.sdhct.nhs.uk](http://www.sdhct.nhs.uk) or request a copy by writing to the Foundation Trust Office, Hengrave House, Torbay Hospital, Torquay TQ2 7AA. Large print or other formats available on request.

### To obtain other information about the Trust's work

- such as our Council of Governors and Board of Directors meeting agendas and minutes, our public website is at [www.sdhct.nhs.uk](http://www.sdhct.nhs.uk) and tells you about additional information available under the Freedom of Information Act.

- For information not available on our public website, contact the Freedom of Information office at Torbay Hospital on 01803 654868 or email [infogov.sdhct@nhs.net](mailto:infogov.sdhct@nhs.net).

### To hear more

- you can attend any meetings that the Trust holds in public, including the Council of Governors and the Board of Directors which each meet several times a year. This is an opportunity for the public members of the NHS Foundation Trust or any member of the public to attend as an observer. Members are especially welcome to attend the annual general meeting of the Council of Governors which takes place each autumn.

- Contact: Chairman's Office, on 01803 655705 or email [foundationtrust.sdhct@nhs.net](mailto:foundationtrust.sdhct@nhs.net).

### To tell us what you think

- about this Annual Report or our forward plans.

- Contact: Senior Communications Manager, on 01803 658510, or email [communicationsmanager.sdhct@nhs.net](mailto:communicationsmanager.sdhct@nhs.net).

### To help us to improve our services

- there are opportunities offered through our NHS Foundation Trust Membership, patient involvement, our League of Friends or through donations. Contact:

- Foundation Trust office: 01803 655705, email [foundationtrust.sdhct@nhs.net](mailto:foundationtrust.sdhct@nhs.net)
- Patient Experience lead, on 01803 654850.
- League of Friends, on 01803 654520, [www.lof.co.uk](http://www.lof.co.uk)
- South Devon Healthcare Trust Charitable Fund (Registered Charity No. 1052232) c/o the Charitable Funds Manager, Regent House, Regent Close, Torquay TQ2 7AN.

The NHS across South Devon benefits enormously from the work of hundreds of volunteers, giving practical support or fundraising. If you may be interested in joining our volunteers, you are welcome to enquire. Sincere thanks to the hundreds of volunteers who support Torbay Hospital.

- Contact: Voluntary Services Co-ordinator, based at Regent House, on 01803 653344.

### **To seek advice or information about aspects of your care**

- our Patient Advice and Liaison Service (PALS) may be able to assist.
  - Contact: 01803 655838 or Freephone 0800 02 82 037, text phone 01803 654742, or e-mail pals.sdhc@nhs.net.

The service can provide information about independent advocacy services.

### **To complain**

- you can request information by telephone.
  - Contact: the Patient Services Department on 01803 655743.

### **To access your health records**

- an application form can be obtained for records held by South Devon Healthcare. You may be charged a fee.
  - Contact: Data Protection Office, on 01803 654868.

### **To find out about joining our staff**

- as a new recruit or returning to work after a break.
  - Contact: Recruitment, Retention and Returning Manager on 01803 654537.
  - For work experience placements, contact our Employment Plus service on 01803 655803.

### **To find out about South Devon Healthcare Arts**

- this scheme is supported by staff volunteering their time and by charitable funds generated from the proceeds of sales from art exhibitions staged in The Gallery, Torbay Hospital. The aim is to enhance the healthcare environment.
  - Contact: South Devon Healthcare Arts, on 01803 654557.

**For general health queries, you can contact NHS Direct on 0845 46 47.**

## **Quality Report for 2012/13**

## **About this document**

### **What are Quality Accounts and why are they important to you?**

South Devon Healthcare NHS Foundation Trust are committed to improving the quality of our services we provide to our patients, their families and carers.

Our 2012/13 Quality Accounts are an annual report of:

- How we have performed over the last year against the quality improvement priorities which we laid out in our 2011/12 Quality Accounts.
- Statements about quality of the NHS services provided.
- How well we are doing compared to other similar hospitals.
- How we have engaged staff, patients, commissioners, Governors, Local Involvement Networks (LINKs) and local Overview and Scrutiny Committees (OSCs) in deciding our priorities for the year.
- Statements about quality provided by our Commissioners, Governors, OSCs, LINKs and Trust Directors.
- Our quality improvement priorities for the coming year (2013/14).

If you would like to know more information about the quality of services that are delivered at Torbay Hospital, further information is available on our website [www.sdhct.nhs.uk](http://www.sdhct.nhs.uk)

### **Do you need the document in a different format?**

This document is also available in large print, audio, braille and other languages on request. Please contact the Communications team on 01803 656720.

### **Getting involved**

We would like to hear your views on our Quality Accounts. If you are interested in commenting or seeing how you can get involved in providing input into the Trust's future quality improvement priorities, please contact [susan.martin@nhs.net](mailto:susan.martin@nhs.net) or telephone 01803 655701.



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## **Part 2: Priorities for improvement**

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### **Looking back: 2012/13**

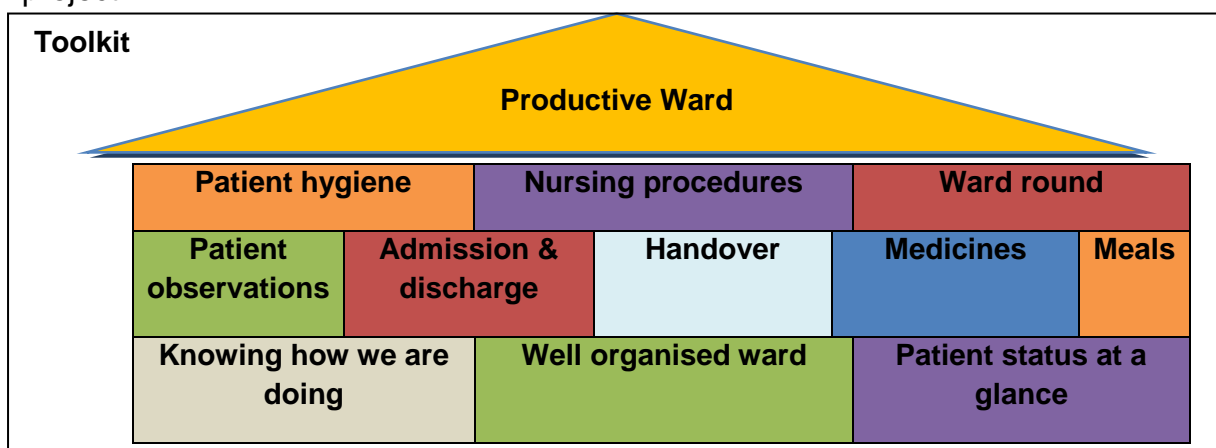
In our 2011/12 Quality Accounts we reported that we would focus on five priority areas for quality improvement in the period 2012/13. These were all locally agreed priorities based on national best practice and best clinical evidence.

#### **Patient safety**

##### **Priority 1: To improve the wards using the Productive Ward methodology**

The Productive Ward programme is a proven national approach to improving quality by helping ward teams to redesign and streamline the way nursing staff work to release time back to direct patient care. The time released back to patient care is then invested in patient safety work, therefore ultimately improving patient outcomes and experience.

The ward team work through a number of modules from a national toolkit and this has been the second and final year of the Productive Ward programme as a standalone project.



Over the last two years there have been significant improvements evidenced through:

- **Increased awareness and understanding of 'Knowing How We're Doing'**

The ward teams have set up a Productive Ward board to communicate with staff about planned improvements such as handovers, share successes and learn from tests of change which did not result in the expected benefits. Weekly 'huddles' have been established on some wards to allow staff to come together and make changes quickly.

- **Increased staff empowerment and ward engagement**

Ward teams run PDSA (plan, do, study, act) cycles to improve their services, supported by their ward manager, matron and the Trust's Ward Improvement Group. All the ward improvements have been identified, tested and implemented by front line staff.

*"The Productive Ward has allowed nurses to feel empowered to make changes to care. The nursing team feel involved in changes that happen in the ward area.*

*In addition, the Productive Ward is a good benchmarking tool".*

Ward Manager

- **Development of Visual Management Boards**

Operational Status at a Glance boards have been established on the wards to give all staff and visitors information about the clinical team allocated across the area, therefore reducing interruptions to the ward team and releasing time back to care.

Swiftplus boards have also been set up across the Trust, as part of another ward improvement project. The ward teams are now using the boards to support the regular running of the ward and at the daily multidisciplinary board round to support on-going care planning and future discharge.

- **Improved medicines management**

Medication rounds have been improved by developing a pre-medicine round checklist to ensure that the correct equipment and medication is available at the point of need. Medicines stock levels are also regularly reviewed on each ward to ensure there is no unnecessary waste.

- **More efficient handovers**

The time taken for a morning handover has been reduced from approximately 40 minutes per nurse per shift to 15 minutes per nurse per shift as a result of the development of standardised procedures.

Ward teams have also implemented bedside/meet and greet handover processes that involve patients and their carers in the handover process.

As a result of completing the productive ward toolkit over the last two years, time has been released on all in-patient wards back to front line care, resulting in improved efficiency, patient safety and better patient experiences.

In 2013/14 the ward teams will continue to revisit the productive ward modules, continuously improving systems and processes to increase the quality of ward based services. The productive ward way of working will also support the roll out of the enhanced recovery in medicine project across the medical wards. (see page 110)

## **Priority 2: To improve the quality of medicines information provided to patients, families and carers**

Most medication supplied to patients, either at discharge or following an outpatient consultation, is accompanied with a patient information leaflet produced by the manufacturer of the medicine.

Sometimes this information is hard to interpret and the size of the print makes it difficult for some patients to read. For patients it is important that these leaflets are kept and read again when circumstances change e.g. when starting or stopping medication. Also our annual results from the national patient experience surveys suggest that medicines information on discharge is an area that we can improve.

Over the last 12 months, Pharmacy has focused on improving medication information of 'High Risk Medicines'. These medicines are the ones that are associated with serious adverse effects or are medicines that need to be closely monitored whilst being prescribed.

Using national and local data, a list of medicines has been drawn up and designated as 'High Risk Medicines'. From this the current patient information leaflets have been reviewed. Further work needs to be undertaken for a few high risk medicines to ensure that the information provided is clear, understandable and available at the appropriate time.

<b>High risk medicines</b>	<b>Patient Leaflet</b>	<b>Action required 2013/14</b>
<b>Anticoagulants</b>	Booklet given to all patients	None - Booklet appropriate
<b>Insulin</b>	Passport given to all patients	None - Insulin passport appropriate
<b>Potent analgesics</b>	Manufacturers information provided	Information sheet to be developed
<b>Methotrexate</b>	Handbook provided	None - Handbook appropriate
<b>Amiodarone</b>	Manufacturers information provided	Information sheet to be developed
<b>Oral chemotherapy</b>	Information provided at Clinic	No action required

Specific information sheets are currently being developed for acute pain management and for Amiodarone. The leaflets will be available in summer 2013 and issued to all patients being prescribed one of these medicines.

A 'Medicines Advisory Note' is also planned for 2013/14 for those patients who are not taking a high risk medicine but where it has been identified that there are specific safety or compliance concerns. These notes will be provided to patients by a member of the pharmacy team.

A proof of concept project working with community pharmacies in Paignton has also started. The aim of the project is to improve the provision of medicines information to patients post discharge, utilising the resources available in high street pharmacies. Part of these new services will be inviting patients and their carers to come into their community pharmacy with all their medication so they are able to have a full medication review.

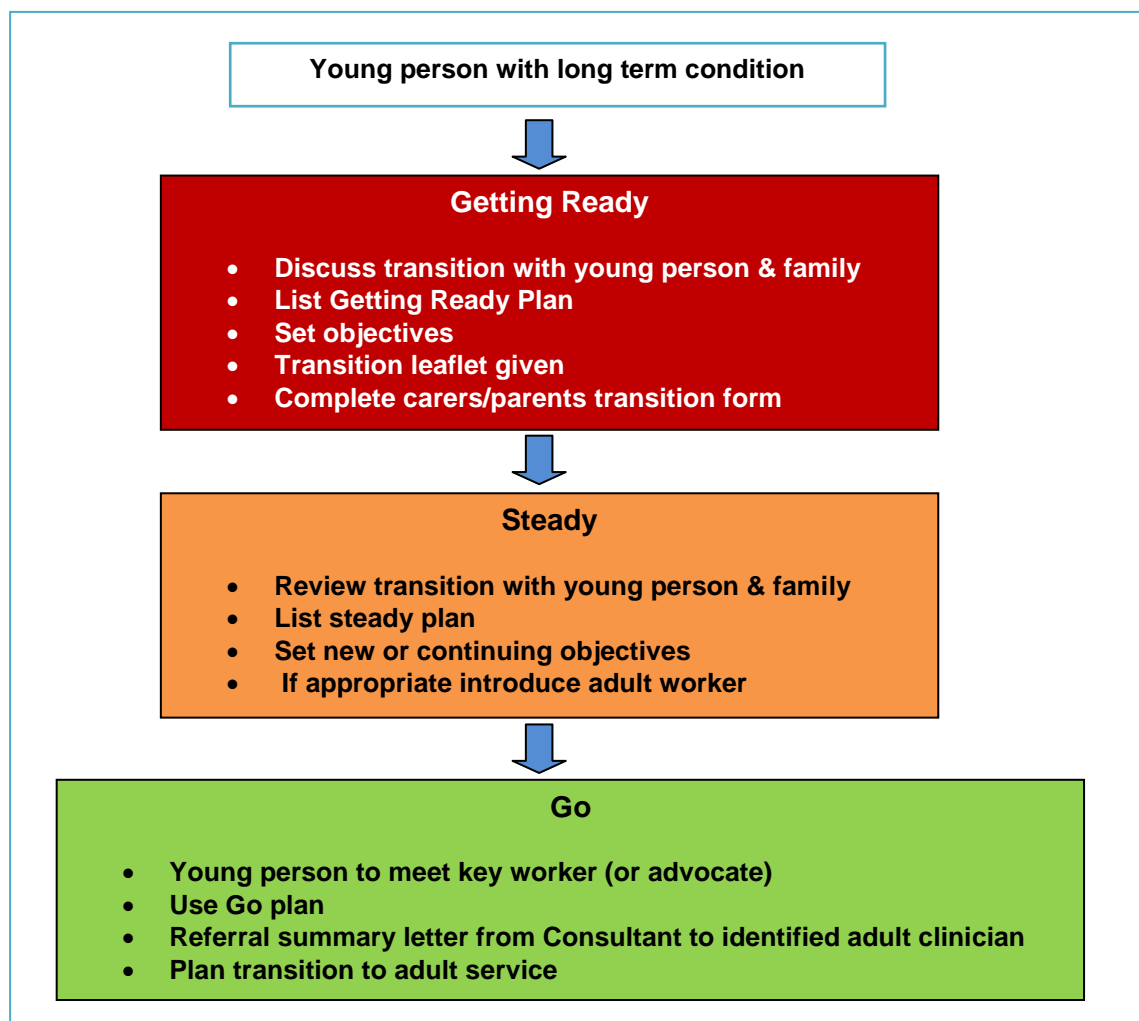
If successful, this concept will be rolled out to other communities across South Devon and Torbay in 2013/14.

### **Clinical effectiveness**

#### **Priority 3: To improve the transition of care of young people with epilepsy, cystic fibrosis and neuromuscular disorders**

For some time research studies have shown that the effective transition of children between paediatric health services and adult health and social care has a major impact on the long term outcomes of young people with chronic medical conditions.

Over the last 12 months the Trust's paediatric team have focused on setting up new transition arrangements starting with cystic fibrosis, epilepsy and neuromuscular disorders. Using the work developed by Southampton University Hospital the Trust has adopted the 'Ready, Steady, Go' approach.



Using this approach, the project team has now designed a new transition pathway of care and policy. This is applicable to all young people with chronic long term conditions.

The team has also developed a pre-transition and post-transition questionnaire as well as systems to identify young people for transition earlier (typically 12 yrs old). Starting the transition process earlier enables better target setting by the young person and allows them to take more control over the condition as they become older.

The feedback from the project has been positive.

The project has built strong relationships between young patients, specialist nurses and adult care consultants and the ready, steady, go approach provides a simple understandable framework for all to use.

*"I think the plan really works well when children and young people are capable of answering the questions."*

*"We plan to tailor the pack for special needs in the future and include a section for the parent/advocate."*

Epilepsy Specialist Nurse

For 2013/14 the team will continue to spread their work into other long term conditions and use electronic services such as 'Patient Knows Best' to enable young people to have access to their own information as they transition between services.

## **Patient experience**

### **Priority 4: To improve the quality of end of life care provision**

The Department of Health's End of Life Care Strategy (2008) emphasises that improved end of life care provision in hospitals is important as currently more than half of all deaths take place in this setting.

Torbay Hospital has been involved in a national end of life care project called 'Routes to Success in End of Life Care in Acute Hospitals'. As one of 25 pilot sites, this project builds on the end of life care work already done by the Trust over the last few years including:

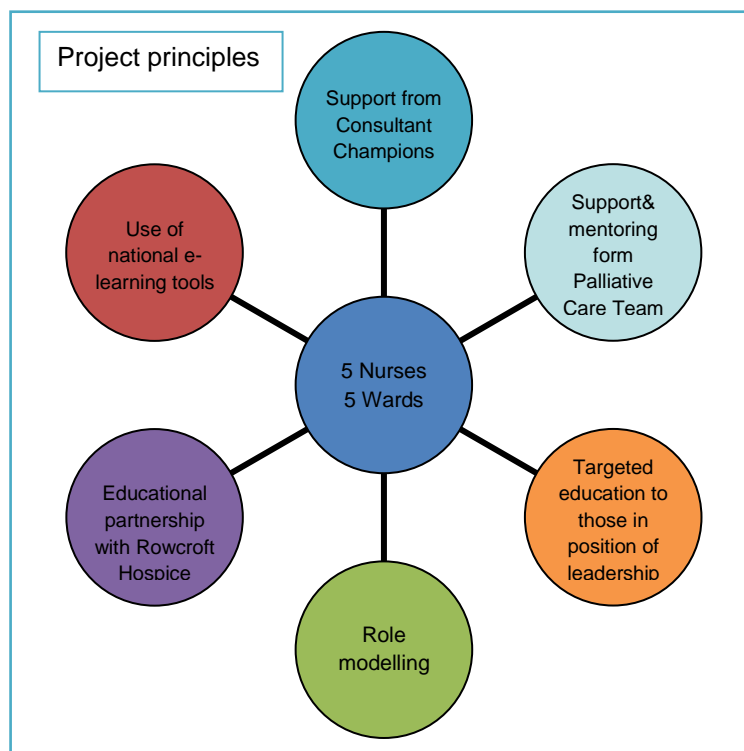
- Support for people to die in the place of their choice, which may or may not be hospital.
- Improved patient and family experience.
- An increase in the skills and confidence of hospital staff in providing end of life care.
- Improved links and communication with community staff.

During 2012/13 nurses from five wards in the Hospital took part in the project.

They each attended end of life care teaching sessions and they also spent time on their own wards looking at ways to improve care for people who may be in the last year(s) of life.

The nurses were also supported in their work by a consultant led hospital palliative care team.

Three of the nurses also attended an Enhanced Palliative Care Skills course at Rowcroft Hospice, with the other two having previously completed the course.



As a result of the project:-

- Staff on the five wards now have a better understanding of ways to improve care in the last year(s) of life for patients, their families and friends.
- There is an increased awareness of end of life issues across the Hospital as staff move between wards.
- Better information is now sent to GPs, out-of-hours doctors and ambulance service staff, when patients leave hospital.
- There are now information folders on end of life care produced by the 5 project nurses for the other 12 adult wards in the hospital as a way to share learning from the project.

*"We are certainly more proactive in facilitating patients' choice of where they would like to die and discharging patients in a safe and supported manner"*

Ward Sister on a project ward.

Over the next year we will continue to work hard on this important area of care and for this reason it will continue be a Trust Quality Account improvement priority for 2013/14.

## **Priority 5: To increase the number of letters written directly to the patient and copied to the GP**

Part of the Government's current policy is to ensure that patients have better access to their own medical information such as medical records and laboratory results. There is considerable evidence to suggest that patients receiving good quality letters/information respond very positively, resulting in improved patient satisfaction and reduced anxiety.

In 2011/12 we reported that we would test the feasibility of Hospital doctors adapting their current practice and writing to patients direct and copying in GPs. We have piloted this change on an individual clinician by clinician basis. Specialities involved in this work include gastroenterology, cardiology and respiratory services.

With the development of a new clinic letter replacement programme, this should enable clinicians to tailor letters more appropriately to the audience intended. Also there should be more scope to ensure all patients receive copies of letters as this will be auditable for the first time. A recent finding from the Governors' survey suggests that only 36% of people responding to the survey were offered a copy of the letter resulting from the outpatient appointment.

We also stated in the 2011/12 Quality Accounts that we would test the feasibility of providing patients with direct access to medical records and laboratory tests and provide an online forum for clinicians and patients to share information.

Over the last year we have been piloting an IT system to improve communication and information flows between doctors, nurses and patients. 'Patients Know Best' is a fully secure online tool which enables patients to view, organise, manage and control their own health care provision.

Specialities involved in the pilot work to date include:

- diabetes
- paediatrics - where young people are transitioning to adult health services
- inflammatory bowel disease & colorectal surgery
- speech and language therapy



The feedback so far has been positive and more specialities will be involved in offering their information direct to patients via the Patients Know Best secure website.

We are also currently exploring with Commissioners, local GPs and our health and social care partners across South Devon and Torbay whether this system could be used to provide all patients with direct access to their own information in a safe and secure environment longer term.



## **Continuous quality improvement in 2012/13**

In our last year's Quality Accounts we reported on a number of areas where we had focused on improving patient safety, clinical effectiveness and patient experience.

Work has continued in these areas as we recognise that quality improvement is a continuous cycle. Below is a snapshot of our continued progress from a number of our continuous quality improvement programmes reported to the Board, including CQUINs, a payment framework which enables commissioners to reward excellence by linking a proportion of the Trust's income to local quality improvement goals.

### **2012/13 CQUINs**

The Trust has been involved in 16 CQUIN (Commissioning for Quality Improvement and Innovation) projects covering safety, clinical effectiveness and patient experience. Some of these projects are nationally mandated such as:

- Improving the recognition, assessment and referral of people with dementia
- Reducing the risk of patients who are admitted to hospital subsequently developing a blood clot (thrombus) in a vein whilst others are locally agreed.

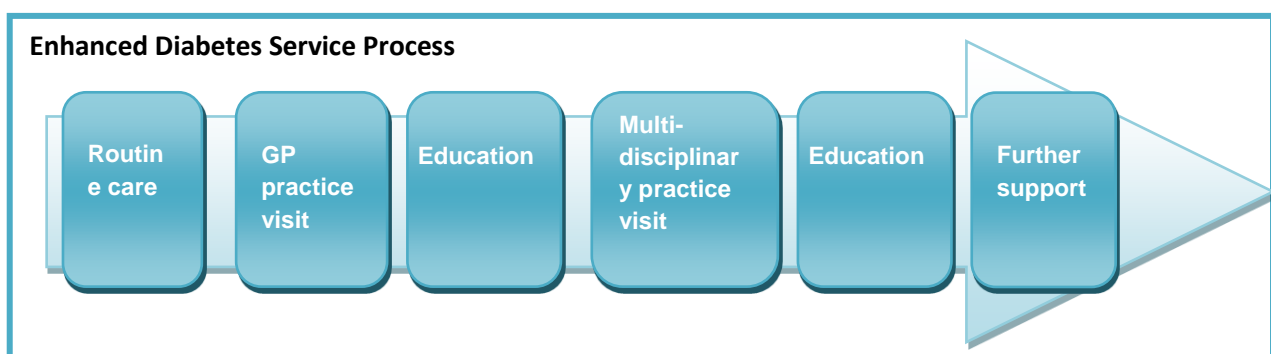
A breakdown of the 2012/13 CQUINs over the year can be found in appendix 2.

2012/13 CQUIN highlights include:

#### **Diabetes**

The successful set up and delivery of a new enhanced diabetes care service to primary care.

This is already reducing the number of unnecessary referrals into the hospital and enabling GPs and the primary care team to better support patients, their carers and families at home.



## Timeliness of clinic letters to GPs

The timeliness of providing information within health care is critical, but due to workforce pressures and clinical priorities this can sometimes be difficult to achieve.

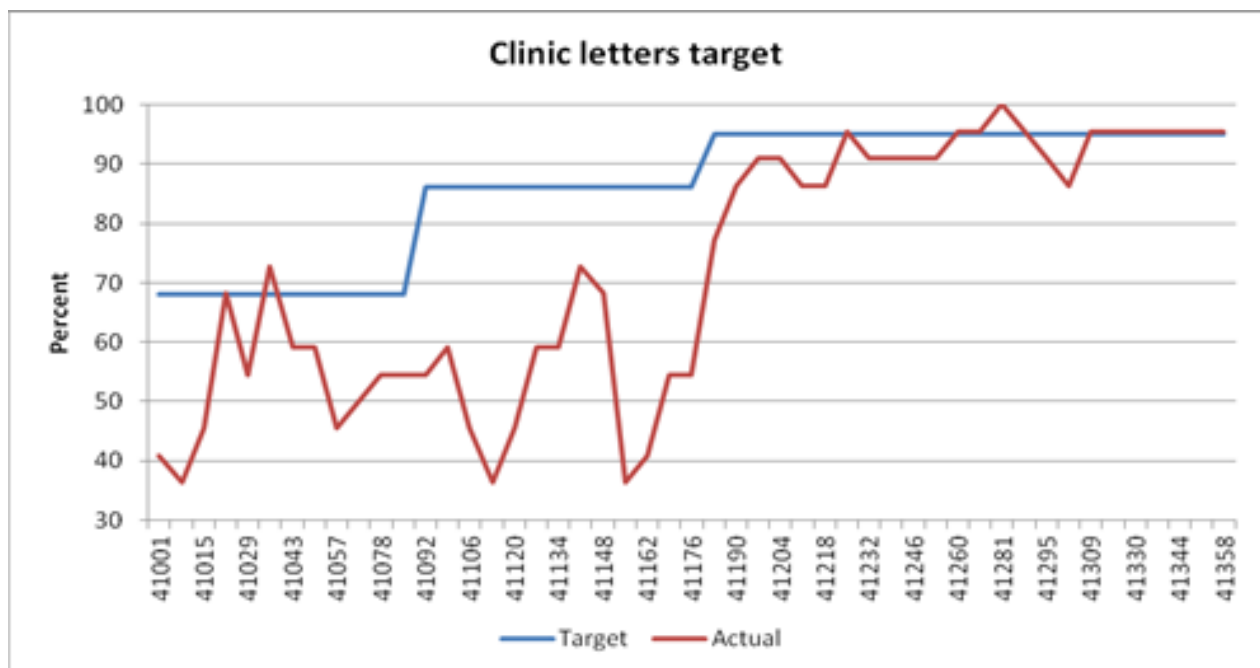
In 2012/13 the Trust agreed to improve the timeliness of outpatient letters, working towards a target of ensuring that 95% of letters produced are typed and sent out within 5 working days.

The project focused on:

- Introducing a process to monitor the backlog of typing and the number of outstanding clinics requiring support.
- Identifying how a greater level of flexibility can be achieved across the permanent and part time/temporary secretarial workforce.

Over the year the number of secretarial staff has been increased and more flexible working practices means that any typing gaps can be filled more quickly.

By the end of the year 95% of specialities now type and send letters within 5 working days.



In 2013/14 the aim will be to maintain this performance.

## Patient Experience

Improving patients' experience is a national CQUIN, with the Trust required to improve its performance against the NHS's national inpatient survey and recording and acting on patient feedback in real time.

The Trust is very proactive in collecting information and listening to patients, carers and families to build a picture of the quality of care offered by the Trust from each patient's perspective.

Currently patient complaints, patient stories, real time patient survey information and positive feedback from patients and their families are shared across the organisation throughout the year in a number of forums.

A snapshot of patient feedback for 2012/13 includes:

*"The nurses and health care assistants on Turner Ward in Torbay General Hospital have been absolutely superb. The care and attention that they have given my very poorly Mum has been incredible and at all times they have been supportive and attentive to my sister and I....."*

Patient Opinion

*"Humour and friendliness of staff - no gloomy faces. I enjoyed my stay."*

National Inpatient Survey

*"Delighted with all the care and attention I received. I was also well satisfied with the food, I cannot have dairy products but the catering department looked after my needs well."*

Real Time Patient Survey

*"I was rather confused with all my information concerning my discharge."*

Real Time Patient Survey

This year, in addition, the nursing leadership team have been working with ward nurses to embed 'Observations of Care' into ward routines. This is a technique where a small group of trained ward staff and lay volunteers quietly observe an area of practice and feedback their observations to share good practice and suggest improvements.

Feedback from ward staff has been positive with staff and lay volunteers now undertaking monthly observations of care.

*"Worthwhile experience, seeing good quality care in real time and having the opportunity to discuss with the staff".*

Bereavement officer

The Trust has also been involved in five national patient surveys in 2012/13:

- National Inpatient Survey
- National Cancer Survey
- National Emergency Survey
- Day Surgery Survey
- Radiology and Imaging Survey

The results are available on the Trust's website [www.sdhl.nhs.uk](http://www.sdhl.nhs.uk) and more details are available in the Trust's 2012/13 annual report.

In relation to **overall patient experience**, according to the National Inpatient Survey (Q68) the Trust scored 8.1 out of 10 with the lowest performing trust scoring 7.2 and the highest 9.0.

Also the staff when asked, as part of the annual national NHS staff survey, whether 'they would recommend the Trust as a place to work or receive treatment' scored better than the national average.

In 2013/14 a patient version of this question known as the 'friends and family test' is being introduced into the hospital and the Patient Services team has already started to roll this out.

### **Other continuous quality improvement work in 2012/13**

The Trust is involved in other improvement and innovation work throughout the year. Some of this is championed through the Clinical Management Group, a forum of Senior Clinicians and Managers and through the CIP (Continuous Improvement Programme) Board which is chaired by the Chief Executive.

Projects undertaken in the last year include:

- iTorch - an innovative project to introduce junior doctors to quality improvement work and which enables them to undertake small scale projects. In 2012/13 over 20 projects have been undertaken and shared with the health and care community. These range from developing improved referral forms in psychiatry to designing improved drug packaging for anaphylaxis.
- Telemedicine in paediatrics – this is a new project enabling clinicians to share information and undertake shared consultations via a portable telemedicine unit with specialist units from across the region.

- 7 day care - this builds on the work already undertaken during the year to understand more clearly future health and social care capacity and patient demand. Tests of change include Sunday consultant ward rounds and increased junior doctor provision at weekends to support the timely completion of discharge information for GPs.
- Dementia – this is a key priority for the Trust. Work has been undertaken in the year through the CQUIN framework to improve the recognition, assessment and referral of patients suspected with dementia. Although the Trust did not achieve its end of year target, it continues to work hard to achieve this. There is also a Devon wide dementia action plan which the Trust is actively working on alongside their partners.
- Joined-up health & care – the Trust alongside Commissioners, the Councils and community health and social care have come together to publish a vision of joined up health and care for the people of South Devon and Torbay. The document has been published and is available on the Trust website [www.sdhl.nhs.uk](http://www.sdhl.nhs.uk)
- Clinical negligence scheme for Trusts - Maternity Services achieved Clinical Negligence Scheme for Trusts (CNST) level three for the Maternity Clinical Risk Management Standards. This is the highest level of the NHS Litigation Authority's stringent standards to improve the safety of women and their babies.

More information about the Trust's quality improvement work can be found on our Trust website, the Trust Board reports and in also in our 2012/13 annual report.

## **Looking forward: 2013/14**

The Trust has identified 5 quality improvement priorities for 2013/14. These have been developed through discussions with our clinical teams and through receiving feedback from the users of our services. We have taken into account new best practice and national guidance and have met with key stakeholders to discuss and agree the priority areas for 2013/14 (see Annex 1). These priorities have been signed off by the Trust Board.

In brief, the improvement projects are:

## **Patient safety**

### **Priority 1: Reduce the prevalence of hospital acquired pressure ulcers**

Pressure ulcers are a type of injury that affects the skin and underlying tissue due to excessive friction. This can occur when the force of the body is static for too long and a shearing effect occurs where the deep skin layers are forced over one another.

Across the NHS there is a drive to improve the recognition, management and care of people with pressure ulcers. This initiative is being driven through the Department of Health's Safety Thermometer work. It is also a nationally mandated quality improvement priority. It is for this reason that the stakeholders have chosen this as a Trust priority.

The Trust, through its Pressure Ulcer Steering Group, is working with the wards to reduce the number of pressure sores acquired whilst in hospital. In the first quarter of 2013/14 we will count the number of hospital acquired pressure ulcers and then use this baseline to reduce the number of grade 4 pressure ulcers in the first instance.

The outcomes will be reported through the 13/14 Quality Accounts and also to Commissioners as part of the Trust's CQUIN work.

## **Clinical effectiveness**

### **Priority 2: Rollout 'enhanced recovery in medicine' onto three medical wards within the Hospital**

The enhanced recovery model of care within surgery is clinically proven, enabling patients to recover more quickly with earlier discharge and reduced postoperative complications. What is less well known is whether the principles can be more widely applied outside the field of surgery.

In 2012/13 a project was undertaken on the Emergency Assessment Unit (EAU) to see if the principles of enhanced recovery applied to medical patients. This includes early mobilisation, improved nutrition and patients with their families or carers being more actively engaged in their care earlier.

The preliminary data suggests that people have shorter stays and a better patient and carer experience. As a result of the initial outcomes of this pilot, the stakeholders in deciding the Trust's quality improvement priorities felt that prioritisation should be given to this innovative approach to patient care.

In 2013/14 the aim will be to see whether the benefits made to date can be replicated more widely by rolling out the programme into four medical wards and measuring the benefits including length of stay and patient experience.

### **Priority 3: Implement the integrated heart failure service**

In the UK, heart failure accounts for a total of 1 million in-patient bed days and 5% of all emergency medical admissions to hospital.

Hospital admissions due to heart failure are projected to rise by 50% over the next 25 years largely due to an ageing population, improved survival of people with heart disease and more effective treatments for heart failure. The average age at first diagnosis is 76.

Nationally and locally this is now becoming a significant issue and as a result, the Trust, with Community Services, have come together to develop one integrated service with the aim of providing seamless care, whether at home or in hospital.

In 2013/14, the focus will be on identifying people with heart failure and setting up systems to allow people to be both supported with their condition and manage it more effectively themselves. An action plan has been developed to ensure the effective roll out of the service during the year and this will be monitored through the Cardiology Care Pathway Group.

### **Patient Experience**

#### **Priority 4: Continue to improve end of life care provision in Torbay Hospital.**

The provision of high quality end of life care within Torbay Hospital will continue to be an important function and one by which the hospital will be judged by its local community. We only have one chance to get this right for patients, their families and friends.

As a result of the excellent work done by the End of Life Team in 2012/13, the stakeholders at the Quality Account Engagement meeting recommended that end of life care remain a quality improvement priority.

The aim in 2013/14 is to build on the improvements undertaken and to identify areas where the care we provide can be improved upon. The improvement work will be measured and monitored through the End of Life Care Pathway Group, a cross organisational group of doctors and health and social care professionals.

#### **Priority 5: Test the cost benefit of employing ward clerks during the evening and weekends.**

Ward clerks undertake administrative tasks for doctors and nurses including managing patient notes, recording appropriate information on clinical systems, answering the phone and providing basic administrative tasks for the ward team. With patients arriving and being discharged later in the day, the ward can often be at its busiest when ward clerks are just finishing their shift.

With a shift to 7 day care, the demand for more front line support at weekends and evenings is increasing. This, however, is set against a backdrop of no additional income to employ staff.

The aim of this improvement work is to undertake a test of change on two wards to see whether ward clerks release more time to care with clear cost benefits including improved patient experience. For Governors, stakeholders and staff releasing time back to direct patient care is a key priority.

All 2013/14 quality improvement priorities will be reported and monitored via the Trust Board with quarterly updates and progress reported against action plans for each improvement priority.

### **Continuous quality improvement work in 2013/14**

Quality improvement is at the heart of what the Trust does and the five quality improvement priorities already described in this section are key to underpinning our Trust objectives of safer care with no delay and improved patient experiences.

Alongside these five priorities the Trust has a number of additional quality improvement projects which are supported through CQUINs and via the Trust's CIP Board. Also, engagement with programmes such as the 'Safer Patient Initiative' supports the Trust's mission to drive up quality.

As with the previous year, the 2013/14 CQUIN schemes will continue to be published on the Trust website.

2013/14 CQUIN work will include dementia, carers, heart failure, enhanced recovery in medicine, timeliness of information to GPs, shared decision making and alcohol.

Other quality improvement work includes 24/7 care, patient flow, theatre efficiency and publishing more quality measures for clinical teams to benchmark their practice against.

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

### **Review of services**

During 2012/13 South Devon Healthcare NHS Foundation Trust provided and/or sub-contracted 44 relevant health services.

South Devon Healthcare NHS Foundation Trust has reviewed all the data available to them on the quality of care in 44 of these relevant health services.

The income generated by the relevant health services reviewed in 2012/13 represents 84% of the total income generated from the provision of relevant health services by South Devon Healthcare NHS Foundation Trust for 2012/13.

The data and information reviewed and presented covers the three dimensions of quality, namely patient safety, clinical effectiveness and patient experience.



## **Participation in clinical audits**

For the purpose of the Quality Accounts, the National Clinical Audit Advisory group (NCAAG) has published a list of national audits and confidential enquiries. Participation in these is seen as a measure of quality of any Trust's clinical audit programme. The detail which follows relates to this list.

During 2012/13, 44 national clinical audits and 3 national confidential enquiries covered relevant health services that South Devon Healthcare Foundation NHS Trust provides.

During 2012/13 South Devon Healthcare Foundation NHS Trust participated in 82% of national clinical audits and 100% of national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that South Devon Healthcare NHS Foundation Trust was eligible to participate in during 2012/13 are as follows:

<b>South Devon Healthcare NHS Foundation Trust</b>	<b>Eligibility</b>	<b>Participation</b>
<b>Peri and Neonatal</b>		
Neonatal intensive and special care (NNAP)	Yes	Yes
<b>Children</b>		
Paediatric pneumonia (British Thoracic Society)	Yes	Yes
Paediatric asthma (British Thoracic Society)	Yes	Yes
Feverish Children (College of Emergency Medicine)	Yes	Yes
Pain in Children (College of Emergency Medicine)	Yes	Yes
Childhood epilepsy (RCPCH National Childhood Epilepsy Audit)	Yes	Yes
Paediatric intensive care (PICANet)	No	Not applicable
Paediatric cardiac surgery (NICOR Congenital Heart Disease Audit)	No	Not applicable
Inpatient audit of children with Diabetes (HQIP)	Yes	Yes
Diabetes (RCPCH National Paediatric Diabetes Audit)	Yes	Yes
<b>Acute care</b>		
Emergency use of oxygen (British Thoracic Society)	Yes	Yes
Adult community acquired pneumonia (British Thoracic Society)	Yes	Yes
Non-invasive ventilation (NIV) - adults (British Thoracic Society)	Yes	Yes
Cardiac arrest (National Cardiac Arrest Audit)	Yes	No

Neck of femur (College of Emergency Medicine)	Yes	Yes
Adult critical care (ICNARC Case Mix Programme)	Yes	Yes
Severe sepsis and septic shock (CEM)	Yes	Yes
Potential Donor Audit	Yes	No
<b>Long term conditions</b>		
Diabetes (National Diabetes Audit)	No	Not applicable
Diabetes Inpatient audit (HQIP)	Yes	Yes
Heavy Menstrual Bleeding (RCOG)	Yes	Yes
Chronic pain (National Pain Audit)	Yes	Yes
Ulcerative colitis & Crohn's disease (National IBD Audit)	Yes	No
COPD (British Thoracic Society/European Audit)	Yes	No
Adult asthma (British Thoracic Society)	Yes	Yes
Bronchiectasis (British Thoracic Society)	Yes	No
National audit of Dementia	Yes	Yes
Parkinson's disease	Yes	No
<b>Elective procedures</b>		
Hip, knee and ankle replacements (National Joint Registry)	Yes	Yes
Cardiothoracic transplantation (NHSBT UK Transplant Registry)	No	Not applicable
Liver transplantation (NHSBT UK Transplant Registry)	No	Not applicable
Coronary angioplasty (NICOR Adult cardiac interventions audit)	Yes	Yes
Peripheral vascular surgery (VSGBI Vascular Surgery Database)	Yes	Yes
Carotid interventions (Carotid Intervention Audit)	Yes	Yes
CABG and valvular surgery (Adult cardiac surgery audit)	No	Not applicable
<b>Cardiovascular disease</b>		
Acute Myocardial Infarction & other ACS (MINAP)	Yes	Yes
Heart failure (Heart Failure Audit)	Yes	Yes
Acute stroke (SINAP)	Yes	Yes
Cardiac Arrhythmia (Cardiac Rhythm Management Audit)	Yes	Yes
<b>Renal disease</b>		
Renal replacement therapy (Renal Registry)	No	Not applicable

Renal transplantation (NHSBT UK Transplant Registry)	No	Not applicable
<b>Cancer</b>		
Lung cancer (National Lung Cancer Audit)	Yes	Yes
Bowel cancer (National Bowel Cancer Audit Programme)	Yes	Yes
Head & neck cancer (DAHNO)	Yes	Yes
Oesophago-gastric cancer (National O-G Cancer Audit)	Yes	Yes
<b>Trauma</b>		
Hip fracture (National Hip Fracture Database)	Yes	Yes
Severe trauma (Trauma Audit & Research Network)	Yes	Yes
<b>Psychological conditions</b>		
Prescribing in mental health services (POMH)	No	Not applicable
<b>Blood transfusion</b>		
Audit of patient info & consent (National Comparative Audit of Blood Transfusion)	Yes	Yes
Blood sampling & labelling (National Comparative Audit of Blood Transfusion)	Yes	Yes
Audit the use of Anti D (National Comparative Audit of Blood Transfusion)	Yes	Yes
<b>Health promotion</b>		
Risk factors (National Health Promotion in Hospitals Audit)	Yes	No
<b>End of life care</b>		
Care of dying in hospital (NCDAH)	Yes	No
<b>National Confidential Enquires</b>		
Patient Outcome and Death (NCEPOD)	Yes	Yes
Suicide and Homicide by People with Mental Illness	No	Not applicable
National Review of Asthma Deaths	Yes	Yes
Child Health programme	Yes	Yes

Of those national audits that the Trust did not participate in, the reasons are outlined below:

- Bronchiectasis (British Thoracic Society) – the decision not to take part in this audit was made because of the difficulty in capturing the data required.
- Cardiac arrest. – the specialty concerned decided not to take part in this audit as there was a cost implication.
- Non-invasive ventilation (COPD) – the speciality declined to take part.
- Parkinson's disease – the speciality declined due to workload.
- Potential donor – the speciality had taken part in a previous audit but due to small numbers felt that there was little benefit in taking part again this year.
- IBD (Biologics) – the decision not to take part was due to problems with the national data audit system and the lack of availability of site specific data in the national report.
- Risk factors (Health promotion) – the audit was organised by Stockport NHS Trust and was considered not to be useful and therefore a decision was made not to participate in the audit,
- Care of the dying in hospital – the decision was taken to undertake local audits instead

The national clinical audits and national confidential enquiries that South Devon Healthcare NHS Foundation Trust participated in, and for which data collection was completed during 2012/13, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

South Devon Healthcare NHS Foundation Trust	Cases submitted	% cases
<b>Peri and Neonatal</b>		
Neonatal intensive and special care (NNAP)	359	100
<b>Children</b>		
Paediatric pneumonia (British Thoracic Society)	15	100
Paediatric asthma (British Thoracic Society)	9	45
Feverish Children	50	100
Pain management (College of Emergency Medicine)	50	100
Childhood epilepsy (RCPCH National Childhood Epilepsy Audit)	25	100
Inpatient audit of children with Diabetes	Not Known	
Diabetes (RCPCH National Paediatric Diabetes Audit)	116/130	89
<b>Acute care</b>		
Emergency use of oxygen (British Thoracic Society)	10	90
Adult community acquired pneumonia (British Thoracic Society)	50/20	250
Severe sepsis & septic shock (College of Emergency Medicine)	30	100
Non-invasive ventilation (NIV) Adults (British Thoracic Society)	14/20	70
Neck of femur (College of Emergency Medicine)	50	100
Adult critical care (ICNARC Case Mix Programme)	679	100
Renal Colic (College of Emergency Medicine)	14/50	28
<b>Long term conditions</b>		
Diabetes Inpatient audit (HQIP)	40/50	80
Heavy menstrual bleeding (RCOG National Audit of HMB)	112	100
Chronic pain (National Pain Audit)	53	100
National audit of dementia	40	100
Parkinson's disease (National Parkinson's Audit)	21	70
Adult asthma (British Thoracic Society)	21/20	105

<b>Elective procedures</b>		
Hip, knee and ankle replacements (National Joint Registry)	683	100
Coronary angioplasty (NICOR Adult cardiac interventions audit)	350	100
Peripheral vascular surgery (VSGBI Vascular Surgery Database)	Not Known	
Carotid interventions (Carotid Intervention Audit)	31	100
<b>Cardiovascular disease</b>		
Acute Myocardial Infarction & other ACS (MINAP)	474	99.2
Heart failure (Heart Failure Audit)	359	150
Acute stroke (SINAP)	537	100
Stroke care (SNNAP) (Organisation only)	Not known	
Cardiac Arrhythmia (Cardiac Rhythm Management Audit)	189	100
<b>Cancer</b>		
Lung cancer (National Lung Cancer Audit)	201	100
Bowel cancer (National Bowel Cancer Audit Programme)	223	100
Head & neck cancer (DAHNO)	70	100
Oesophago-gastric cancer (National O-G Cancer Audit)	52	100
<b>Trauma</b>		
Hip fracture (National Hip Fracture Database)	438	100
Severe trauma (Trauma Audit & Research Network)	265	100
<b>Blood transfusion</b>		
Blood sampling & labelling (National Comparative Audit of Blood Transfusion)	35	100
Platelet use (National Comparative Audit of Blood Transfusion)	26	100
<b>National Confidential Enquires</b>		
Are We There Yet? A review of organisational and clinical aspects of children's surgery	1	100
Knowing the risk - A review of the peri-operative care of surgical patients	86	100
Bariatric surgery for weight loss	Not Known	

The reports of 41 national clinical audits were reviewed by the provider in 2012/13 and South Devon Healthcare NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.

Ref	Recommendations / actions
<b>ND0046 Acute Myocardial Infarction &amp; other ACS (MINAP) - (Quarterly reports)</b>	
	<ul style="list-style-type: none"> <li>• Data collection evaluation</li> <li>• Improvement in drugs documentation.</li> </ul>
<b>ND0055 Acute Stroke (SINAP)</b>	
	<ul style="list-style-type: none"> <li>• Report received March 2013. Response pending.</li> </ul>
<b>ND0030 Adult Asthma (BTS)</b>	
	<ul style="list-style-type: none"> <li>• Ensure blood gases are performed on all patients with low SaO<sub>2</sub></li> <li>• Oral steroids to be given promptly to all patients with acute asthma</li> <li>• Peak flow recordings to be recorded in all asthmatic patients at least 12 hourly.</li> <li>• Outpatient appointments to be offered to all patients admitted under medicine with acute severe asthma.</li> </ul>
<b>ND0071 Adult Community Acquired Pneumonia (BTS)</b>	
	<ul style="list-style-type: none"> <li>• First dose of antibiotics to pneumonia patients - Junior Doctors to undertake</li> <li>• Re-emphasise local antibiotic guidelines for pneumonia</li> </ul>
<b>ND0053 Bowel Cancer Audit (NBOCAP)</b>	
	<ul style="list-style-type: none"> <li>• Check data accuracy and ensure accurate coding.</li> <li>• APER rate incorrectly stated as 100%, correction requested.</li> </ul>
<b>ND0066 - Cardiac arrhythmia (Cardiac Rhythm Management Audit)</b>	
	<ul style="list-style-type: none"> <li>• No specific actions.</li> </ul>
<b>ND0074 - Carotid Intervention Audit</b>	
	<ul style="list-style-type: none"> <li>• Multi-factorial reasons for the delay between patient symptoms and surgery.</li> <li>• Areas to explore further include where services (e.g. TIA) fragmented across Trust , consultant job plans , staffing</li> </ul>
<b>ND0064 - Childhood Epilepsy Audit (Epilepsy 12)</b>	
	<ul style="list-style-type: none"> <li>• Design local guidelines for children seen in A &amp; E, children's wards and referred by GP with a first febrile seizure.</li> </ul>
<b>ND0038 - Chronic pain - Organisational audit of pain services (2010/12)</b>	
	<ul style="list-style-type: none"> <li>• Report received Dec 2012, Response pending.</li> </ul>
<b>ND0049 - Coronary Angioplasty: (NICOR Adult Cardiac Interventions audit) – BCIS</b>	
	<ul style="list-style-type: none"> <li>• More detailed examination of outcomes after primary PCI for patients with cardiogenic shock or other adverse risk factors</li> <li>• On-going monitoring of trends in D2B times to be included in quarterly PCI audit meetings.</li> </ul>

<b>ND0049 - Coronary Angioplasty: (NICOR Adult Cardiac Interventions audit) – BCIS</b>
<ul style="list-style-type: none"> <li>No action plan required.</li> </ul>
<b>ND0047 - Data for Head and Neck Oncology (DAHNO)</b>
<ul style="list-style-type: none"> <li>Improve recording of staging, performance status and co-morbidities,</li> <li>Timetable adjusted to enable Restorative Dentistry consultant to attend MDT which will improve identification of appropriate patients for assessment –</li> <li>Pre-treatment clinic improving figures for patients receiving swallow and dietetic assessments pre-treatment.</li> </ul>
<b>ND0028 - Dementia audit</b>
<ul style="list-style-type: none"> <li>Include dementia assessment &amp; referral on discharge summary</li> <li>Design care pathway.</li> </ul>
<b>ND0065 - Diabetes (RCPH National Paediatric Diabetes audit)</b>
<ul style="list-style-type: none"> <li>Development of multidisciplinary team</li> <li>High HbA1c policy to be ratified and followed for all patients not currently achieving HbA1c levels within target range.</li> <li>Review protocols and guidelines relating to the care of children with diabetes</li> </ul>
<b>ND0037 - Emergency use of Oxygen (BTS)</b>
<ul style="list-style-type: none"> <li>Incorporate oxygen prescribing into VITALPACK observations.</li> </ul>
<b>ND0060 - Feverish children (CEM)</b>
<ul style="list-style-type: none"> <li>Report received February 2013. Response pending</li> </ul>
<b>ND0092 - Fractured neck of femur (CEM)</b>
<ul style="list-style-type: none"> <li>Report received February 2013. Response pending</li> </ul>
<b>ND0039 - Heart Failure Audit</b>
<ul style="list-style-type: none"> <li>Appoint integrated Heart Failure Nurse (HFN) Team.</li> <li>Identify all patients admitted with heart failure whilst on EAU (BNP and Echocardiogram).</li> <li>Improve use of proven therapies (ACE/ARB, b-blockers, MRA) in patients identified with systolic heart failure (target &gt;80%).</li> <li>All patients with heart failure require management plan and HFN follow up.</li> </ul>
<b>ND0054 - Heavy Menstrual Bleeding (HMB) (RCOG)</b>
<ul style="list-style-type: none"> <li>No Trust level data in report. No identifiable actions required.</li> </ul>
<b>ND0043 - Hip Fracture (NHFD)</b>
<ul style="list-style-type: none"> <li>Improve the completeness of the data submitted to the NHFD particularly 30 day and 120 day data.</li> <li>All patients admitted with a fall and fragility fracture to be referred to FLS and infoflex MFFRA completed.</li> <li>All patients with a hip fracture to have AMTS recorded on admission and post operatively.</li> <li>Improve the % of patients achieving the BPT of time to theatre within 36 hours</li> <li>Set up clinical pathway group to review Hip Fracture Pathway to reduce community hospital length of stay</li> </ul>



<b>ND0042 - Hip, Knee and Ankle Replacements (NJR)</b>
<ul style="list-style-type: none"> <li>No action plan required.</li> </ul>
<b>ND0051 - ICNARC: Adult Critical Care (Case Mix Programme)</b>
<ul style="list-style-type: none"> <li>No action plan required.</li> </ul>
<b>ND0090 - Inpatient Diabetes Audit (Adults)</b>
<ul style="list-style-type: none"> <li>Development of business case to provide more podiatry input to inpatients with diabetic foot ulcers.</li> <li>Modification of drug chart to include dose validation for insulin prescription.</li> <li>Educational initiative for foundation doctors - insulin prescribing including e-learning module.</li> <li>Implementation of 'think glucose' programme.</li> </ul>
<b>ND0044 - Lung Cancer (National Lung Cancer audit)</b>
<ul style="list-style-type: none"> <li>No action plan required.</li> </ul>
<b>ND0093 - National comparative audit of blood transfusion programme (Blood Sampling and Labelling)</b>
<ul style="list-style-type: none"> <li>Report received January 2013. Response pending</li> </ul>
<b>ND0093 - National comparative audit of blood transfusion programme (Platelet use)</b>
<ul style="list-style-type: none"> <li>Threshold for prophylactic platelet transfusions agreed</li> </ul>
<b>ND0035 - National Neonatal Audit Programme (NNAP)</b>
<ul style="list-style-type: none"> <li>NNAP results to shared to paediatric staff</li> <li>Data entry into the Badger system to be reviewed to ensure its accuracy and robustness - weekly case notes audit to be undertaken</li> <li>Separate form for communication to be included in Admission pack.</li> <li>SCBU - new magnetic board has been installed with an aim to highlight relevant issues.</li> <li>Data for follow-up at age two years to be included. Re-audit in 6 months.</li> </ul>
<b>ND0012 - Non Invasive Ventilation (BTS)</b>
<ul style="list-style-type: none"> <li>Improve current NIV data collection sheet.</li> <li>Provide oxygen alert cards for all patients who have received NIV in hospital.</li> </ul>
<b>ND0086 - Oesophago-gastric cancer (National O-G Cancer Audit)</b>
<ul style="list-style-type: none"> <li>No action plan required.</li> </ul>
<b>ND0041 – Paediatric Asthma (BTS)</b>
<ul style="list-style-type: none"> <li>Report received Feb 2013. Response pending</li> </ul>
<b>ND0040 - Paediatric Pneumonia (BTS)</b>
<ul style="list-style-type: none"> <li>Create Paediatric Community Acquired Pneumonia Guideline.</li> </ul>
<b>ND0083 - Pain Management (CEM)</b>
<ul style="list-style-type: none"> <li>PGD for analgesia prescriptions for nursing staff.</li> <li>Posters in Emergency Department.</li> <li>Pain assessment education for nurses</li> </ul>

<b>ND0011 - Parkinson's Disease (Parkinson's UK)</b>
<ul style="list-style-type: none"> <li>• Service Development – Parkinson's – Trust/Commissioner action</li> <li>• Improve provision of written information</li> <li>• Trial the non motor questionnaire</li> <li>• End of life care - develop paperwork to enable better communication between patients and GPs.</li> </ul>
<b>ND0062 - Renal Colic (CEM)</b>
<ul style="list-style-type: none"> <li>• Report received February 2013. Response pending</li> </ul>
<b>ND0082 - Severe Sepsis and Septic Shock (CEM)</b>
<ul style="list-style-type: none"> <li>• Sepsis lecture as part of mandatory junior doctors' teaching (for each rotation block)</li> <li>• Introduction of 'Red box' for high amber scored ED patients to ensure patients seen in priority order.</li> <li>• Alter Sepsis stickers to better reflect important audited parameters including urine output.</li> <li>• Use magnetic markers on emergency department patient board to identify priority patients with high amber scores.</li> </ul>
<b>ND0026 - Severe Trauma (TARN) <i>Clinical Report III (Head and Spinal Injuries) Nov 12</i></b>
<ul style="list-style-type: none"> <li>• Report received Dec 2012. Response pending</li> </ul>
<b>ND0026 - Severe Trauma (TARN) TARN - Torbay Hospital Trauma Report II, August 2012 (Orthopaedic Injuries)</b>
<ul style="list-style-type: none"> <li>• Review Trauma team activation criteria</li> <li>• Improve data completeness</li> <li>• Review trauma data 3 times a year</li> </ul>
<b>ND0026 - Severe Trauma (TARN) TARN – Torbay Hospital Trauma Report I (Abdominal Injuries, Shocked patients)</b>
<ul style="list-style-type: none"> <li>• Trauma calls – new protocol re leadership designed</li> <li>• Improve timeliness of CT scan</li> </ul>
<b>ND0027 - Stroke care (National Sentinel Stroke audit)</b>
<ul style="list-style-type: none"> <li>• Report received Dec 2012. Response pending.</li> </ul>
<b>ND0027 - Stroke care (National Sentinel Stroke audit) - National Sentinel Stroke Clinical Audit 2010 - Supplementary report on Therapy intensity March 2012</b>
<ul style="list-style-type: none"> <li>• Improved accuracy of contact time data will be measured via the SNAP audit tool</li> <li>• Audit appropriateness for 45 minutes therapy and code variance.</li> <li>• Audit patients who are appropriate for 45 minutes therapy and do not receive it Identify a lead therapist to co-ordinate the therapy team</li> <li>• Reliable 7 day therapy working. Business case to be developed.</li> </ul>
<b>ND0031 - Ulcerative colitis &amp; Chrohn's disease (National IBD audit) (Biologics)</b>
<ul style="list-style-type: none"> <li>• Report received June 12. Report not applicable as data incorrect &amp; no local report produced.</li> </ul>

The reports of 103 local clinical audits were reviewed by the provider in 2012/13 and South Devon Healthcare NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.

Ref	Recommendations / actions
<b>6149 Initial Assessment of Self harm and Overdose in the Emergency Department (ED)</b>	<ul style="list-style-type: none"> <li>Establish action group of Senior ED and Psychiatric Liaison staff</li> <li>Preliminary Assessment:</li> <li>Introduce a standardised template/ pro-forma for clerking cases of self-harm</li> <li>Undertake further training for ED doctors (of all grades)</li> <li>Mental health aspects of preliminary assessment in ED and Mental Capacity Act (MCA) and Mental Health Act (MHA) for those refusing consent and action required. This is to be provided interdepartmentally by Psychiatric Liaison</li> <li>Agree streaming/ co-ordinator referrals.</li> <li>Develop local policy for those refusing consent to referral that includes safety net/ follow up plan</li> <li>Continue Psychiatric Night Nurse Practitioner role</li> </ul>
<b>6183 Nutrition Risk Screening</b>	<ul style="list-style-type: none"> <li>Introduce MUST scoring sheet into EAU clerking pro-forma</li> <li>Re-education of EAU nursing staff on the risks of malnourishment and the importance of using MUST tool through staff training sessions</li> <li>Improve access to scales within EAU</li> </ul>
<b>6203 Head Injury [CG-56]</b>	<ul style="list-style-type: none"> <li>Continue to review assessment/ triage and monitor the impact of the new IT system</li> <li>Education for head injury management/ documentation to junior doctors, paediatric staff and emergency nurse practitioners</li> <li>Revision of adult head injury advice leaflet to include advice regarding post-concussion syndrome and services available</li> </ul>
<b>6222 Identification of 'At Risk' Children in A&amp;E – 2012</b>	<ul style="list-style-type: none"> <li>Consultant team to target the Middle Grade doctors for ad hoc teaching, (to include paediatric liaison referrals and MASH (Multi-Agency Strategic Hub) referrals).</li> </ul>
<b>6242 Nutrition and Dietetics Record Keeping for Domiciliary Visits</b>	<ul style="list-style-type: none"> <li>No specific changes can be made to documentation to aid completion.</li> </ul>
<b>6188 Intra Hospital Patient Transfer</b>	<ul style="list-style-type: none"> <li>Present audit and proposed changes to a Monday 'medical' meeting.</li> <li>Modification of Kettering document on Clinical Governance approval.</li> <li>Produce a quick checklist for transfer personnel to do and to call an anaesthetist if needed.</li> </ul>
<b>6139 False Negative Triple Assessment</b>	<ul style="list-style-type: none"> <li>No plan is required but continue with on-going monitoring to ensure that we are working to national guidance and providing an effective triple assessment service.</li> </ul>
<b>6181 Diagnosis, treatment and management of urinary tract infection (UTI) in infants and children (CG- 54)</b>	<ul style="list-style-type: none"> <li>No action required</li> </ul>
<b>6195 Paediatric Rapid Access Clinic: Referrals from the Emergency Department (ED)</b>	<ul style="list-style-type: none"> <li>Re-evaluation of the process of Rapid Access clinic referrals involving Consultant triage</li> <li>Creation of more specific criteria for referral to Rapid Access clinic</li> <li>Training for Middle Grade doctors regarding the Rapid Access process</li> <li>Training for ED staff regarding Rapid Access process</li> </ul>

<b>6105 Safeguarding Children (Torbay)</b>	
	<ul style="list-style-type: none"> <li>• Arrange dates to attend committees and team meetings to discuss audit results, recommendations and actions.</li> <li>• Prepare staff briefing for inclusion in Staff Bulletin.</li> <li>• Present staff briefing at team meetings.</li> <li>• Supervision Standard Operating Procedure (SOP) to be revised.</li> <li>• Training on supervision SOP to be developed.</li> <li>• Training on supervision SOP to be delivered.</li> <li>• Develop training for staff on how to write a comprehensive report covering all areas of Child Protection identified through audit.</li> </ul>
<b>6137 Community Diabetic In-patient foot care</b>	
	<ul style="list-style-type: none"> <li>• A flyer will be sent to all community hospitals giving details of the next toe nail cutting training courses and recommending that two members of staff from each attend</li> <li>• Produce a new guideline for the management of diabetic foot ulcers specifically in community hospitals,</li> <li>• Set up a 'training update' on diabetic foot checks and referral pathways</li> </ul>
<b>6148 Care Trust Note Keeping 2011/12</b>	
	<ul style="list-style-type: none"> <li>• No action taken other than individual team plans against their own results</li> </ul>
<b>6185 Prescribing in Community hospitals</b>	
	<ul style="list-style-type: none"> <li>• Discuss results with the Medical Director (MD) of T&amp;SDHC Trust</li> <li>• Disseminate copies of report and the Trust Medicines policy to prescribers via MD</li> <li>• Present report at the Medicines Governance Group</li> <li>• Produce and issue a "Top tips for Community hospital prescribing" aide-memoire</li> </ul>
<b>6194 Community Hospital Infection Control</b>	
	<ul style="list-style-type: none"> <li>• No plan required</li> </ul>
<b>5989 Certolizumab pegol for the treatment of Rheumatoid Arthritis (RA) (NICE TA-186)</b>	
	<ul style="list-style-type: none"> <li>• No action plan required</li> </ul>
<b>6058 Management of Acutely Unwell Patients with Anorexia Nervosa (AN) in Torbay Hospital</b>	
	<ul style="list-style-type: none"> <li>• Developing expertise in the Medical Service</li> <li>• Identify an Eating Disorders Nutrition Physician</li> <li>• Psychiatric input links with medicine</li> <li>• Improve dietetic input and liaison with Nutrition Support Teams</li> <li>• Pathway redesign</li> <li>• Nasogastric feeding – guidelines</li> <li>• Managing risks of re-feeding and Underfeeding Syndrome – risk stratification – use purpose designed admission pro-forma</li> <li>• Families - In admission pro-forma include section to show that plan has been discussed with family.</li> <li>• Criteria for transfer to Eating Disorder Unit</li> </ul>
<b>6129 Acute management of hyperkalaemia</b>	
	<ul style="list-style-type: none"> <li>• Trial of charts through patient safety initiative.</li> </ul>
<b>6134 Patients with negative Troponins at six hours who then had a Troponin at 12 hours</b>	
	<ul style="list-style-type: none"> <li>• Raise awareness through ED Clinical Effectiveness meeting (CEM) that negative Troponin should not re-assure patient is risk free</li> <li>• Two ECG's should be routinely performed</li> </ul>
<b>6150 Insulin Prescribing</b>	
	<ul style="list-style-type: none"> <li>• Insulin education to junior doctors</li> </ul>
<b>6154 Waiting times for Multiple Sclerosis (MS) from GP referral to time of diagnosis</b>	
	<ul style="list-style-type: none"> <li>• Increase the number of MS Clinic slots,</li> </ul>

<b>6180</b>	<b>Monitoring of Paediatric IBD Patients who are taking Azathioprine or 6-Mercaptopurine</b>
	<ul style="list-style-type: none"> <li>Produce a drug information leaflet for patients</li> </ul>
<b>6182</b>	<b>GP Referrals to Transient Ischemic Shock/ Attack (TIA) Clinic</b>
	<ul style="list-style-type: none"> <li>Re-structuring of TIA clinics to initially create a five day walk in clinic</li> <li>Further re-structuring to create a seven day walk in clinic</li> <li>Ensure GPs aware of any new structuring, through best mechanism of GP to hospital discussions and commissioning meetings</li> </ul>
<b>6192</b>	<b>Management of Diabetes Ketoacidosis (DKA) in adults</b>
	<ul style="list-style-type: none"> <li>Introduce revised DKA guideline</li> </ul>
<b>6246</b>	<b>Use of blood cultures prior to administration of antibiotics</b>
	<ul style="list-style-type: none"> <li>Disseminate results to all Clinical Directors</li> <li>A reminder is needed in the antibiotic section on the drug chart</li> </ul>
<b>6247</b>	<b>NICE BCA - Rituximab for the treatment of relapsed or refractory chronic lymphocytic leukaemia (TA-193)</b>
	<ul style="list-style-type: none"> <li>No action required</li> </ul>
<b>6249</b>	<b>NICE BCA - Gefitinib for the first-line treatment of locally advanced or metastatic non-small-cell</b>
	<ul style="list-style-type: none"> <li>No plan required, compliance demonstrated</li> </ul>
<b>6258</b>	<b>Metastatic Spinal Cord Compression (MSCC)</b>
	<ul style="list-style-type: none"> <li>Compliance achieved in four of the five standards, Standard one will be re-audited in another registered audit project ref: 6244</li> </ul>
<b>6260</b>	<b>NICE BCA - Dronedarone for the treatment of non-permanent atrial fibrillation (TA197)</b>
	<ul style="list-style-type: none"> <li>No action required</li> </ul>
<b>6273</b>	<b>NICE BCA - Rituximab for the first-line treatment of chronic lymphocytic leukaemia (TA-174)</b>
	<ul style="list-style-type: none"> <li>No action required</li> </ul>
<b>6151</b>	<b>Management of Acute Surgical Admissions</b>
	<ul style="list-style-type: none"> <li>Discuss the possibility of 5 pm post take ward round by consultants of all new admissions.</li> <li>Senior review on EAU</li> </ul>
<b>6166</b>	<b>Inappropriate Abdominal Radiograph Requests in Surgical Emergency</b>
	<ul style="list-style-type: none"> <li>Produce new guidelines agreed between Radiology and General Surgery.</li> </ul>
<b>6186</b>	<b>Emergency Repair of Femoral Hernias</b>
	<ul style="list-style-type: none"> <li>Continue with on-going education programme</li> <li>Involvement of Care of the Elderly (COTE) in early post-operative period</li> </ul>
<b>6103</b>	<b>Five year oral cancer survival following surgery</b>
	<ul style="list-style-type: none"> <li>No action required</li> </ul>
<b>6202</b>	<b>Consenting lower third molar surgical removal</b>
	<ul style="list-style-type: none"> <li>Produce a pre-written/ 'bespoke' Consent form for lower 3rd molar removal</li> </ul>
<b>6204</b>	<b>Referral guidelines for CT scanning in sinusitis</b>
	<ul style="list-style-type: none"> <li>Laminate guidelines for distribution to raise awareness of guidance</li> </ul>
<b>6085</b>	<b>Inter Agency Communication Forms</b>
	<ul style="list-style-type: none"> <li>Present findings and highlight areas of improvement at Obstetrics and Gynaecology audit meeting, Midwifery Team Leaders meeting</li> </ul>

<b>6093 Contacting Clients Post Administration of Emergency Hormonal Contraception (EHC)</b>
<ul style="list-style-type: none"> <li>Review EHC template and EHC SOP.</li> <li>Simplify the process – alterations to both SOP and Lillie (computer system) templates.</li> </ul>
<b>6107 Use of General Anaesthetic (GA) for Colposcopy Treatment</b>
<ul style="list-style-type: none"> <li>After 3 months all cases performed under GA will be reviewed and each discussed with the appropriate surgeon.</li> <li>All surgeons performing this procedure to be contacted to advise of the requirement for tissue depth to &gt;7mm for ectocervical lesions.</li> </ul>
<b>6138 Maternity CNST Fetal Blood Sampling (FBS)</b>
<ul style="list-style-type: none"> <li>Change wording on policy from 'stapled' to 'attached'.</li> <li>Ensure medical staff aware of requirement to document timing of repeated FBS'.</li> <li>Findings to be disseminated to all midwives via Team Leaders</li> <li>Email all midwives with Stork guidance and reinforce on Delivery Suite.</li> <li>Publish findings in Clinical Governance newsletter.</li> <li>Laminate notice on FBS trolley to remind doctors to document requirements for further tests.</li> </ul>
<b>6145 Outcome following Injection of Botulinum Toxin to Bladder for overactive bladder (CG-40)</b>
<ul style="list-style-type: none"> <li>No action required</li> </ul>
<b>6146 Effectiveness of Antenatal Communication SCBU Form</b>
<ul style="list-style-type: none"> <li>No action required</li> </ul>
<b>6171 Maternity CNST Intermittent Auscultation</b>
<ul style="list-style-type: none"> <li>Highlight to midwives the importance of palpating and documenting the maternal pulse at the onset of labour, through Team Leaders meeting and Clinical Governance newsletter.</li> </ul>
<b>6172 Maternity CNST CTG</b>
<ul style="list-style-type: none"> <li>Results to go to Delivery Suite sub-group to formulate an action plan.</li> <li>Highlight via the newsletter the requirement of those giving an opinion and any intrapartum event to be documented.</li> <li>Laminated signs to be produced and placed in clinic rooms as a prompt to sign antenatal obstetric notes.</li> <li>Discuss achievement of hourly 'fresh eyes' at Delivery Suite sub-group meeting.</li> <li>Findings to be disseminated to all midwives via Team Leaders.</li> <li>Findings to be published in Clinical Governance newsletter.</li> </ul>
<b>6173 Maternity CNST Use of Oxytocin</b>
<ul style="list-style-type: none"> <li>Policy 461 needs to be updated with minor amendments to reflect current practice in regards to documentation of a plan prior to Oxytocin in low risk women.</li> <li>Highlight to staff the importance of documenting when oxytocin should be stopped by disseminating to midwives via Team Leaders meeting and minutes.</li> <li>Findings to be published in the Clinical Governance newsletter.</li> </ul>
<b>6174 Maternity CNST Caesarean section</b>
<ul style="list-style-type: none"> <li>Undertake a check of the clocks on the ward, theatre and Galaxy to assess any discrepancies.</li> <li>Highlight to the Co-ordinators the need to check and correct the times on the CTG machines every day.</li> <li>There needs to be clear documentation that the decision to do emergency caesarean section is joint with a Consultant (P16 yellow birth notes).</li> <li>Audit forms to be completed at time of delivery notes.</li> <li>Need to ensure that the correct classification is used.</li> <li>Share findings with midwives through Team Leaders meeting and minutes</li> <li>Publish results in the Clinical Governance newsletter.</li> <li>Raise at Delivery Suite Clinical Governance sub-group</li> </ul>

<b>6175 Maternity CNST Induction of Labour</b>
<ul style="list-style-type: none"> <li>• Raise awareness of areas showing poor compliance with the Meridian staff working on John MacPherson ward and also highlight at the Team Leaders meeting.</li> <li>• Highlight to Midwives the importance of:</li> <li>• Induction at Term +12 for post maturity - Documenting maternal pulse every 6 hours during induction (may be 8 hourly overnight) through Team Leaders meeting and minutes and the Clinical Governance newsletter.</li> </ul>
<b>6176 Maternity CNST Shoulder Dystocia</b>
<ul style="list-style-type: none"> <li>• Incident forms to be stapled to the pro-forma to encourage completion.</li> <li>• Shoulder Dystocia pro-forma to be ratified and added current Trust policy.</li> </ul>
<b>6177 Maternity CNST Operative vaginal delivery</b>
<ul style="list-style-type: none"> <li>• Highlight and raise the profile of the use of fluid balance.</li> <li>• Findings to be disseminated to all midwives via Team Leaders.</li> <li>• Findings to be taken to Delivery Suite Clinical Governance sub-group.</li> <li>• Findings to be published in the Clinical Governance newsletter.</li> </ul>
<b>6178 Maternity CNST Perineal Trauma</b>
<ul style="list-style-type: none"> <li>• Ensure old pro-formas previously being used have been removed from the unit and the master copy destroyed.</li> <li>• New prompt sticker produced.</li> <li>• Disseminate findings to all midwives via Team Leaders meeting and minutes.</li> <li>• Highlight audits at Delivery Suite Clinical Governance sub-group</li> </ul>
<b>6179 Maternity CNST Care of women in labour</b>
<ul style="list-style-type: none"> <li>• Results to be taken to Delivery Suite sub-group to formulate an action plan</li> <li>• Actions from Delivery Suite sub-group:</li> <li>• Posters to be placed around unit</li> <li>• Highlight on newsletter</li> <li>• Take results to Team Leaders meeting.</li> <li>• Cascade findings</li> <li>• Raise at Delivery Suite Clinical Governance sub-group meeting</li> </ul>
<b>6189 Management of Suspected Ectopic Pregnancy</b>
<ul style="list-style-type: none"> <li>• Review Trust policy (0468 - Early pregnancy management/ suspected ectopic pregnancy):</li> <li>• Update and amend flowchart to make it clearer</li> <li>• Change the urine test follow up from 2 to 3 weeks post miscarriage</li> <li>• Undertake a re-audit after the new NICE recommendations for Early Pregnancy Patients are released.</li> </ul>
<b>6197 Pre-operative pregnancy assessment prior to sterilisation</b>
<ul style="list-style-type: none"> <li>• Letter to be sent to DSU to inform that all women undergoing laparoscopic sterilisation will need to have a urine pregnancy test done prior to the procedure.</li> </ul>
<b>6207 Maternity CNST Eclampsia</b>
<ul style="list-style-type: none"> <li>• No action required.</li> </ul>
<b>6208 Maternity CNST Venous Thromboembolism</b>
<ul style="list-style-type: none"> <li>• Share findings</li> </ul>
<b>6209 Maternity CNST Severe Pre-Eclampsia</b>
<ul style="list-style-type: none"> <li>• To highlight the requirement to document:</li> <li>• The BP 15 minutely until BP &lt;160/100</li> <li>• Clear lines of communication with Consultant Anaesthetist and Paediatrician</li> <li>• Share the use of magnesium of sulphate and why not used</li> <li>• Disseminate findings to all midwives via Team Leaders meeting and minutes</li> <li>• Findings to be discussed at Delivery Suite Clinical Governance sub-group</li> <li>• Findings to be published in Clinical Governance newsletter</li> </ul>



<b>6210 Maternity CNST Referral When a Fetal Abnormality is detected</b>
<ul style="list-style-type: none"> <li>Review and update existing Obstetric Paediatric Referral Communication form, which will include a formal process for ensuring paediatric communication, is received, returned or acted on. This will also be highlighted and initiated at the next perinatal meeting.</li> <li>Present findings at Paediatric audit meeting.</li> </ul>
<b>6211 Maternity CNST Pre-Existing Diabetes</b>
<ul style="list-style-type: none"> <li>Audit meeting minutes to be disseminated to all staff including diabetic multidisciplinary team</li> <li>Add findings to newsletter and circulate to diabetes team.</li> <li>Raise at Antenatal and Postnatal Clinical Governance sub-group.</li> <li>Disseminate to maternity staff through team leaders meetings and minutes</li> </ul>
<b>6212 Maternity CNST Postpartum Haemorrhage (PPH)</b>
<ul style="list-style-type: none"> <li>New pro-forma for the documentation of PPH to be introduced. To be available in delivery Action rooms and also on the PPH trolley.</li> <li>Policy 1127 to be amended.</li> <li>Draft pro-forma to be trialled for two months.</li> <li>Pro-formas to be available for use in theatre (particularly theatres 1 and 4).</li> <li>Remind staff of requirement to:</li> <li>Complete pro forma if PPH in theatre</li> <li>Complete Incident Form for all PPH of 1500ml</li> <li>Findings to be disseminated to all midwives via Team Leaders.</li> <li>To disseminate findings to Team Leaders and via the Newsletter and also Delivery suite Clinical Governance Sub-group.</li> <li>Policy to be updated with guidance about documentation if the Consultant Anaesthetist and Obstetrician are not required, if the bleeding has been managed.</li> </ul>
<b>6213 Maternity CNST Postnatal Care</b>
<ul style="list-style-type: none"> <li>Highlight via the newsletter the need to document on individual postnatal care plan including relevant factors from the antenatal, intrapartum and postnatal period.</li> <li>Highlight via Team Leaders the importance of completing all relevant sections on the front and back pages of the notes.</li> <li>Add findings to Clinical Governance newsletter and circulate to Obstetric, Midwifery and Paediatric teams and Paediatric teams</li> <li>To present at SCBU Governance</li> <li>Disseminate findings through Team leaders meeting and minutes</li> <li>To discuss the pilot and introduction of NEWS chart at SCBU Clinical Governance</li> </ul>
<b>6214 Maternity CNST Patient Information</b>
<ul style="list-style-type: none"> <li>Highlight at Team leaders meeting to ensure all staff are aware of the patient information policy</li> <li>Findings included in Clinical Governance newsletter</li> <li>Raise at Antenatal Clinical Governance sub-group</li> </ul>
<b>6215 Maternity CNST Obesity</b>
<ul style="list-style-type: none"> <li>Disseminate to the Consultant Anaesthetists the requirement of them to document any discussions with women.</li> <li>Disseminate findings to all midwives via Team Leaders meeting and minutes.</li> </ul>
<b>6216 Maternity CNST Non-Obstetric Emergency Care</b>
<ul style="list-style-type: none"> <li>Findings disseminated to all midwives via Team Leaders.</li> </ul>
<b>6217 Maternity CNST Newborn Feeding</b>
<ul style="list-style-type: none"> <li>Findings to be disseminated to all midwives via Team Leaders meeting.</li> <li>Discuss at Antenatal Clinic / Postnatal Clinical Governance sub-group.</li> </ul>
<b>6218 Maternity CNST Newborn Life Support</b>
<ul style="list-style-type: none"> <li>Daily date sheets to be implemented on delivery suite.</li> <li>Findings to be fed back to Team Leaders.</li> </ul>



<b>6219 Maternity CNST Multiple Pregnancy &amp; Birth</b>
<ul style="list-style-type: none"> <li>• A 'plan of care for twins' pro-forma has been developed which will include provision of information, discussion and documentation of the planned and agreed place and timing of birth and management of the second stage.</li> <li>• Findings to be disseminated to all midwives via Team Leaders meeting and minutes.</li> <li>• Findings to be discussed at Antenatal Clinic/ Postnatal Clinical Governance sub-group.</li> <li>• Findings to be discussed at the Delivery Suite Clinical Governance sub-group.</li> <li>• Findings to be published in the Clinical Governance newsletter</li> </ul>
<b>6220 Maternity CNST Missed Appointments</b>
<ul style="list-style-type: none"> <li>• Review policy and amend non-attendance flow-chart.</li> <li>• Disseminate to midwives via Team Leaders meeting and minutes</li> <li>• Highlight findings and above in Clinical Governance newsletter.</li> <li>• Raise at Antenatal Clinical Governance sub-group</li> </ul>
<b>6221 Maternity CNST Mental Health</b>
<ul style="list-style-type: none"> <li>• Revise awareness on the Health and Safety mandatory training day (2012) around documentation of risk assessments.</li> <li>• Present the audit at Team Leaders meeting.</li> <li>• Update Mental Health guideline to change the Whooley questions, now to be asked at booking and in 3rd trimester.</li> <li>• Disseminate findings through Team Leaders meeting and minutes.</li> <li>• Discuss at Perinatal Mental Health Clinical Action Governance meeting.</li> <li>• Discuss findings at mandatory obstetric update day.</li> <li>• Publish findings in Clinical Governance newsletter.</li> <li>• Discuss at Antenatal Clinical Governance sub-group</li> </ul>
<b>6223 Maternity CNST Maternal Antenatal Screening Tests</b>
<ul style="list-style-type: none"> <li>• Disseminate results to Team leaders meeting and minutes.</li> <li>• Review the process of checking results for clinics held with no intranet access.</li> <li>• Remind staff to document results by the 16 weeks appointment in the Clinical Governance newsletter</li> <li>• Raise at Antenatal Clinical Governance sub-group.</li> <li>• Women to be given written results whether positive or negative for all screening tests.</li> </ul>
<b>6224 Maternity CNST Immediate Care of the Newborn</b>
<ul style="list-style-type: none"> <li>• Disseminate to Obstetric, Midwifery and Paediatric teams via newsletter (Group B Strep)</li> <li>• Present at SCBU Governance &amp; Audit meeting</li> <li>• Present meconium findings at Paediatric audit meeting</li> <li>• Findings of meconium audit to be disseminated to all midwives via Team Leaders</li> <li>• Discuss the pilot and introduction of NEWS chart at SCBU Clinical Governance</li> </ul>
<b>6226 Maternity CNST Examination of the Newborn</b>
<ul style="list-style-type: none"> <li>• Present at Paediatric audit meeting.</li> <li>• Ensure all trained midwife practitioners are aware of complete documentation, individual newsletter and minutes to be emailed.</li> </ul>
<b>6227 Maternity CNST Bladder Care</b>
<ul style="list-style-type: none"> <li>• Disseminate findings to staff via Team Leaders meeting and minutes</li> <li>• Publish findings in Clinical Governance newsletter</li> <li>• Results to be discussed at the Antenatal and Postnatal Clinical Governance sub-group</li> </ul>
<b>6228 Maternity CNST Clinical Risk Assessment (Labour)</b>
<ul style="list-style-type: none"> <li>• Disseminate findings to all staff via Team Leaders meeting and minutes</li> <li>• Publish findings in Clinical Governance newsletter</li> <li>• Raise at Delivery Suite Clinical Governance sub-group</li> </ul>
<b>6229 Maternity CNST Admission to Neonatal Unit</b>
<ul style="list-style-type: none"> <li>• Add findings to newsletter and circulate to obstetric, midwifery and paediatric teams.</li> <li>• Present at Paediatric audit meeting.</li> <li>• Present at SCBU Clinical Governance meeting</li> <li>• Disseminate findings at Team leader's meeting &amp; minutes distributed to staff</li> </ul>

<b>6230 Maternity CNST Clinical Risk Assessment (AN)</b>
<ul style="list-style-type: none"> <li>• Proposal to merge two separate overlapping policies – Antenatal schedule of care and Risk assessment</li> <li>• Antenatal Clinical Governance to discuss and if approved, to launch at July Team leaders meeting</li> <li>• Remind staff of on-going risk assessment in newsletter and at Team Leaders meetings and minutes.</li> <li>• Publish findings in Clinical Governance newsletter.</li> <li>• Raise at Antenatal Clinical Governance sub-group.</li> </ul>
<b>6231 Maternity CNST Recovery</b>
<ul style="list-style-type: none"> <li>• Disseminate findings to all staff - Recovery and Obstetric via Team Leaders and Recover Ward Manager.</li> <li>• Highlight to Midwives importance of:</li> <li>• Monitoring respirations</li> <li>• Completing transfer details on back of birth notes</li> <li>• Fluid balance</li> <li>• Highlight to Recovery staff importance of completing handover part of recovery care document</li> <li>• Disseminate findings to all staff – Maternity via Team Leaders meeting.</li> <li>• Discuss at Delivery Suite Clinical Governance sub-group</li> <li>• Publish in Clinical Governance newsletter</li> <li>• Highlight findings to Recovery ward manager to disseminate to theatre staff.</li> <li>• Findings sent to Recovery Ward manager</li> </ul>
<b>6232 Maternity CNST Support for Parent(s)</b>
<ul style="list-style-type: none"> <li>• Present to SCBU governance meeting.</li> <li>• Remind Consultant Paediatrician of importance of documenting all discussions within 24 hours of delivery</li> <li>• To disseminate findings through Team Leaders meeting and minutes</li> <li>• Present to Paediatric Audit meeting</li> </ul>
<b>6233 Maternity CNST Maternity Records</b>
<ul style="list-style-type: none"> <li>• Present audit at Team Leaders meeting and disseminate results via the Team Leaders minutes.</li> <li>• Present audit at Supervisors of Midwives forum.</li> <li>• Be critical about loose notes, in particular anaesthetic details ensuring they are completed and secured within the note. Highlight at Team Leaders meeting and via newsletter.</li> <li>• Disseminate findings to all maternity staff via Team Leaders and monthly newsletter. Also include importance of:</li> <li>• Labelling CTG envelopes and closing securely</li> <li>• Cord gases to be written in notes as well as attached.</li> <li>• A&amp;C staff to be informed via Practice Manager - notes to be filed chronologically behind correct divider and no loose documentation.</li> <li>• Anaesthetic dividers and CTG envelopes to be placed on wards.</li> <li>• Raise at Delivery Suite Clinical Governance sub-group</li> </ul>
<b>6234 Maternity CNST Booking Appointments</b>
<ul style="list-style-type: none"> <li>• Ensure all staff are aware of policy, through Team Leader meeting and minutes.</li> <li>• Findings published in Clinical Governance newsletter</li> <li>• Raise and discuss at Antenatal Clinical Governance sub- group.</li> </ul>
<b>6235 Maternity CNST Severely Ill Women</b>
<ul style="list-style-type: none"> <li>• Highlight the requirement to document the following via the newsletter, Team Leaders and Delivery Suite sub-group:-</li> <li>• Respiratory rate</li> <li>• The totalling of red and yellow scores</li> <li>• The referral to Obstetrics Registrar when appropriate</li> <li>• MEOWS chart to be correctly filed chronologically behind Obstetrics and Gynaecology divider.</li> <li>• Findings to be disseminated to all midwives via Team Leaders.</li> <li>• Findings to be sent the Midwife Education Lead so they can be incorporated into the Obstetrics and Gynaecology mandatory day ' Early Recognition of the Severely Ill Pregnant Women' session for 2013.</li> <li>• To be taken to Delivery Suite Clinical Governance sub-group.</li> <li>• Publish findings in Clinical Governance newsletter.</li> </ul>

<b>6236 Maternity CNST Maternal Transfer by Ambulance</b>
<ul style="list-style-type: none"> <li>To highlight at Team Leaders all the documentation requirements for transfers in Action from the community.</li> <li>Disseminate findings to Team Leaders via the newsletter and also Clinical Governance sub-group.</li> </ul>
<b>6237 Maternity CNST Handover of Care (Onsite)</b>
<ul style="list-style-type: none"> <li>Findings will be disseminated to all Midwives and Midwifery Care Assistants (MCAs) via Team Leaders.</li> <li>Findings to be sent to the A&amp;C manager for dissemination to all ward clerks.</li> <li>To be discussed at Delivery Suite Clinical Governance sub-group.</li> <li>- Publish findings in Clinical Governance newsletter.</li> </ul>
<b>6238 Maternity CNST Vaginal Birth after Caesarean Section</b>
<ul style="list-style-type: none"> <li>Findings will be disseminated to all midwives via Team Leaders.</li> <li>Findings will be discussed at the Antenatal Clinic and Post Natal Clinical Governance sub-group.</li> <li>Findings will be discussed at the Delivery Suite sub-group.</li> <li>Audit findings to be published in the Clinical Governance newsletter.</li> </ul>
<b>6239 Maternity CNST High Dependency Care</b>
<ul style="list-style-type: none"> <li>Highlight to anaesthetists the need to complete an SBAR form.</li> <li>Highlight to obstetric medical staff the requirement to complete an SBAR handover if women go directly to ICU from maternity services. To include this requirement in the April newsletter and the Clinical Governance sub-group meeting.</li> <li>Reminder to midwifery and obstetrics staff to complete SBAR transfer form via Team Leaders meeting and minutes.</li> <li>Findings to be discussed at the Delivery Suite Clinical Governance sub-group.</li> <li>Findings to be published in Clinical Governance newsletter.</li> <li>To include SBAR handover as a trigger on the WHO Maternity Safety checklist.</li> </ul>
<b>6022 Tissue Donation - Eye Retrieval</b>
<ul style="list-style-type: none"> <li>No plan implemented</li> </ul>
<b>6030 Intravitreal Injection of Lucentis (Ranibizumab) for Neovascular Age Related Macular Degeneration (ARMD) by Ophthalmic Nurse Practitioners (NP)</b>
<ul style="list-style-type: none"> <li>No plan required</li> </ul>
<b>6132 Diabetic Retinopathy Screening Service (DRSS)</b>
<ul style="list-style-type: none"> <li>Funding for image management software is needed to implement 'virtual clinics' for service provision.</li> </ul>
<b>6152 Accuracy of Horizontal Squint surgery</b>
<ul style="list-style-type: none"> <li>No action required</li> </ul>
<b>6190 Glaucoma (CG 85)</b>
<ul style="list-style-type: none"> <li>Ensure full assessment of patients is carried out, to include;</li> <li>IOP measurement using Goldmann applanation tonometry (slit lamp mounted)</li> <li>CCT measurement</li> <li>peripheral anterior chamber configuration and depth assessments using gonioscopy</li> <li>visual field</li> <li>Review and amend current patient information leaflet.</li> <li>Highlight the importance of accurate documentation, through team meetings</li> </ul>
<b>6196 Surviving Sepsis</b>
<ul style="list-style-type: none"> <li>Amend managing sepsis bundle pending issue of updated guidelines</li> <li>Education/ Training of medical and nursing staff re the correct implementation of 'bundle'</li> <li>Update of 'Surviving Sepsis' local guidelines when international update available</li> </ul>
<b>6191 Incidence and Subsequent Outcome of B1 Breast Biopsies</b>
<ul style="list-style-type: none"> <li>No action required.</li> </ul>

<b>6198 Reporting Accuracy of Chest Radiographs in Patients Subsequently Shown to have Lung Cancer</b>
<ul style="list-style-type: none"> <li>No action required.</li> </ul>
<b>6205 Uterine Artery Embolisation for the Treatment of Fibroids (IP-367)</b>
<ul style="list-style-type: none"> <li>No action required</li> </ul>
<b>6240 PET/ CT Correlation with Pathology in Lung Cancer Staging</b>
<ul style="list-style-type: none"> <li>T-staging needs to be improved, this will be achieved by reviewing previous cases to look for learning points then feedback to and discuss with the 'team'.</li> </ul>
<b>6140 Femoral reamings and histology - Post operative follow up</b>
<ul style="list-style-type: none"> <li>Add histology section to patient details section of trauma list</li> <li>Remind all staff through Clinical Effectiveness meeting that histology should be chased and clearly documented in the notes</li> <li>Histology/ Reamings documentation on consent form</li> <li>Add Histology/ Reamings to operating list</li> <li>Documentation of positive/ negative histology result should be added to Infloflex summary</li> </ul>
<b>6170 Follow-up of children who have failed to attend fracture clinic appointments</b>
<ul style="list-style-type: none"> <li>Re-distribute guideline to all staff to ensure they are familiar with the policy</li> <li>DNA sheets used at the end of clinic need to have age of patient printed on them to prompt clinician to review case notes</li> <li>All DNAs to be dictated in future</li> </ul>
<b>6261 Prophylactic antibiotic guideline for fracture of hip repair to minimise clostridium difficile (C.diff) infections</b>
<ul style="list-style-type: none"> <li>No action required</li> </ul>
<b>6029 Negative pressure wound therapy (NPWT) for the open abdomen (IP-322)</b>
<ul style="list-style-type: none"> <li>No action required</li> </ul>
<b>6096 Infloflex Care Planning Summaries (CPS) - Safeguarding Children</b>
<ul style="list-style-type: none"> <li>List of co-morbidities on Infloflex needs to be appropriate to children.</li> <li>Heading of 'Social Services/ AHP/ Nursing' is not appropriate for children.</li> <li>Discharge medication to be written on drug chart as well as TTA slip.</li> <li>Medication list and investigation list need completing fully for each patient.</li> <li>Surgical summary quality and timeliness needs to be improved.</li> </ul>
<b>6108 Managers Accountability for their Contribution to Safeguarding Children/ Information Sharing (inc CG89)</b>
<ul style="list-style-type: none"> <li>Safeguarding needs to be in safety briefings in clinical areas</li> <li>Safeguarding/ Child Protection to be included in all departmental induction checklists, including how to access webpage</li> <li>Managers need to monitor training uptake.</li> <li>Safeguarding question in annual appraisals to be completed.</li> <li>Named Nurse will feedback in next Safeguarding newsletter.</li> <li>Named Nurse to remind of above and also remind of need for all clinical staff to access Level 2 training.</li> <li>Named Nurse will make departmental visits in next six months.</li> </ul>
<b>6135 Liverpool Care Pathway (LCP) ~ 2011/ 2012</b>
<ul style="list-style-type: none"> <li>Develop clearer guidance for detail of death and where information should be held in the notes.</li> <li>The CNSs will continue with their on-going ward based education along with any other opportunities that are presented.</li> <li>Present audit to as many meetings as possible with a view to improving compliance with required standards. In addition to those meetings already covered it is recommended that the audit is also presented to the Matrons meeting.</li> </ul>

<b>6136 Note keeping 2011/ 2012</b>
<ul style="list-style-type: none"> <li>• A poster will be developed as a visual representation of good note keeping practice and highlight the importance of note keeping.</li> <li>• Update note keeping Minimum Standards (Bleeps state Doctors &amp; Specialist Nurses) and make more available.</li> <li>• Laminate minimum standards (see above) and attach to ward note trollies</li> <li>• Separate audit looking in more detail at ADs to be undertaken within three months of action plan agreement if deemed necessary</li> <li>• Junior Doctors to arrange for a five minute training slot to be added to their teaching sessions for F1's and F2's</li> <li>• Cascade information/ results to ADN's for dissemination to Modern Matrons</li> <li>• Cascade results and actions to Clinical Directors, Health Records Stake Holders, Ward Managers, Consultants and Junior Doctors and MMA's of Health Professionals</li> <li>• Improve membership of the Health Records Committee, with representatives from all divisions for both nursing and medical staff</li> <li>• Rollout Ward audits currently used in Medicine to all divisions</li> <li>• Documents signed off by the Health Records Committee to include above: JD Lesson Plan Logging Queries for Entries in Medical notes, Clinical Induction Handbook, E-Learning, Writing in Medical Notes, Minimum Standards for Note keeping, Health Records Management Policy</li> </ul>
<b>6169 Safeguarding Adults - Form 4 Consent</b>
<ul style="list-style-type: none"> <li>• Visit all wards to ensure that they are using the correct version of Mental Capacity Act (MCA) form and that an MCA form is attached to every Form 4.</li> <li>• Results to go to Clinical Governance Leads</li> <li>• Visit all wards to teach MCA use in practice</li> <li>• Work with one area at a time to find a solution to the issues with consenting elective patients, rolling out across all areas.</li> </ul>
<b>Anaphylaxis Awareness (CG-134)</b>
<ul style="list-style-type: none"> <li>• Change anaphylaxis packs. Ideally pre-filled syringes in box reading "ANAPHYLAXIS, GIVE IM"</li> <li>• Ward Managers to encourage attendance at anaphylaxis training</li> <li>• Target staff to improve documentation (Particularly A&amp;E)</li> <li>• Review and standardise Immunology referrals</li> </ul>

The report of 3 national confidential enquiries was reviewed by the provider in 2012/13 and South Devon Healthcare NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.

<b>ND0106 - Are We There Yet? A review of organisational and clinical aspects of children's surgery</b>
<ul style="list-style-type: none"> <li>• Guideline for the care of the critically ill and injured child being ratified compliant with PICS standards, Regional HDU and Regional Surgical Network Standards.</li> </ul>
<b>ND0098 - Bariatric surgery for weight loss</b>
<ul style="list-style-type: none"> <li>• Development of follow-up guidelines for patients discharged back to primary care after bariatric surgery and follow-up in the Level 3 service.</li> </ul>
<b>ND0103 - Knowing the risk - A review of the peri-operative care of surgical patients</b>
<ul style="list-style-type: none"> <li>• No action plan required.</li> </ul>

## **Research**

The number of patients receiving relevant health services provided or sub-contracted by South Devon Healthcare NHS Foundation Trust in 2012/13 that were recruited during that period to participate in research approved by a research ethics committee was 1798.

Participation in clinical research demonstrates South Devon Healthcare NHS Foundation Trust's commitment to improving the quality of care we offer and to making our contribution to wider health improvement. Our clinical staff stay abreast of the latest possible treatment possibilities and active participation in research leads to successful patient outcomes.

South Devon Healthcare NHS Foundation Trust was involved in conducting 333 clinical research studies during 2012/13 in 30 medical specialities.

81 clinical staff participated in research approved by a research ethics committee at South Devon Healthcare NHS Foundation Trust during 2012/13. These staff participated in research covering 30 medical specialties.

As well, in the last three years, more than 28 publications have resulted from our involvement with the National Institute Health Research, which shows our commitment to transparency and desire to improve patient outcomes and experience across the NHS.

Our engagement with clinical research also demonstrates South Devon Healthcare NHS Foundation Trust's commitment to testing and offering the latest medical treatments and techniques. Here are just a few examples of how our participating in research improves patient care.

### **Ophthalmology.**

#### **The INTREPID study**

Wet Age Related Macular Degeneration (AMD) is a debilitating disease affecting millions worldwide involving expensive and burdensome treatments such as monthly injections.

Torbay took part in an international study which showed a onetime non invasive radiation therapy using a new device which is rapid and comfortable for the patient and easy to perform; significantly reduced the need for injections to successfully treat Wet Aged Related Macular Degeneration.

The company will now start commercialising this new device so this new treatment can be offered to patients more widely.



## Diabetes

### The EXPLORER study

Torbay is currently participating in Europe's first double blind randomised controlled trial to assess the efficacy and tolerability of a new dressing in the treatment of diabetes foot ulceration.

There is an urgent need to have more effective treatment and this study will help provide important evidence to support better wound care in such patients to improve patient's outcomes and reduce the expense and burden to both society and healthcare.

## Cancer

### The Stanford V study

This study showed that the efficacy of a new weekly chemotherapy regimen called Stanford V was comparable to the current standard twice weekly chemotherapy combination regimen (ABVD) when given in combination with appropriate radiotherapy in patients with advanced Hodgkin's Lymphoma.

### CQUIN payment

A proportion of South Devon Healthcare NHS Foundation Trust income in 2012/13 was conditional on achieving quality and improvement and innovation goals agreed between South Devon Healthcare NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation payment framework.

Details of the 2012/13 CQUINs can be found in this report and the 2013/14 are available online through the Trust website.

In 2012/13 the potential value of the CQUIN payment was £4,519,547 and income subsequently received was £4,360,278 (tbc). In 2011/12 the potential value of the CQUIN payment was £2,543,000 and the income subsequently received was £2,487,054.

In 2013/14 the value of the CQUIN payment is £4,000,000 (tbc).

### Care Quality Commission

South Devon Healthcare NHS Foundation Trust is required to register with the Care Quality Commission (CQC). Its current registration status is for: -

- Diagnostic and screening procedures
- Family planning services
- Management of supply of blood and blood derived products
- Maternity and midwifery services
- Surgical procedures
- Transport services, triage and medical advice provided remotely
- Treatment of disease, disorder or injury

South Devon Healthcare NHS Foundation Trust has no conditions on registration.

The Care Quality Commission has not taken enforcement action against South Devon Healthcare NHS Foundation Trust during 2012/13.

South Devon Healthcare NHS Foundation Trust has not participated in any special reviews or investigations by the CQC in the reporting period.

The Trust received two unannounced visits from the Care Quality Commission during 2012/13 as part of their routine monitoring programme.

During their first visit in September 2012 they visited theatres, several ward areas and looked at the treatment records of patients. They also observed how people were being cared for and spoke with the people using the services and staff delivering the services.

Five of the seven CQC Outcomes were found to be fully compliant, whilst two (Outcome 4 (relating to theatre observations) and Outcome 8 (relating to cleanliness and infection control on just two wards)) were found to be non compliant. Action plans were submitted to the CQC.

A further unannounced visit took place in February 2013, to review compliance against Outcomes 4 and Outcome 8. Inspectors spent a morning in theatres and the afternoon on four wards. The outcomes were found to be fully compliant.

### **Data quality**

Data quality is a key enabler in delivering high quality services. Data and information which is accurate, timely and relevant allows clinical teams to make informed decisions about patient care and service delivery. Within the Trust, the Board has access to a locally developed data quality dashboard and receives, on a monthly basis, an integrated performance report, a dashboard of key performance indicators and a more detailed data book. This allows the Trust Board to monitor performance and address any issues in the year.



## **NHS number and general practitioner registration code**

South Devon Healthcare NHS Foundation Trust submitted records during 2012/13 to the Secondary Users' service for inclusion in the Hospital Episode statistics which are included in the latest published data. The percentage of records in the published data, as of February 2013 (Month 11), which included the patient's valid NHS number was:

- 99.5% for admitted care
- 99.7% for outpatient care
- 98.1% for accident and emergency care

which included the patient's valid General Practitioner Registration Code was:

- 99.9% for admitted care
- 100% for outpatient care
- 99.5% for accident and emergency care

## **Information governance**

South Devon Healthcare NHS Foundation Trust Information Governance Assessment report overall score for 2012/13 was 84% and was graded green.

## **Clinical coding**

South Devon Healthcare NHS Foundation Trust was subject to the Payment by Results clinical coding audit during the reporting period by the Audit Commission and the error rates reported in the latest published audit for that period for diagnoses and treatment coding (clinical coding) were:

### **Neonatal disorders**

Clinical coding				
% clinical codes incorrect	% diagnoses incorrect		% procedures incorrect	
	Primary	Secondary	Primary	Secondary
24.0	30.0	21.1	0.0	0.0

## Thoracic procedures and disorders:

Area	Clinical coding				
	% clinical codes incorrect	% diagnoses incorrect		% procedures incorrect	
		Primary	Secondary	Primary	Secondary
DZ11A-C <i>Lobar, Atypical or Viral Pneumonia with Major CC</i>	11.1	9.1	11.2	33.3	0.0
DZ15A-F <i>Asthma with Major CC with Intubation</i>	23.1	2.5	32.8	75.0	50.0
DZ17C <i>Asthma without CC without Intubation</i>	8.2	6.3	5.2	0.0	33.3

The results of the coding audit should not be extrapolated further than the actual sample audited.

### **Data quality improvements: looking back 2012/13**

South Devon Healthcare NHS Foundation Trust committed to take the following actions to improve data quality in 2012/13:

- **Improve the quality of outpatient clinic outcome letters for patient attendances and email these within agreed timescales.**

This has been a very difficult and complex project with clinicians involved in various cycles of development. The first Department, Breast Care, went live with a new electronic letter replacement system in March 2013 and a rolling 12 month programme is being deployed to cover the other specialities.

In 2012/13 the Trust also undertook to improve the timeliness of outpatient letters received by general practitioners using the existing system. This has been achieved and more information can be found in the CQUIN section of the report.

- **Reduce the small number of clinical coding errors through providing additional training and reviewing ward based coding.**

Clinical coding staff have received coding refresher training. Processes are being reviewed to ensure timely information reaches the coders to ensure better accuracy. New methods are being trialled in cardiology wards and then rolled out across other areas.

Case note review audits are planned in 2013/14 with the results fed back to clinical teams to further improve clinical coding.

- **Act on any recommendations from the external audit of the 2011/12 Quality Accounts.**

Price Waterhouse Coopers undertook three data quality audits as part of the 2011/12 Quality Account requirements.

The following indicators were audited:

- Clostridium difficile.
- Maximum 62 days from urgent GP referral to first treatment for all cancers.
- Emergency readmissions to hospital within 28 days of discharge – including readmissions following both elective and non-elective procedures.

No errors were identified in the samples tested.

Only one control issue was identified with the 62 day cancer indicator. This relates to the mismatch of dates to file performance returns on two mandated reporting systems. It has not been possible to align the dates as these are nationally and regionally set.

- **Improve our Information Governance rating to 90%**

The Trust has improved its overall rating in the year by 1%, from 83% to 84%. However risks to information are being managed and controlled by applying a more robust assessment as part of the national Information Governance Toolkit return.

A new action plan will be created to deliver improvements against the 2012/13 rating. Information Governance will be overseen by the Information Governance Steering Group which is chaired by the Senior Information Risk Owner who is also the Director of Finance, Performance and Information.

Maintaining level three compliance for those requirements already at level three is a priority for 2013/14.

- **License the trust to enable all staff to access the data quality dashboard which is hosted on the SharePoint collaboration.**

Clinicians are being encouraged via clinical coding champions and the Clinical Audit Lead to utilise the Data Quality Group to focus on areas of concern with data quality and identify root causes.

- **Set up a programme for undertaking data quality audits of the Trust Boards performance dashboard indicators with a minimum of 4 audits in 2012/13**

Several additional Board level audits were undertaken including:

### NHS Litigation Authority Audit

An audit was undertaken in preparation for the NHSLA Risk Management Standards assessment in October 2012, the national criteria for which had changed significantly since the last review in 2009. The objectives of the audit were to:

- review the arrangements put in place to enable the Trust to assess its compliance with the standards
- review a sample of ten 'document processes' (two from each standard), as defined in Level one, to assess whether they included all necessary points as detailed in the criteria requirements
- undertake an assessment against Level two requirements for the same ten criteria as for the Level one review
- confirm that all actions from the last assessment carried out in November 2009 have been completed as appropriate.

The outcome of the audit included a Trust recommendation to apply for level one assessment and to continuing collecting evidence for level two.

### Clostridium Difficile

One of the key dashboard indicators reported to the Board Monitor is Clostridium difficile. The Trust baseline target for 2012/13 hospital acquired cases of Clostridium difficile is 20. The following were tested to confirm that:

- Clostridium difficile policy is being followed including identification of Clostridium difficile patients within four days of patient admission and management of patients with Clostridium difficile
- Every case of Clostridium difficile is appropriately followed up including completing a detailed root cause analysis.
- The action plan is being appropriately monitored and that actions are completed on a timely basis. The outcome of the assessment was that that Trust were taking all appropriate actions and there were sufficient controls in place surrounding the management of Clostridium difficile across the Trust.

## Accident and emergency 12 hour trolley wait

The Trust is required to report any incidences where a patient waited more than 12 hours in the Accident & Emergency (A&E) Department, from the time the decision was made to admit the patient or when treatment in A&E is completed.

An audit was undertaken in Spring 2012 to review the number of patients admitted to A & E to establish whether there had been any incidents where a patient may have breached the 12 hour waiting time, which had not been reported as required.

The results of the audit indicated that there were/were not x number of patients waiting for longer than 12 hours. It was also noted that the processes monitoring waits could be further improved and a new A & E system is being implemented in 2013/14 which will support improved monitoring.

- **Work with staff managing information assets (databases & IT systems) to review the data quality via regular data quality audits and spot checks**

In 2012/13 a number of data quality audits and spot check were carried out including:

- NHS Number compliance on letters sent via 3<sup>rd</sup> Party mailing company
- Spot checks on the quality of scanned data into WinDIP (electronic document management system) completed by an external bureau
- Patient administration system (PAS) spot checks on the data quality of PAS patient registrations

We have also appointed a data quality specialist to develop a programme of work for data quality audits and spot checks for the period 2013/14.

### **Data quality improvements: looking forward 2013/14**

South Devon Healthcare NHS Foundation Trust has committed to take the following actions to improve data quality in 2013/14:

- Giving clinicians access to information as part of service line reporting to support their clinical duties and also help identify and resolve any data quality issues.
- Publish the ICT Strategy by summer 2013 with a heavy emphasis to implement systems which support data quality.
- Start to implement the new Emergency Department IT system which will involve paperless working by August 2014
- Implement fully patient held records system (Patients Know Best) for the Diabetic service providing patient's visibility of data, errors or omissions which can be feed back to the areas concerned. Sharing laboratory results, Care Plan Summaries, Outpatient Outcome letters.

- Implement UltraGenda, enterprise wide laboratory scheduling for clinicians by producing events, clinical pathway required for Oncology by December 2013. The system automation minimises manual errors.
- Create a test environment for a clinical portal by summer 2013 and when fully tested start to roll out to 80% of the clinical teams by March 2014. This will enable the clinical teams to analyse data and improve practices e.g. reviewing laboratory results alongside other data from four other clinical systems in a central view per patient.
- Electronic Document Management: continue to develop the use of this product and support areas with paperless/paperlight working. Pilot using the iPad for outpatient data capture will be undertaken by Speech & Language Therapy.
- Deployment of clinical mobile devices based on the Apple iPads and iPhone to record and review information on the wards and at the patient's bedside using systems such as VitalPAC to record vital signs observations
- Roll out additional software modules of VitalPAC around infection prevention and automatic doctor escalation and feedback.
- Continue the roll out of the Surgical Operation Note to enhance patient care and make information available to all clinicians via the clinical portal. Eleven specialties are live with the Surgical Operation Note, with three still to go live, although one of the three is Trauma and Orthopaedics one of the largest surgical areas.
- Act on the recommendations from the External Auditor of the three nationally mandated data quality audits for 2012/13 Quality Accounts. These are:

External Data quality audits 2012/13
<b>Clostridium difficile</b>
Measurement criteria: All infections which occurred in an individual aged 2 years old or older, where a specimen is taken at least three days after admission.
<b>62 Day Cancer Wait</b>
Measurement criteria: All urgent two week wait GP referrals, which receive first definitive treatment for cancer within 62 days of the date at which the referral was received.
<b>Patient safety incidents</b>
Measurement criteria: All unintended or unexpected incidents that could or did lead to harm of a patient - with severe harm and death - being resulting in permanent harm or death.

## **Mandated quality indicators**

This year the Trust is required to publish a core set of quality indicators and statements as mandated in the Quality Account Regulations.

Previous quality indicators from last year's report have been included where they usefully supplement the mandated indicators.

For each indicator South Devon Healthcare NHS Foundation Trust considers that this data is as described, for the following reasons.

- Data is collected, collated and reported by the Trust following agreed local, regional or national criteria.
- Information is shared internally and published externally where appropriate.
- Data is audited periodically to ensure high quality data is reported.

The quality indicators are broken into the three areas: safety, clinical effectiveness and patient experience to allow for easier comparison.

### **Safety**

<u>Quality indicator</u>	<u>Source</u>	<u>National target</u>	<u>2012/13</u>	<u>2011/12</u>	<u>2010/11</u>	<u>End of year performance against Target</u>
VTE risk assessed	UNIFY	90%	92%	n/a	n/a	
<ul style="list-style-type: none"> <li>• In 2012/13 quarter 3 the lowest performing Trust was 84.6% and the highest was 100%</li> <li>• South Devon Healthcare NHS Foundation Trust has taken the following actions to improve this %, and so the quality of its services, by capturing information electronically rather than through case note audits. This has allowed accurate reporting and timely feedback to clinical teams about their performance.</li> </ul>						
Number of clostridium difficile cases (rate per 100,000 bed days)	Health Protection Agency (6a)	19.8	17.5	19.5	21.1	
<ul style="list-style-type: none"> <li>• In 2011/12 the worst performing trust rate was 51.6 and the best performing trust rate was 0.</li> <li>• South Devon Healthcare NHS Foundation Trust has taken the following actions to reduce this rate, and so improve the quality of its services, by the management of C diff using electronic white boards and expected date of discharges to identify patients with CDT / GDH positive and PCR positive that are being discharged. This allows the deep cleaning team time to arrange for the rooms to be bioquelled .This has given added assurances to the standard of cleaning as well as ensuring areas are returned back to operational use in the shortest time.</li> <li>• The bioquell system has also been used for norovirus outbreaks reducing further risks of acquisition of C diff. The trust continues to have effective infection control processes which are always under review to meet the challenges of a complex and changing operational system.</li> </ul>						

Number of never events	Safeguard	0	2	0	0	
<ul style="list-style-type: none"> <li>South Devon Healthcare NHS Foundation Trust has taken the following actions to reduce this number through reviewing the never event framework and what processes and policies we have in place to prevent these incidents.</li> <li>With regards to the two never events in 2012/13 , a standard operating procedure (SOP) is in place for the insertion of prosthesis in theatres and a surgical style swab count has been successfully implemented in the non theatre intervention suites to ensure the safety and quality of our patient care</li> </ul>						
Number of patient safety incidents	Safeguard	Not applicable	4506	4854	4577	Not applicable
<ul style="list-style-type: none"> <li>South Devon Healthcare NHS Foundation Trust has taken the following actions to improve this number, and so the quality of its services, by encouraging all staff to record and report incidents on the Trust's internal Safeguard risk management and therefore we set no reduction target as this may have a negative effect on reporting.</li> <li>The NRLS actively encourage organisations to report more incidents to ensure organisations have a clear picture of what incidents are taking place.</li> </ul>						
Number & % of such patient safety incidents that resulted in severe harm or death.	Safeguard					
Number			25	50	79	
%		10% reduction yr on yr	0.55%	1.03%	1.7%	
<ul style="list-style-type: none"> <li><i>Of this figure, NRLS report for the six month April '12 to September '12 had 2000 incidents, of which 13 reported were severe harm or death.</i></li> <li><i>Nationally, 67% of all incidents are reported as no harm and just under 1% as severe harm or death.</i></li> <li>South Devon Healthcare NHS Foundation Trust has taken the following actions to reduce this number and so improve the quality of its services by undertaking a root cause analysis investigation on all major and catastrophic incidents.</li> <li>The Trust, through its safety work uses this data to help improve the quality and safety of its systems and services and is seeing a year on year reduction. The ultimate aim of the trust is to remove all avoidable harm from the system.</li> </ul>						



## Clinical effectiveness

Quality indicator	Source	National benchmark	2012/13	2011/12	2010/11	End of year performance against Benchmark
% of patients aged readmitted to hospital within 28 days	Dr Foster					
• 0-14		5.8%	4.0%	4.2%	4.4%	
• =>15		7.4%	7.4%	7.4%	7.6%	
Relative risk* for all ages		100*	97.9	98.4	98.7	
<ul style="list-style-type: none"> <li>In 2012/13 the best performing trust in the Strategic Health Authority catchment area scored 48.5% and the worst performing trust scored 5.7%.</li> <li>With regards to relative risk, in 2012/13 the best performing trust in the Strategic Health Authority catchment area scored 89 and the worst performing trust scored 107 against the 100 benchmark.</li> <li>Dr Foster relative risk benchmark – this is a benchmark against the national average. The figure of 100 represents the national average performance. Scores lower than 100 represent better than average performance.</li> <li>South Devon Healthcare NHS Foundation Trust intends to take the following actions to improve this percentage, and so the quality of its services, by working with consultant teams and community services to audit and undertake root cause analysis of patients who have been readmitted to hospital. Where this identifies potential areas for improvement these will be used to form the basis of an ongoing action plan and future service developments.</li> </ul>						
Summary hospital mortality indicator (SHMI)	Dr Foster	100*	Oct 11-Sept 12 95.45	94.08	98.5	
Hospital Standardised Mortality rate (HSMR)	Dr Foster	100*	87.5	89.7	96	
<ul style="list-style-type: none"> <li>With regards to SHMI relative risk, in 2011/12 the best performing trust scored 75.7 and the worst performing trust scored 121.</li> <li>South Devon Healthcare NHS Foundation Trust has taken the following actions to improve this rate, and so the quality of its services by maintaining a proactive approach to patient safety. This is managed through the Patients Safety Committee and its subcommittees so that regular reviews of all clinical incidences are completed as well as taking action if any alerts are received from Dr Foster.</li> </ul>						

% of patient deaths with palliative care coded at either diagnosis or speciality level	Dr Foster		Oct 11- Sept 12			
Relative risk		100	90.6	97.4	83.2	
%		N/A	14.3%	14.0%	13.8%	
<ul style="list-style-type: none"> <li>With regards to % of patient deaths coded, in 2011/12 the best performing trust scored 37.6% and the worst performing trust scored 8.56%</li> <li>South Devon Healthcare NHS Foundation Trust has taken the following actions to maintain this rate by identifying all patients clearly for the clinical coding department. There are internal audits to ensure that all the identified patients have been coded correctly. The benchmarking data shown above gives assurance that these cases are being appropriately coded and that rates are at expected levels.</li> </ul>						

## **Patient experience**

<u>Quality indicator</u>	Source	Benchmark (National)	2012/13	2011/12	2010/11	End of year performance against Benchmark
Patient Reported Outcome measures	PROMS online	April - Dec 2012	April – Dec 2012			
Groin hernia surgery		0.09	0.089	0.089	-	
Varicose vein surgery		n/a low numbers	n/a low numbers	n/a low numbers	-	
Hip replacement surgery		0.429	0.414	0.388	-	
Knee replacement surgery		0.321	0.298	0.317		
<ul style="list-style-type: none"> <li>PROMS are a measure of patient perceived health gain based on patient survey results before and after treatment. The high/ low scores reported by trusts in 2011-12 are groin hernia 0.153 / 0.017 varicose vein 0.167/0.047, hip 0.532/0.306 and knee 0.385/0.180.</li> <li>For varicose veins the number of patient surveys completed is so low that is not statistically significant. However, from the surveys completed 50% of patients (3) reported a health gain and 50% (3) reported no change following the procedure.</li> <li>South Devon Healthcare NHS Foundation Trust intends to take the following actions to improve this rate, and so the quality of its services, by ensuring that patients are fully engaged in the PROMS process and data is returned to inform national comparative rate of health gain for these procedures. The results of completed survey data and health gain scores will be shared with the Trust Board and disseminated to relevant doctors.</li> </ul>						

Staff recommendation of the trust as a place to work or receive treatment	NHS Staff Survey (KF24)	3.57	3.85	3.79	3.57	
<ul style="list-style-type: none"> <li>In 2012/13 the best performing acute trust scored 4.08. No score has been published for the worst performing trust.</li> <li>South Devon Healthcare NHS Foundation Trust has taken the following actions to improve this score and so the quality of its services, by engaging with staff to understand issues and to work proactively to improve the quality of care.</li> </ul>						
Number of patient complaints	Safeguard	Not applicable	227	173	170	Not applicable
<ul style="list-style-type: none"> <li>South Devon Healthcare NHS Foundation Trust has taken the following actions to improve the percentage of timely responses and so the quality of its services, by clarifying the response times in the acknowledgement letters. The Trust welcomes all feedback and aims to ensure this learning is shared across the organisation and we continue to be patient focused.</li> </ul>						
Overall patient experience	NHS Inpatient survey	7.2 (Lowest performer)	8.1	Not applicable	Not applicable	
<ul style="list-style-type: none"> <li>In 2012/13 the best performing trust scored 9.0 and the worst performing trust scored 7.2.</li> <li>South Devon Healthcare NHS Foundation Trust has taken the following actions to improve this score, and so the quality of its services, by capturing real time patient feedback promptly and ensuring there are robust mechanisms to respond to complaints, any improvements required and providing ongoing feedback to staff.</li> </ul>						

## **Part 3: Our performance in 2012/13**

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### **Overview**

Torbay Hospital is a Foundation Trust and as such is accountable to a number of different organisations for the delivery of high quality care as well as to the patients, families and carers who access our services at the Hospital.

Currently, we are accountable to

- Monitor, our regulator
- The Care Quality Commission
- The local commissioners via the various health contracts
- Our local communities through our members and governors

To ensure that we deliver high quality care we have robust governance arrangements in place to monitor our organisational performance and to make sure that annual national and local agreed standards and targets are met. This includes five governance work streams which report to the Trust Board.

Work stream1	Work stream 2	Work stream 3	Work stream 4	Work stream 5
Patient safety	Patient experience & community partnerships	Finance Committee	Workforce & educational governance	Infrastructure & environment

The work streams are made up of senior clinicians, nurse leads, Trust executives and are chaired by Non-Executive Directors. Governors attend as observers and the local commissioners attend both the Safety and Experience Committees.

The Trust Board also receives monthly Board reports and data dashboards indicating our latest performance and actions to address issues.

We meet with commissioners to share information, provide updates and to review our performance against a range of quality measures and we provide information to Monitor on a quarterly basis.

Good governance, sound financial management and high clinical standards are at the heart of ensuring we are performing well. In 2012/13 we continued to be rated amber-green by Monitor

## Monitor Risk ratings at a glance

### Finance



High risk

Low risk

### Governance



Source: Monitor website: April 09 2013

The Trust moved from green to amber-green in the year due to reporting 21 clostridium difficile cases against the required plan of 20. Monitor has acknowledged the work undertaken by the Trust in meeting this challenging target.

## Our performance against key national priorities

### Monitor

We are required to report to Monitor quarterly on a range of targets/indicators. Our performance based on the Trust's data over the last 12 months is shown below.

Indicator/Target	Quality indicator	Target 12/13	12/13	2011/12
C.difficile year on year reduction	Safety	20	21	24
MRSA - Meeting the MRSA objective	Safety	1	1	0
Cancer 31 day wait from diagnosis to first treatment	Effectiveness	>96%	98%	98%
Cancer 31 day wait for second or subsequent treatment: surgery	Effectiveness	>94%	97%	97%
Cancer 31 day wait for second or subsequent treatment: drug treatments	Effectiveness	>98%	100%	100%
Cancer 31 day wait for second or subsequent treatment: radiotherapy	Effectiveness	>94%	98%	97%
Cancer 62 day wait for first treatment (from urgent GP referral)	Effectiveness	>85%	88%*	90%
Cancer 62 day wait for first treatment (From consultant led screening service referral)	Effectiveness	>90%	96%	93%
Cancer two week wait from referral to first seen date	Effectiveness	>93%	97%	97%
Cancer breast symptoms two week wait from referral to first seen date	Effectiveness	>93%	98%	100%
A & E – total time in A & E	Experience	95% <4hrs	96%	98%
Referral time to treatment time, admitted patients	Experience	90% <18 weeks	92%	93%
Referral time to treatment time, non admitted patients	Experience	95% <18 weeks	96%	97%

\*Audit of the 62 day target from the national data collection system (Open Exeter) returns 89%. There is mismatch in data due to reporting dates. There are no data accuracy issues.

## NHS Operating Framework and local priorities

We also collect from our local IT systems a range of data and report them against national and local measures to inform the Trust on quality and performance. These include:-

Other National and local priorities	Quality indicator	Target 12/13	12/13	2011/12
Smoking during pregnancy	Effectiveness	19.4%	15.0%	15.8%
Breastfeeding initiation rates (% initiated breast feeding)	Effectiveness	76.3%	76%	74.6%
Mixed sex accommodation breaches of standard	Experience	0	1	9
Cancelled operations on the day of surgery	Effectiveness	0.8%	1.2%	0.7%
DNA rate	Effectiveness	6%	5.5%	5.7%
Diagnostic tests longer than the 6 week standard	Effectiveness	1%	1%	1.5%
Rapid access chest pain clinic waiting times: seen in 2 weeks	Effectiveness	98%	100%	100%
Primary PCI within 150 minutes of calling	Effectiveness	68%	85%	88%
Patients waiting longer than three months (13 weeks) for revascularisation	Effectiveness	0.1%	0%	0%
Stroke care: 90% of time spent on stroke ward	Effectiveness	80%	79%	89%
Diabetic retinopathy screening	Effectiveness	95%	92%	97%
Summary hospital mortality indicator (SHMI)	Safety	100	95.58	94.08
Ethnic coding data quality	Experience	80%	94%	95%
Patient Environment Action Team Assessment (PEAT)	Experience	Good	Good	Good

In 2013/14 we will continue to use a range of metrics to measure the quality and performance of the organisation. We will continue to make this more accessible to the public through our website and various publications.

## Annex 1

CQUIN 2012/13 performance - full details & outcomes at: [www.sdhl.nhs.uk](http://www.sdhl.nhs.uk)

GOAL	INDICATOR	Q1	Q2	Q3	Q4
VTE prevention	Compliance of 90% assessment at admission on UNIFY				
	Compliance with VTE Nice guidance for patient information and planning for discharge.				
Patient experience	Composite indicator on responsiveness to personal needs - Inpatient survey	Not applicable			4 out of 5 met
	Composite indicator on responsiveness to personal needs - Real-time feedback & observations of care				
Dementia	Improve Case finding				<90% achieved
	Improve risk assessment				
	Improve referral to specialist				
Safety thermometer	Improve collection of data - pressure ulcers, falls, UTIs in those with a catheter and VTE through implementing safety thermometer				
Productive ward	Productive ward – completion of 63 modules across the wards				
Patient flow	Understand the impact & variation of demand & service process time on patient flow & productivity along the emergency pathway.				
Frequent users	Improve the identification and management of frequent users				
ER in medicine	Develop, test and apply the enhanced recovery model of care to medicine....				
Clinic letters	Improve the timeliness of clinic letters (<=4 days typed)				
Diabetes	Set up and deliver enhanced diabetes care service within primary care				
Meds management	Pass through drugs				
Clinical referral triage	To design and test CRT in minimum of two specialities				
End of Life	Implementation of Routes to Success in Acute Hospitals				
Care planning summaries	Maintain Timeliness – weekdays (77%)				
	Improve Timeliness – weekends (60%)				
Transition of care	Improve the transition of care for young people (epilepsy, neuromuscular disorders and cystic fibrosis)				
DOS	To set up and populate minimum requirements the new national Directory of Services...				
SCG Breastfeeding	Breastfeeding				
SCG Haemophilia	Haemtrack				
SCG Dashboard	Quality dashboard				

## Annex 2

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### **Engagement in developing the Quality Accounts**

Prior to the publication of the 2012/13 Quality Accounts we have shared this document with:

- Our Trust governors and commissioners
- Torbay & Devon Local Involvement Networks(LINks) now Healthwatch
- Torbay Council Health Scrutiny Board
- Devon County Council's Health and Wellbeing Scrutiny Committee

This year's Quality Accounts has benefitted again from a wider consultation process and greater engagement with our community in choosing the 2013/14 priority areas. In 2012/13 we worked with our Governors in developing the annual Foundation Trust Member's Survey and we have also continued to engage with a wide range of stakeholders including clinicians, charities, commissioners and lay representatives.

The development of CQUINs has been clinically led and the 2013/14 continuous improvement projects form part of our annual business planning cycle.

In March 2013, the Trust held its annual Quality Accounts Engagement event inviting key stakeholders to come together and recommend the priority areas to be included in this year's Quality Accounts. These have all been subsequently signed off at Board level.

We will share our progress against the quality improvement priorities throughout the year and continue to work closely with the users of our services to improve the overall quality of care offered.

### **Statements from Commissioners, Governors, OSCs and Healthwatch**

*Commissioners & Healthwatch to follow*



### **Governor Statement against the 2012/2013 Quality Accounts**

The Governors' Statement begins by placing on record its recognition of the Trust's considerable achievements during the year. In December 2012 Paula Vasco-Knight was named as the best in her field at this year's prestigious NHS Leadership Recognition Awards and the Trust's Board was a finalist in the Board of the Year category. In March 2013 Torbay Hospital was ranked as the 10th highest performing Hospital Trust in the country in a new report by independent health think-tank, MHP Health Mandate. We extend our thanks and congratulations to the Chief Executive Officer and all her staff; never has it been more apparent that they are indeed our most valuable resource.

Front line staff and services have continued to focus on patient needs, and to learn from the patient experience. This year we have seen the successful completion of the 'productive ward' work with clinical teams redesigning their services to enable more direct care at the bedside. The improved services to support children transitioning from paediatric services to adult services is proving to be successful as it has been designed through listening and working with children and their families.

In 2013/14 this focus on releasing clinical time for extra patient care continues to be a theme with the extended use of ward clerks into the evenings and weekends. This is one of the priorities identified for the coming year by the Stakeholder Quality Engagement Committee, which included two Governors.

The Governors have also welcomed the work on dementia and look forward to improvement in dementia case finding, risk assessment and referral in 2013/2014.

The Quality and Compliance Committee has continued with its remit of ensuring that a cadre of Governors is fully conversant with the Trust's attention to the Care Quality Commission and its operation, and, with the co-operation and goodwill of the five Workstreams (to which has now been added the Audit & Assurance Committee), receives at each of its quarterly meetings a report from the respective Governor Observer on the matching of their respective CQC Outcomes, assigned functionally, with supporting evidence. This has the added benefit of constituting the first source of information for unscheduled CQC visits.

The Committee has it in mind to develop the role and responsibility of the Workstream Observers, partly to contribute to the delivery of the additional responsibility placed on Governors of "holding the Non-Executives, collectively and individually responsible for the performance of the Board", and partly to re-enforce the objective of ensuring individual Workstream compliance with the need to observe the CQC Outcomes.

The Committee has occasionally invited speakers to give presentations, and these have included officers from the CQC itself, as well as in-house speakers.

May 2013

**Statement from Torbay Council's Health Scrutiny Board on South Devon Healthcare NHS Foundation Trust's Quality Account 2012/2013**

South Devon Healthcare NHS Foundation Trust's Quality Accounts for 2012/2013 has been considered by Torbay Council's Health Scrutiny Board. The Board welcomes the clarity with which the Trust has explained how it has met its priorities for 2011/2012 and what its priorities are for the forthcoming year.

Throughout the year, the Board have been focussed on how organisations can work together to reduce the demand for acute services especially in light of the growing ageing population in Torbay. The Quality Account highlights how the Trust is also taking account of these issues.

In being able to consider the Quality Accounts from all of the Trusts that it works with at the same time, the Board has been able to easily identify the inter-relationships between the different initiatives of the different Trusts.

The priority for the coming year of testing the cost:benefit of employing ward clerks during the evening and at weekends will aim to increase the number of discharges which can be made during these times. Whilst it will have a positive impact on some other services, medical staff, social care staff and carers need to work closely together to ensure that the home-based care is in place.

The Board commends South Devon Healthcare NHS Foundation Trust for its openness and transparency of its operations. Given the reducing availability of resources in the public sector, the Board would seek to ensure that all Trusts continue to work together for the benefit of the whole Torbay community.

May 2013

### **Commentary on the South Devon Healthcare NHS Foundation Trust Quality Account**

Due to Council elections and the timing of its submission for comment, Devon County Council's Health and Wellbeing Scrutiny Committee has been unable to consider the South Devon Healthcare NHS Foundation Trust Quality Account this year

Overview and Scrutiny Committees are well placed to ensure the local priorities and concerns of residents are reflected in a provider's Quality Account. In line with this approach Devon County Council's Health and Wellbeing Scrutiny Committee will welcome a continuation of the positive engagement process from South Devon Healthcare NHS Foundation Trust in the coming year.

May 2013

### **Healthwatch Torbay**

#### **Healthwatch Torbay response to South Devon Healthcare NHS Foundation Trust Quality Accounts 2012/13**

This extensive report is very encouraging. The particular references on the need to focus on quality improvement, patient needs, the patient experience and to work together to achieve this focus is very promising.

At Healthwatch Torbay we share the aim to achieve a high quality service and experience for patients, and look forward to the chance to share feedback and work together to achieve this focus and build a strong relationship with the Trust.

With this in mind, the significant improvements highlighted on wards in the awareness and understanding of how you currently perform, improved medicine management, more efficient handovers and the quality of end of life care provision are particularly positive. The Trust should also be commended for the notable results of the NHS inpatient survey of overall patient experience.

Their continuous work on improving patient safety, clinical effectiveness and patient experience is also encouraging and we look forward to seeing further positive feedback over the next 12 months, particularly the results of the 'friends and family test'.

With the much publicised issues with growing demand in A&E departments, we also look forward to the new A&E system to support improved monitoring (p142) and are keen to see how it develops.

Healthwatch Torbay welcomes the recommended improvements highlighted in the account and also the outlining of its key priorities for the coming year. We are anxious to mutually share any patient feedback with each other and look forward to continue working with the Trust over the next 12 months.

May 2013

**Commentary provided by Healthwatch Devon for South Devon Healthcare NHS Foundation Trust's Quality Account 2012/13**

Healthwatch Devon welcomes the opportunity to respond to South Devon Healthcare NHS Foundation Trust's (SDHCFT) Quality Account for 2012/13.

Healthwatch Devon commends SDHCFT for its continued commitment to improving the quality of care for patients on the ward, in particular through directly involving patients and carers in the handover process and enabling more time to be dedicated to the delivery of front line patient care. SDHCFT's focus on improving the experience for patients and carers is illustrated clearly through what has been achieved as a result of the various work strands, specifically through the end of life care project, the productive ward programme, the ready, steady, go approach and 'observations of care'. This work is extremely valuable in taking forward a commitment to improve the quality of care for the patient and carers and their overall experience of the service.

A key function for Healthwatch Devon is to collect the views and experiences of patients and the public about local health and care services and these will be shared with those who commission and provide services on a regular basis. As such, Healthwatch Devon is committed to developing a dialogue with SDHCFT during the coming months to ensure that all experiences and views that are captured, that relate to services delivered by SDHCFT, will be fed back to SDHCFT to inform any work that is being undertaken to improve services for patients now and in the future.

May 2013

**NHS South Devon and Torbay Clinical Commissioning Group**

**Quality Accounts 2012-13 Commissioner commentary**

South Devon and Torbay CCG (SDT CCG) has taken over from NHS Torbay as the lead commissioner for South Devon Healthcare NHS Foundation Trust (SDHFT) and is pleased to provide a commentary on these Quality Accounts.

SDT CCG has taken reasonable steps to corroborate the accuracy of data provided within this Account. We have reviewed and can confirm that the information presented in the Quality Account appears to be accurate and fairly interpreted, from the data collected regarding the services provided. The Quality Account demonstrates a high level of commitment to quality in the broadest sense and is commended.

We note the clinical audits that the Trust report involvement with, and those they were unable to participate in. We also note with interest the various improvement actions required as a result of the audits, and look forward to seeing next year's Quality Account report on the progress made and the improved outcomes.

A number of incentive schemes under the CQUINs this year have been agreed with commissioners, which demonstrate the organisation's determination to continually improve the quality of care.

## **Looking Back**

We, as commissioners were pleased to support the priorities selected by the Trust last year. In particular we are pleased to note the success of the Productive Ward initiative and the reported improvements although we feel that the report would have been enhanced by the inclusion of more information about the improved outcomes in terms of patient experience, patient safety and efficiencies.

The improvement in information about medicines was a response to patient feedback and the review of patient leaflets is welcomed, as is the work with young people moving from children's health services to adult services. Commissioners are pleased to note the development of a new transition pathway of care, and the outcomes so far in terms of a new framework and positive relationships. We look forward to the evolution of this initiative across other long term conditions and improved outcomes and experiences for more young adults.

Excellent 'End of Life' care is important for people and their families, and we are pleased with the reported success of last year's project 'Routes to Success', and in particular the increased awareness of End of Life issues across the Trust, and improved communication with other parts of the health care system. We are pleased to see that this work will continue next year.

The initiative to improve communication with patients and their GPs is important in terms of patient experience and safety and we are pleased to note the progress being made in this area and we look forward to continual improvement over the coming year. Timeliness of communication to GPs is also important to patient safety and we note and commend the improvements made by the Trust.

It is pleasing to note that the majority of Trust staff would recommend the Trust as a place to work or to receive treatment, and that the Friends and Family test is being used by the Trust to measure patient satisfaction with services. We also commend the Trust for the 'i-Torch project'.

## **Looking Forward**

The CCG is happy to support the five quality improvement priorities chosen for next year as set out in the Quality Account.

The goal of reducing the prevalence of pressure ulcers for patients is an important one, as they can severely impact on patient's lives, as well as increasing their risk of infection. Pressure ulcers occur in between 4 and 10% of hospital patients and nationally cost the NHS up to £2bn per annum, as well as untold misery to patients and carers. We believe that staff engagement and improved knowledge is key to improving incidence of Pressure Ulcers and we applaud the focus of the Pressure Ulcer Steering Group, and look forward to seeing a reduction in the numbers of pressure ulcers during the next year.

The very successful 'enhanced recovery' programme is due to be rolled out into medicine next year, and it will be exciting to see if the success reported within surgery can be repeated on medical wards, with improved outcomes for patients and carers. We very much look forward to seeing the results through the year ahead. Commissioners are also fully supportive of the integrated heart failure service initiative and its potential for improving quality of care across the community for patients with heart failure, both in terms of patient experience and also improved survival rates.

The final priority about seeing whether weekend ward clerk cover could release more time to care supports the drive to move to effective seven day care and is therefore welcomed. It will be interesting to see the impact of the test of change over the coming months.

### **General Comments**

Quality Accounts are intended to help the general public understand how their local health services are performing and with that in mind they should be written in plain English. SDHCT have produced a comprehensive, attractive and well written Quality Account which is easy to read and clearly set out.

We feel that the Trust's attention to quality and safety is highly commendable and we are pleased to note the continued focus on patient safety. During our regular quality reviews we are continually given evidence of the Trust's determination to ensure safe, high quality care. There are routine processes in place within SDHCT to agree, monitor and review the quality of services throughout the year covering the key quality domains of safety, effectiveness and experience of care.

However we do feel that the Trust could have mentioned the two Never Events that occurred during the year within the section on 'Looking Back' and used that section of the report to describe the learning from those two incidents so that patients and the wider public are provided with evidence of the Trust's determination to learn from experience and to continuously improve.

Overall we are happy to commend this Quality Account and SDHCT for its continuous focus on quality of care

May 2013

## **Statement of Directors' responsibilities in respect of the Accounts**

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 as amended to prepare Quality Accounts for each financial year. Monitor has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that foundation trust boards should put in place to support the data quality for the preparation of the quality report.

In preparing the quality report, directors are required to take steps to satisfy themselves that:

- the content of the quality report meets the requirements set out in the *NHS Foundation Trust Annual Reporting Manual 2012-13*;
- 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 2012 to May 2013
  - Papers relating to quality reported to the Board over the period April 2012 to May 2013
  - Feedback from the Commissioners, South Devon and Torbay Clinical Commissioning Group dated 28/05/2013
  - Feedback from Governors dated 17/05/2013
  - Feedback from local Healthwatch organisations dated 24/05/2013 and 28/05/2013.
  - Feedback from other stakeholders involved in the sign off of the Quality report dated 21/05/2013
  - The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated November 2012
  - The 2012 national inpatient survey dated 16/04/2013
  - The 2012 national staff survey dated 28/02/2013
  - Care Quality Commission quality and risk profiles dated March 2013
  - The Head of Internal Audit annual opinion over the trust's control environment dated April 2013
- the quality report presents a balanced picture of the NHS foundation trust's performance over the period covered;
- the performance information reported in the quality report is reliable and accurate;
- there are proper internal controls over the collection and reporting of the measures of performance included in the quality report, and these controls are subject to review to confirm that they are working effectively in practice;;

- the data underpinning the measures of performance reported in the quality report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review; and the quality report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations) (published at [www.monitor-nhsft.gov.uk/annualreportingmanual](http://www.monitor-nhsft.gov.uk/annualreportingmanual)) as well as the standards to support data quality for the preparation of the quality report (available at [www.monitor-nhsft.gov.uk/annualreportingmanual](http://www.monitor-nhsft.gov.uk/annualreportingmanual))).

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

By order of the Board

Signatures:

29.05.2013



Peter Hildrew, Chairman

29.05.2013



Paula Vasco-Knight, Chief Executive



## **Independent Auditor's Limited Assurance Report to the Council of Governors of South Devon Healthcare NHS Foundation Trust on the Annual Quality Report**

We have been engaged by the Council of Governors of South Devon Healthcare NHS Foundation Trust to perform an independent assurance engagement in respect of South Devon Healthcare NHS Foundation Trust's Quality Report for the year ended 31 March 2013 (the 'Quality Report') and specified performance indicators contained therein.

### **Scope and subject matter**

The indicators for the year ended 31 March 2013 in the Quality Report that have been subject to limited assurance consist of the following national priority indicators as mandated by Monitor:

- Number of Clostridium difficile infections; and
- Maximum cancer waiting time of 62 days from urgent GP referral to first treatment for all cancers.

We refer to these national priority indicators collectively as the "specified 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 assessment criteria referred on page 159 of the Quality Report (the "Criteria"). The Directors are also responsible for the conformity of their Criteria with the assessment criteria set out in the NHS Foundation Trust Annual Reporting Manual ("FT ARM") issued by the Independent Regulator of NHS Foundation Trusts ("Monitor"). Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- The Quality Report does not incorporate the matters required to be reported on as specified in Annex 2 to Chapter 7 of the FT ARM;
- The Quality Report is not consistent in all material respects with the sources specified below; and
- The specified indicators have not been prepared in all material respects in accordance with the Criteria.

We read the Quality Report and consider whether it addresses the content requirements of the FT ARM, and consider the implications for our report if we become aware of any material omissions.

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

- Board minutes for the period April 2012 and up to the date of signing this limited assurance report (the period);
- Papers relating to Quality reported to the Board over the period;
- Feedback from the Commissioners: South Devon and Torbay CCG dated 28/05/2013;
- Feedback from Governors dated 17/05/2013;

- Feedback from local Healthwatch organisation: Healthwatch Torbay dated 24/05/2013 and Healthwatch Devon on 28/05/2013;
- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 05/12/12; and Devon County Council Health and Wellbeing Scrutiny Committee dated November 2012;
- Feedback from other stakeholders involved in the sign-off of the Quality Report: Torbay Council Health Scrutiny Board dated 21 May 2013;
- The 2012 national patient survey dated 16/04/2013;
- The 2012 national staff survey dated 28/02/2013;
- Care Quality Commission quality and risk profiles dated 31/03/2013;
- The Head of Internal Audit's annual opinion over the Trust's control environment dated April 2013; and
- Council of Governors minutes for the period.

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

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for Council of Governors of South Devon Healthcare NHS Foundation Trust as a body, to assist the Council of Governors in reporting South Devon Healthcare 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 2013, 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 Devon Healthcare NHS Foundation Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

### **Assurance work performed**

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

- Evaluating the design and implementation of the key processes and controls for managing and reporting the indicators
- Making enquiries of management
- Limited testing, on a selective basis, of the data used to calculate the specified indicators back to supporting documentation.
- Comparing the content requirements of the FT ARM to the categories reported in the Quality Report.
- Reading the documents.

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

## **Limitations**

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

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Quality Report in the context of the assessment criteria set out in the FT ARM and the Directors' interpretation of the Criteria in the Quality Report.

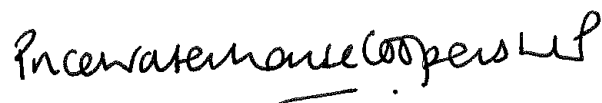
The nature, form and content required of Quality Reports are determined by Monitor. This may result in the omission of information relevant to other users, for example for the purpose of comparing the results of different NHS Foundation Trusts.

In addition, the scope of our assurance work has not included governance over quality or non-mandated indicators in the Quality Report, which have been determined locally by South Devon Healthcare NHS Foundation Trust.

## **Conclusion**

Based on the results of our procedures, nothing has come to our attention that causes us to believe that for the year ended 31 March 2013:

- The Quality Report does not incorporate the matters required to be reported on as specified in annex 2 to Chapter 7 of the FT ARM;
- The Quality Report is not consistent in all material respects with the documents specified above; and
- the specified indicators have not been prepared in all material respects in accordance with the Criteria.



**PricewaterhouseCoopers LLP** Chartered Accountants  
**Plymouth**

**29 May 2013**

The maintenance and integrity of the South Devon Healthcare NHS Foundation Trust's website is the responsibility of the directors; the work carried out by the assurance providers does not involve consideration of these matters and, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported performance indicators or criteria since they were initially presented on the website.



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## **Alternative formats**

This report is available in large print, on-line or other formats on request.  
Please call 01803 658510 or email [communicationsmanager.sdhct@nhs.net](mailto:communicationsmanager.sdhct@nhs.net)  
or write to Senior Communications Manager, South Devon Healthcare NHS  
Foundation Trust, Torbay Hospital, Torquay TQ2 7AA.



## **Annual Accounts 2012/13**

## Foreword to the accounts

South Devon Healthcare NHS Foundation Trust ('the Trust') is required to 'keep accounts in such form as the regulator may with the approval of the Treasury direct' (paragraph 24(1), schedule 7 to the National Health Service Act 2006 ('the 2006 Act')). The Trust is required to 'prepare in respect of each financial year annual accounts in such form as the regulator may with the approval of the Treasury direct' (paragraph 25(1), schedule 7 to the 2006 Act). In preparing its annual accounts, the Trust must comply with any directions given by the regulator with the approval of the Treasury, as to the methods and principles according to which the accounts are to be prepared and the information to be given in the accounts (paragraph 25(2), schedule 7 to the 2006 Act). In determining the form and content of the annual accounts Monitor, as the regulator, must aim to ensure that the accounts present a true and fair view (paragraph 25(3), Schedule 7 to the 2006 Act).

**Signed**



**Paula Vasco-Knight**  
Chief Executive

**Date: 29 May 2013**



## **Statement of Accounting Officer's Responsibilities**

### **Statement of the Chief Executive's responsibilities as the accounting officer of South Devon Healthcare NHS Foundation Trust**

The NHS Act 2006 states that the Chief Executive is the Accounting Officer of the NHS Foundation Trust. The relevant responsibilities of the Accounting Officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the *NHS Foundation Trust Accounting Officer Memorandum* issued by Monitor.

Under the NHS Act 2006, Monitor has directed South Devon Healthcare NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of South Devon Healthcare NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *NHS Foundation Trust Annual Reporting Manual* and in particular to:

- i) observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- ii) make judgements and estimates on a reasonable basis;
- iii) state whether applicable accounting standards as set out in the *NHS Foundation Trust Annual Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements; and
- iv) prepare the financial statements on a going concern basis.

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

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

**Signed**



**Paula Vasco-Knight**  
**Chief Executive**

**Date: 29 May 2013**

## Annual Governance Statement

### 1. 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.

### 2. 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 on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of South Devon Healthcare 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 Devon Healthcare NHS Foundation Trust for the year ended 31 March 2013 and up to the date of approval of the annual report and accounts.

### 3. Capacity to Handle Risk

Responsibility for the oversight of the risk management process has been delegated by the Board of Directors to the Risk and Assurance Integrated Governance Group consisting of two Non-Executive Directors (one being the Trust Chairman), all Executive Directors and Divisional Leads\*, supported by the Company Secretary, Governance Lead and Patient Safety Lead. The Risk and Assurance Integrated Governance Group manages the risk and assurance framework. In addition, the Executive Directors have in place a process whereby all significant risks to the achievement of Divisional and Directorate objectives, Monitor governance and compliance requirements and Care Quality Commission regulations are kept under review.

\* Divisional General Managers are responsible and accountable to the Director of Workforce and Organisational Development for the quality of the services that they manage and will ensure that any identified risks are placed on the Divisional risk register. All such risks are reviewed by the Divisional Board and any necessary escalation managed in accordance with the risk reporting process.

Divisional and Directorate risk management activities are supported by a risk management training programme and the Risk and Assurance Integrated Governance Group, whose purpose is to provide a cross-organisational support network. Executives and Non-Executives are provided with risk management training on an individual basis or collectively at Board seminars.

The Trust continues to maximise its opportunity to learn from other Trusts, Internal / External Audit and continuous feedback is sought internally on whether the systems and processes in place are fit for purpose.

### 4. The Risk and Control Framework

#### 4.1 Overview

Risk is managed at all levels of the Trust and is co-ordinated through an integrated governance framework consisting of five Workstreams covering patient safety, patient experience & community partnerships, finance, human resources & educational governance and infrastructure & environment.

The Trust's risk management strategy provides an integrated framework for the identification and management of risks of all kinds, whether clinical, organisational or financial and whether the impact is internal or external. This is supported by a Board Assurance Framework, which is used to record corporate objectives, risks to their achievement, key risk controls, sources of assurance and gaps in assurance to ensure effective risk management.

## **Annual Governance Statement (continued)**

There is a review process under the leadership of the Executive Directors, who meet weekly and includes discussion and review of the five Workstreams and Directorate risk management and assurance registers. Any risk identified by a Directorate, Division or Executive Lead as likely to impact adversely on organisational objectives, will be taken to either the Clinical Executive Group meeting or the Risk and Assurance Integrated Governance Group, whichever is the sooner.

In addition, the Risk and Assurance Integrated Governance Group reviews the risk and assurance framework every three months and the Audit and Assurance Committee reviews gaps in assurance throughout the year. The Board of Directors evaluates the Board Assurance Framework on a regular basis following the meeting of the Risk and Assurance Integrated Governance Group with any exceptions being reported at other times of the year.

The assessment and subsequent management of risk is informed by its quantification using a risk grading matrix, which is set by the Board of Directors. Consequence and likelihood tables are outlined in the Risk & Assurance Policy and Procedure. Across a range of domains, the consequence tables grade each risk by reference to its expected impact. This, combined with the likelihood score, defines a measure of overall risk. The Trust risk tolerance is defined as: 'the amount of risk the Trust is prepared to accept, tolerate or be exposed to at any point in time'. In setting a tolerance, it has been determined that any risks to the delivery of the organisation's objectives with inherent consequence scores of '5' or '4' will be brought through the exception reporting process and managed by the Trust Board of Directors. Actions and timescale for resolution are agreed and monitored. Such risks are deemed to be acceptable by the Risk and Assurance Integrated Governance Group only when there are adequate control mechanisms in place and a decision has been made that the risk has been managed as far as is considered to be reasonably practicable. Risks scored below this level are managed by the relevant Divisional Board or Workstream.

One example of where risk management is integrated into core Trust business is in relation to equality impact assessments. All policies and procedures when created or reviewed have to include an Equality Impact Assessment. If there are any negative impacts on a particular group of people/equality group following completion, the Trust will record any changes to the service and/or policy. Any actions will be integrated into existing service planning and performance management frameworks along with monitoring and review processes.

The internal control framework is kept under review by the Audit and Assurance Committee consisting of all of the Non-Executive Directors except the Trust Chairman.

During the past twelve months the Trust's Board of Directors has provided Monitor (Independent Regulator for NHS Foundation Trusts) with quarterly governance reports against the domains outlined within the Compliance Framework; one of which is risk and assurance management.

Locally, there is regular dialogue with our partners in the South Devon Health Community. This is supported by the strategically focused Joined up Health and Care Cabinet, which includes representation of chief executives, senior medical and commissioning staff including general practitioners from across Torbay and Southern Devon. Risks that may impact on the objectives of our principal Commissioners are kept under review by the Joined Up Health and Care Cabinet.

### **4.2 Compliance with NHS Pension Scheme Regulations**

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.

### **4.3 Care Quality Commission (CQC) Declaration**

During August 2012 the Trust reported a never event immediately following a surgical procedure involving the use of an incorrect implant/prosthesis as defined by the Department of Health (DH) never events framework 2012/13. In September 2012 the Trust carried out a routine procedure that resulted in a retained swab triggering a second never event within the Cardiac Catheter Suite. The Trust conducted detailed and immediate root cause analysis following both incidents that resulted in detailed action plans being put in place. Both incidents were reported to the Trust's Commissioners, CQC, South West Strategic Health Authority via the STEIS (Strategic Executive Information System) system and Trust Board of Directors. At the January 2013 Board meeting, the Medical Director presented a complete review of the Trust's practices, policies, procedures, assurance, monitoring systems and feedback mechanisms in relation to each never event. This will be finalised and approved in 2013/14 and will provide good assurance to the Board.

During September 2012 the Trust had an unannounced visit from the CQC that resulted in two compliance actions; outcome 4 (care & welfare of people who use services) plus outcome 8 (cleanliness & infection control) on two ward areas. These concerns were resolved in the CQC's follow-up visit in January 2013 and the Foundation Trust is now fully compliant with all registration requirements. Assurance against the CQC registration requirements is obtained through the five Workstreams where Executive Leads and supporting managers present their evidence/assurance throughout the year. This process is supported by a CQC dashboard showing areas for improvement and regular reviews by the Risk and Assurance Integrated Governance Group / Internal Audit.

## **Annual Governance Statement (continued)**

### **4.4 Compliance with Equality, Diversity and Human Rights Legislation**

Control measures are in place to ensure compliance with organisation's obligations under equality, diversity and human rights legislation.

The Trust is committed to providing an inclusive and welcoming environment for our patients, staff and visitors and is working hard to mainstream equality, diversity and human rights into our culture. The Chief Executive is the Senior Responsible Officer for the Equality Delivery System and has been appointed as the National Equality Lead for NHS England.

Performance is monitored via the Equality, Diversity and Human Rights Group who report through Workstream four - Human Resources & Educational Governance. The group meets every three months to review and report progress on the Trust's Equality and Diversity action plan. The Chairman of the Trust Board of Directors is an active member of the Group and champions diversity throughout the Trust.

The Trust Board of Directors receives monthly reports on equality and diversity issues from the Director of Workforce and Organisational Development which includes any negative impacts from equality impact assessments and an annual diversity report which will include workforce data profiled by diverse strand and pay bands, and progress against the Equality and Diversity action plan. Equality Impact Assessments can be found on the Trust's Internet website

The Trust has a three-year rolling equality and diversity action plan which is updated annually and is reported via Workstream four to the Trust Board of Directors. The Trust recently reviewed and updated the action plan with any on-going actions being carried forward into 2013/14.

The action plan is a standing agenda item on the Equality, Diversity and Human Rights Group where priorities and actions are monitored.

### **4.5 Compliance with climate change adaptation reporting to meet the requirements under the Climate Change Act 2008**

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 United Kingdom Climate Impacts Programme (UKCIP) 2009 weather projects, to ensure compliance with the organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements.

Sustainability is a regular item on the agenda for our Board of Directors, and the Trust's progress will be regularly reported to staff and members of the public. The Trust's Sustainability Strategy was approved by the Trust Board of Directors in March 2011.

There is a Board-level approved sustainable development management plan which accompanies the Sustainability Strategy. This is reviewed each year to ensure that the Trust fulfils its commitment to consider sustainability while providing high-quality patient care. Progress against this plan will be monitored and reported annually, with sustainability activities included in the Trust Annual Report and other documents such as the Quality Report.

### **4.6 Compliance with the NHS Litigation Authority**

The Trust achieved level one against the NHS Litigation Authority Risk Management Standards in November 2012 and is assessed every three years. The next assessment will be no later than the autumn of 2015, although the Trust aims to complete the actions required to achieve level two before this date and will seek formal assessment when appropriate

Maternity Services achieved Clinical Negligence Scheme for Trusts (CNST) level three for the maternity Clinical Risk Management Standards, the highest level of the NHS Litigation Authority's stringent standards to improve the safety of women and their babies. Achieving level three means a reduction of 30 per cent for the maternity element of the Trust's CNST contributions.

## Annual Governance Statement (continued)

### 4.7 Compliance with Information Governance Requirements

Risks to information are managed and controlled by applying a robust assessment against the evidence collected as part of the national Information Governance Toolkit return. In accordance with the 2012/13 Monitor Compliance Framework, the Trust was able to declare level two compliance against the Information Governance Toolkit requirements by 31 March 2013. A new action plan will be created to deliver improvements against the 2013/14 Information Governance Toolkit and will be overseen by the Information Governance Steering Group which is chaired by the Senior Information Risk Owner.

### 4.8 Annual Quality Report

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

There are five standards that support the data quality for the preparation of the Quality Report: governance and leadership; policies; systems and processes; people and skills; data use and reporting. A report is made to the Board of Directors by the Medical Director describing the steps which have been put in place to ensure that the Quality Report presents a balanced view and that there are appropriate controls in place to ensure the accuracy of the data.

Clinicians have approved the data included in the Quality Report. The Data Quality Group creates local standards and procedures to achieve appropriate external benchmarks for data quality. Membership includes local Commissioners and Internal Audit. The Quality Report has been provided to the Health Scrutiny Board of Torbay Council, lead Commissioner, Healthwatch and to Trust Governors for comment.

All staff are responsible for the accuracy, completeness, timeliness, integrity and validity of their data. Data entry training encourages the approach to ensure that data is captured 'right first time'. Many of the information systems have built-in controls. Corporate security and recovery arrangements are in place in line with the Information Governance Toolkit requirements. There is a programme of training for data quality. This includes regular updates for staff to ensure that changes in data quality procedures are disseminated and implemented.

Information which supports the Quality Report is subject to a system of internal control and validation. Clinical data such as mortality rates, hygiene standards and the Early Warning trigger tool are reported and, where appropriate challenged at Board level.

### 4.9 Major Risks

Throughout the year, major risks are escalated to the Board Assurance Framework which is regularly reviewed and managed by the Board of Directors, Audit & Assurance Committee and Risk & Assurance Integrated Governance Group.

#### In-Year and Future Risks

Governance Risk Description	Consequence <sup>i</sup> / Likelihood <sup>ii</sup>	Mitigating Action	Outcome measurement
Maintaining safety and quality care whilst delivering a challenging financial target	4 / 2	<ul style="list-style-type: none"> <li>- Actions plans in place with Board approval;</li> <li>- Regular monitoring by Workstream three, Continuous Improvement Project (CIP) Board and Board of Directors;</li> <li>- Monthly contract review meetings with commissioners</li> <li>-Joined Up Health and Care meetings</li> <li>- Quarterly reporting to Monitor.</li> <li>- Impact assessment for all savings programmes undertaken by Medical and Nurse Directors</li> </ul>	<ul style="list-style-type: none"> <li>- Reports from Monitor regarding Annual Risk Assessment and quarterly submissions;</li> <li>- Monthly and cumulative financial performance by Division to the finance Committee and Trust Board in line with plan.</li> </ul>

## Annual Governance Statement (continued)

### In-Year and Future Risks (continued)

Governance Risk Description	Consequence <sup>i</sup> / Likelihood <sup>ii</sup>	Mitigating Action	Outcome measurement
Managing transition and relationships in new provider/commissioner landscape, especially partner resources that are increasingly limited.	4 / 3	<ul style="list-style-type: none"> <li>- Joined Up Health and Care Cabinet</li> <li>- Board to Board meeting with both Commissioner and Partner provider organisations</li> <li>- Focus on partnerships / relationships within Workstream two;</li> <li>- Workforce, Estates and Financial models, capacity plan;</li> <li>- Workstream three - Finance;</li> <li>- Understanding of operating framework / changes to the Compliance Framework and impact of local (contractual) agreements;</li> <li>- Chief Executive 1:1s with local Health and Care Trust, Clinical Commissioning Group and Local Authorities;</li> <li>- Medical Director chairing the Joined Up Health and Care Cabinet</li> </ul>	- On track with key performance indicators across all Workstreams.
Delivery of the Estate Strategy to develop our estate	5 / 2	<ul style="list-style-type: none"> <li>- Estates Strategy and three year capital programme agreed by the Trust Board</li> <li>- Completed action plans from Internal Audit reviews;</li> <li>- Regular monitoring by Workstream five and Board of Directors.</li> </ul>	<ul style="list-style-type: none"> <li>- Delivery against the capital plan agreed by Workstream three and Trust Board;</li> <li>- PLACE (Patient-Led Assessments of the Care Environment);</li> <li>- Care Quality Commission submissions / assessments.</li> </ul>
Maintaining compliance with national targets	3 / 3	<ul style="list-style-type: none"> <li>- Actions plans in place with Board approval;</li> <li>- Regular monitoring by Workstream three and Board of Directors;</li> <li>- Divisional performance management process</li> <li>- Commissioner performance review</li> </ul>	<ul style="list-style-type: none"> <li>- Reports from Monitor regarding Annual Risk Assessment and quarterly submissions;</li> <li>- Monthly and cumulative performance reviews by Workstream / division to the finance Committee and Trust Board in line with plan;</li> <li>- Outcomes from External reviews e.g. assessments conducted by the Care Quality Commission.</li> </ul>
Achievement of savings for 2013/14	4 / 2	<ul style="list-style-type: none"> <li>- Completion of business plan for 2013/14</li> <li>- Programme management function</li> <li>- Monitoring by CIP Board / Workstream three and Board of Directors</li> </ul>	- Development of plans to release efficiency savings agreed by Trust Board of Directors.

i. 5 = worst

ii. 5 = most likely



## **Annual Governance Statement (continued)**

### **5. Review of Economy, Efficiency and Effectiveness of the Use of Resources**

The Directors are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the Trust's use of resources. The Trust has established a number of processes to ensure the achievement of this. These include:

- Clear processes for setting, agreeing and implementing strategic objectives based on the needs of the local population, reflecting the priorities of key partners and the Department of Health. This includes a clear strategy for Patient and Public involvement as well as the Trust's 13,000 Foundation Trust public members, providing a key focus for our engagement work within South Devon. Established objectives are supported by quantifiable and measurable outcomes.
- Clear and effective arrangements for monitoring and reviewing performance which include a comprehensive and integrated performance dashboard used monthly in the performance management of clinical services and reported to the Board of Directors. The performance report details any variances in planned performance and key actions to resolve plus the implementation in a timely fashion of any external recommendations for improvement e.g. external audit. There is also performance management regime embedded throughout the Trust including weekly capacity review meetings, executive reviews of services, budget review (undertaken monthly) and regular work to ensure data quality.
- Robust arrangements for managing financial and other resources are in place through Workstream three (Finance Committee) and the Continuous Improvement Programme Board. The Trust has consistently and continuously met all financial targets; The Trust has delivered its efficiency savings target and uses Dr Foster and other benchmarking tools such as the NHS Productivity Metrics to demonstrate value for money is delivered. The Trust continues to develop its service line reporting data to ensure services are being provided as efficiently as possible and any surpluses generated by the Trust are reinvested back into patient care. For procurement of non-pay related items the Trust has a clear procurement strategy and collaborates with other NHS bodies to maximise value through the NHS South West Peninsular Procurement Alliance.

### **6. Review of Effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the Internal Auditors, Clinical Audit and the Executive Managers and Clinical Leads with the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Report attached to the Annual Report and other performance indicators 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 of Directors, the Audit & Assurance Committee, Patient Safety Committee and Risk & Assurance Integrated Governance Group and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board of Directors is accountable for the system of internal control and actively reviews the Board Assurance Framework to ensure the Board of Directors delivers the Trust's corporate objectives with advice from the following:

- Audit and Assurance Committee - The main purpose of the committee is to provide assurance to the Board of Directors that effective internal control arrangements are in place. In addition, the committee provides a form of independent check upon the executive arm of the Board of Directors.
- Risk and Assurance Integrated Governance Group - The main purpose of the group is to support the development of the Trust's long term strategy and implementation of the Trusts Risk Management and Assurance Framework and to review and make recommendations on all major risks to the organisation.
- Five Workstreams:
  1. Patient Safety - providing assurance to the Trust Board that patients are receiving the highest possible quality of clinical care. The Workstream monitors the systems and processes of clinical services and assures itself that services within the organisation are patient centred, continuously improving both quality and safety by preventing clinical errors wherever possible or learning from them.

## Annual Governance Statement (continued)

2. Patient Experience & Community Partnerships - providing the Trust Board with assurance that the organisation is delivering an excellent patient experience. Developing, maintaining and monitoring partnerships with patients and with key stakeholder groups in the wider community in order to better understand the patient experience and to meet the needs of service users.
3. Finance - providing assurance to the Trust Board on the development and implementation of the Trust's long term strategy. The effective management on all issues of major risk in relation to the business and performance of the Trust.
4. Human Resources & Educational Governance – providing assurance to the Trust Board on all aspects of workforce and educational management including the implementation of the Equality Delivery System (EDS) by developing and monitoring the implementation of the workforce, education and development strategies.
5. Infrastructure & Environment - providing assurance to the Trust Board on all aspects of its infrastructure and environment, which includes estates and facilities management.

In reference to the Quality Report 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 by the Workstreams and the Board of Directors to confirm that they are working effectively in practice.

My review is also informed by:

- The work conducted by the External Auditors who focused on our Quality Report, Internal Audit's processes in line with ISA requirements and three-year strategic internal audit plan 2011/14, audit of the overall computer environment, fraud and financial accounts.
- Internal Audit, who have conducted reviews against the Care Quality Commission regulations, coding (capital), creditors, duplicate payments, Rosterpro, VitalPAC project, NHS Litigation Authority, information governance, main accounting system, replacement accident and emergency system, patient drugs distribution, medicines management and banking, cashiering and cash flow management. Reviews are conducted using a risk based approach and in addition they have annual reviews of the Trust's risk management and governance arrangements.

Head of Internal Audit Opinion Statement which states that:

- The Assurance Framework is well designed and is actively used and provides positive assurance that the Trust has further progressed the development and embedment of the Assurance Framework process during 2012/13; and
- the risk management arrangements in place during 2012/13 are well designed, provide positive assurance and have operated throughout the year.

## 7. Conclusion

No other significant internal control issues were identified.

Signed



**Paula Vasco-Knight**

**Chief Executive**

**Date: 29 May 2013**



## **Independent Auditors' Report to the Council of Governors of South Devon Healthcare NHS Foundation Trust**

We have audited the financial statements of South Devon Healthcare NHS Foundation Trust for the year ended 31 March 2013 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash flows, and the related notes. The financial reporting framework that has been applied in their preparation is the NHS Foundation Trust Annual Reporting Manual 2012/13 issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of the Chief Executive's responsibilities as the Accounting Officer of South Devon Healthcare NHS Foundation Trust set out on page iii the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view in accordance with the NHS Foundation Trust Annual Reporting Manual 2012/13. Our responsibility is to audit and express an opinion on the financial statements in accordance with the NHS Act 2006, the Audit Code for NHS Foundation Trusts issued by Monitor and International Standards on Auditing (ISAs) (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Council of Governors of South Devon Healthcare NHS Foundation Trust in accordance with paragraph 24 of Schedule 7 of the National Health Service Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

The maintenance and integrity of the South Devon Healthcare NHS Foundation Trust website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the NHS Foundation Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the NHS Foundation Trust; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view, in accordance with the NHS Foundation Trust Annual Reporting Manual 2012/13, of the state of the NHS Foundation Trust's affairs as at 31 March 2013 and of its income and expenditure and cash flows for the year then ended; and
- have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2012/13.

### **Opinion on other matters prescribed by the Audit Code for NHS Foundation Trusts**

In our opinion

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2012/13; and
- the information given in the Directors' 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**

We have nothing to report in respect of the following matters where the Audit Code for NHS Foundation Trusts requires us to report to you if:

- in our opinion the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2012/13 or is misleading or inconsistent with information of which we are aware from our audit. We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls;
- we have not been able to satisfy ourselves that the NHS Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; or
- we have qualified our report on any aspects of the Quality Report.

**Certificate**

We certify that we have completed the audit of the financial statements in accordance with the requirements of Chapter 5 of Part 2 to the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor.



**Heather Ancient (Senior Statutory Auditor)**  
**For and on behalf of PricewaterhouseCoopers LLP**  
**Chartered Accountants and Statutory Auditors**  
**Plymouth**  
**29 May 2013**

South Devon Healthcare NHS Foundation Trust  
Statement of comprehensive income  
For the year ended 31 March 2013

	Note	Values included in Monitors assessment of Financial Performance 2012/13 £000	Values excluded from Monitors assessment of Financial Performance 2012/13 £000	Total 2012/13 £000	Values included in Monitors assessment of Financial Performance 2011/12 £000	Values excluded from Monitors assessment of Financial Performance 2011/12 £000	Restated Total 2011/12 £000
Operating income	2	231,295	372	231,667	218,279	1,154	219,433
Operating expenses	4	(226,151)	(3,810)	(229,961)	(211,505)	(15,261)	(226,766)
Operating surplus / (deficit) before financial income and expenses		5,144	(3,438)	1,706	6,774	(14,107)	(7,333)
Finance costs							
Financial income	7	118	0	118	104	0	104
Financial costs	8	(395)	0	(395)	(68)	0	(68)
Unwinding of discount on provisions	19	(100)	0	(100)	(96)	0	(96)
PDC Dividends payable		(2,490)	0	(2,490)	(2,862)	0	(2,862)
Net finance costs		(2,867)	0	(2,867)	(2,922)	0	(2,922)
Surplus / (Deficit) for the financial year		2,277	(3,438)	(1,161)	3,852	(14,107)	(10,255)
Other comprehensive income							
Revaluations of property, plant and equipment		0	0	0	0	(7,756)	(7,756)
Total comprehensive income / (expense) for the year		2,277	(3,438)	(1,161)	3,852	(21,863)	(18,011)

Excluded from Monitors Assessment of the Trust's Financial Performance are the following variables: -

Income credited to the Statement of Comprehensive Income in respect of Donated Property, Plant & Equipment 2012/13 £372,000 (2011/12, total of £1,013,000)

Income credited to the Statement of Comprehensive Income in respect of reversal of Property, Plant & Equipment Impairments. 2012/13 £0. (2011/12, total of £141,000)

Impairments charged to the Statement of Comprehensive Income as a result of Modern Equivalent and Price revaluations of Property Plant & Equipment. 2012/13 £3,810,000 (2011/12 total of £15,261,000)

South Devon Healthcare NHS Foundation Trust  
Statement of financial position  
Notes to the annual report and accounts

	Note	31 March 2013 £000	Restated 31 March 2012 £000
<b>Non-current assets</b>			
Intangible assets	9	3,080	2,018
Property, plant and equipment	10	96,294	92,846
Trade and other receivables	12	1,885	1,750
<b>Total non-current assets</b>		<b>101,259</b>	<b>96,614</b>
<b>Current assets</b>			
Inventories	11	5,722	5,076
Trade and other receivables	12	10,506	9,865
Cash and cash equivalents	20	16,615	16,454
<b>Total current assets</b>		<b>32,843</b>	<b>31,395</b>
<b>Total assets</b>		<b>134,102</b>	<b>128,009</b>
<b>Current liabilities</b>			
Trade and other payables	14	(19,793)	(21,243)
Borrowings	16	(929)	(262)
Provisions	19	(443)	(358)
Other liabilities	15	(541)	(769)
<b>Total current liabilities</b>		<b>(21,706)</b>	<b>(22,632)</b>
<b>Non-current liabilities</b>			
Borrowings	16	(16,007)	(8,231)
Provisions	19	(3,735)	(3,331)
<b>Total non-current liabilities</b>		<b>(19,742)</b>	<b>(11,562)</b>
<b>Total liabilities</b>		<b>(41,448)</b>	<b>(34,194)</b>
<b>Net current assets</b>		<b>11,137</b>	<b>8,763</b>
<b>Net assets employed</b>		<b>92,654</b>	<b>93,815</b>
<b>Financed by Taxpayers' equity</b>			
Public dividend capital		60,806	60,806
Revaluation reserve	10.7	27,694	28,543
Income and expenditure reserve		4,154	4,466
<b>Total taxpayers' equity</b>		<b>92,654</b>	<b>93,815</b>

The notes on pages 5 to 35 form part of the financial statements

The accounts on pages I to xii and pages 1 to 35 were approved by the Board of Directors on 29 May 2013 and signed on its behalf by: -



**Paula Vasco-Knight**  
Chief Executive

**Date: 29 May 2013**

South Devon Healthcare NHS Foundation Trust  
Statement of changes in taxpayers equity  
For the year ended 31 March 2013

	Note	Public dividend capital (PDC) £000	Revaluation reserve £000	Income and Expenditure Reserve £000	Total £000
<b>Changes in taxpayers' equity for 2012/13</b>					
<b>Balance at 1 April 2012</b>		<b>60,806</b>	<b>28,543</b>	<b>4,466</b>	<b>93,815</b>
Deficit for the year		0	0	(1,161)	(1,161)
Revaluations of property, plant and equipment		0	0	0	0
Asset Disposals		0	(264)	264	0
Other recognised gains and losses	10.8	0	(585)	585	0
Public Dividend Capital Received		0	0	0	0
<b>Balance at 31 March 2013</b>		<b>60,806</b>	<b>27,694</b>	<b>4,154</b>	<b>92,654</b>

**Changes in taxpayers' equity for 2011/12**

<b>Balance at 1 April 2011</b>		<b>60,795</b>	<b>36,534</b>	<b>14,486</b>	<b>111,815</b>
Deficit for the year		0	0	(10,255)	(10,255)
Revaluations of property, plant and equipment		0	(7,756)	0	(7,756)
Asset Disposals		0	(235)	235	0
Other recognised gains and losses		0	0	0	0
Public Dividend Capital Received	11	0	0	0	11
<b>Balance at 31 March 2012</b>		<b>60,806</b>	<b>28,543</b>	<b>4,466</b>	<b>93,815</b>

**Description of reserves**

**Public dividend capital**

For further description of the Public Dividend Capital see note 1.6

**Revaluation reserve**

The revaluation reserve is used when the value of a purchased asset becomes greater than the value at which it was previously carried on the statement of financial position.

**Movements in Year**

**Other Recognised Gains and Losses**

During the 2012/13 financial year the Trust brought into use three significant capital construction schemes, these being the refurbishment of a clinical ward, implementation of fire safety works and the complete refurbishment of two operating theatres. In line with standard accounting practice assets are held at their Modern Equivalent Asset (MEA) valuation which assumes a ground up build in a green field site environment. The Trust requested the District Valuer to assess whether an MEA valuation adjustment was required for these assets when they were first brought into use. The assessment made by the District Valuer demonstrated that significant value had been made to the capital estate but that an MEA impairment was required to be recognised in the Trust accounts. The total value of the impairment is £3,810k. Of the impairment value initially charged to operating expenditure, a proportion of the cost related to assets with a balance held in the revaluation reserve at 1st April 2012. The sum held in the revaluation reserve in respect of these impaired assets totalled £585k. In line with accounting standards this balance has been transferred through the Statement of changes in taxpayers equity from the revaluation reserve to the income and expenditure reserve.

South Devon Healthcare NHS Foundation Trust  
Statement of cash flows  
For the year ended 31 March 2013

	Note	2012/13 £000	Restated 2011/12 £000
<b>Cash flows from operating activities</b>			
Operating surplus / (deficit) from continuing operations		1,706	(7,333)
<b>Operating cash flow before changes in working capital and provisions</b>		<b>1,706</b>	<b>(7,333)</b>
<b>Changes in working capital and provisions</b>			
Depreciation and amortisation	4.1	8,746	8,712
Impairments and reversals of impairments	4.1	3,810	15,261
Reversal of impairments	3.2	0	(141)
Gain on Disposal	4.1	(8)	(8)
Increase in trade and other receivables		(1,174)	(4,780)
Increase in inventories		(646)	(187)
(Decrease) / Increase in trade and other payables		(1,833)	3,182
Decrease in other current liabilities		(228)	(59)
Increase/(Decrease) in provisions		389	(10)
<b>Net cash generated from operations</b>		<b>10,762</b>	<b>14,637</b>
<b>Cash flows from investing activities</b>			
Interest received		118	104
Payments for intangible assets		(1,481)	(432)
Payments for property, plant and equipment		(15,322)	(17,129)
Proceeds from disposal of plant, property and equipment		75	61
<b>Net cash used in investing activities</b>		<b>(16,610)</b>	<b>(17,396)</b>
<b>Net cash outflow before financing</b>		<b>(5,848)</b>	<b>(2,759)</b>
<b>Cash flows from financing activities</b>			
Public dividend capital received		0	11
Loans received from the Foundation Trust Financing Facility	17	8,770	8,360
Loans repaid to the Foundation Trust Financing Facility	17	(270)	0
Capital element of finance lease rental payments		(57)	(49)
Interest paid		(334)	(4)
Interest element of finance lease		(8)	(15)
PDC Dividend paid		(2,092)	(3,244)
<b>Net cash generated from financing activities</b>		<b>6,009</b>	<b>5,059</b>
Net increase in cash and cash equivalents		161	2,300
Cash and cash equivalents at the beginning of the financial year		16,454	14,154
<b>Cash and cash equivalents at the end of the financial year</b>	20	<b>16,615</b>	<b>16,454</b>

## 1 ACCOUNTING POLICIES

Monitor has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the NHS Foundation Trust Annual Reporting Manual 2012/13 (the FT ARM) which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the FT ARM 2012/13 issued by Monitor, the independent regulator of NHS Foundation Trusts. The accounting policies contained in that manual follow International Financial Reporting Standards and HM Treasury's Financial Reporting Manual (FReM) to the extent that they are meaningful and appropriate to NHS Foundation Trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

### 1.1 Accounting convention

#### **Historic Cost Convention**

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment at their value to the business by reference to their current costs using Modern Equivalent Assets as a valuation base and for intangible assets and inventories.

#### **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 continue to adopt the going concern basis in preparing the accounts.

#### **Accounting estimates and judgments**

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. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions and critical judgements concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

#### **Annual leave accrual**

The Trust is required to estimate the value of annual leave that employees have not taken at the end of the year and which is being carried forward into the following year. This estimate is based on the results from a random sample of 5% of the Trust's employees which is grossed up to produce a total accrual for the Trust.

#### **Income from non-contracted activity**

A significant percentage of the Trust's income is from non-contracted income. The last month's activity data was not available at the time that the accounts were prepared. Therefore, an accrual for the income was calculated, based on the non-contracted income activity in period 11.

#### **Partially completed patient spells**

Income related to 'partially completed spells' is accrued based on the number of occupied bed days per care category, and an average cost per bed day per care category.

### 1.2 Segmental reporting policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board that makes strategic decisions.

### 1.3 Income

Income is accounted for applying the accruals convention. 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.

## 1.4 Expenditure on employee benefits

### Short term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

### Pension costs

#### NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

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 the intervening years. An outline of these follows: -

#### a) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its

The last formal actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2004. Consequently a formal actuarial valuation would have been due for the year ending 31 March 2008. However, a formal actuarial valuations for unfunded public service schemes have been suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions, and while future scheme terms are developed as part of the reforms to public service pension provision. Employer and employee contribution rates are currently being determined under the new scheme design.

#### b) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. Actuarial assessments undertaken in intervening years between formal valuations using updated membership data are accepted as providing suitably robust figures for financial reporting purposes. However, as the interval since the last formal valuation now exceeds four years, the valuation of the scheme liability as at 31 March 2013, is based on detailed membership data as at 31 March 2010 updated to 31 March 2013 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS19, relevant FREM interpretations, and the discount rate prescribed by HM treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts, published annually. These accounts can be reviewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

#### c) Scheme provisions

The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

The Scheme is a "defined benefit" scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as "pension commutation".

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) will be used to replace the Retail Prices Index (RPI).



#### 1.4 Expenditure on employee benefits (continued)

##### c) Scheme provisions

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

Employers' pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment.

#### 1.5 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.

#### 1.6 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 Trust, is payable as PDC dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets (including lottery funded assets), (ii) net cash balances held with the Government Banking Services and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

#### 1.7 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.

##### Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets, nor is expenditure incurred on research.

##### 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 where expenditure of at least £5,000 is incurred.

##### Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at fair value. Revaluations gains and losses and impairments are treated in the same manner as for Property, Plant and Equipment.

## 1.7 Intangible Assets (continued)

### Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Main asset class	Sub-category	Useful economic life (years)
Intangible assets		2 to 7

## 1.8 Property, Plant and Equipment

### Recognition

Property, Plant and Equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- individually have a cost of at least £5,000; or
- form a group of assets which collectively have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- form part of the initial equipping and 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 periods if events or changes in circumstances indicate the carrying value may not be recoverable. The costs arising from financing the construction of property, plant and equipment are not capitalised but are charged to the statement of comprehensive income in the year to which they relate.

Fixtures and equipment which have an asset life of less than 5 years or cost less than £50,000 are carried at depreciated historic cost as this is not considered to be materially different from fair value.

All other assets are measured subsequently at fair value. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The latest full revaluation of the Trusts specialised buildings was undertaken in 2010/11 with a prospective valuation date of 31 March 2012. In line with IAS16, during 2012/13 the Trust requested an interim valuation from the District Valuation Office to determine whether an MEA impairment was required in respect of material construction schemes that were brought into use during 2012/13. The impact of this assessment is described in further detail in the Property, Plant and Equipment note to the accounts.

The Treasury has decided that the NHS should value its property assets in line with the Royal Institution of Chartered Surveyors (RICS) Red Book standards. This means that specialised property, for which market value cannot be readily determined, should be valued at depreciated replacement cost (DRC) on a modern equivalent asset basis.

In accordance with the Treasury accounting manual, valuations are now carried out on the basis of modern equivalent asset replacement cost for specialised operational property and existing use value for non-specialised operational property. The value of land for existing use purposes is assessed at existing use value.

Alternative open market value figures are only used for operational assets scheduled for imminent closure and subsequent disposal.

Assets in the course of construction are initially valued at cost and are subsequently valued by professional valuers when construction is completed if there is evidence that the construction cost is not a good approximation of fair value.

## 1.8 Property, Plant and Equipment (continued)

### Measurement

### Valuation (continued)

Operational equipment is valued at net current replacement cost. Equipment surplus to requirements is valued at net recoverable amount.

### Subsequent expenditure

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the Statement of Comprehensive Income in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition and the carrying amount of the replaced part is derecognised.

### Depreciation

Items of Property, Plant and Equipment are depreciated over their remaining useful economic lives on a straight line basis. Freehold land is considered to have an infinite life and is not depreciated.

Buildings, Dwellings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as assessed by the Trust's professional valuers. Leaseholds are depreciated over the primary lease term.

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

Equipment is depreciated on current cost evenly over the estimated life of the asset.

The following table details the useful economic lives for the main classes of assets and, where applicable, sub-categories within each class.

Main asset class	Useful economic life (years)
Buildings (including Dwellings)	10 to 55
Plant and Machinery	2 to 15
Information technology	2 to 8
Furniture and fittings	5 to 19
Transport equipment	7

### Revaluation and impairment

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

## 1.8 Property, Plant and Equipment (continued)

### Revaluation and impairment (continued)

An impairment arising from a loss of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

## 1.9 Donated, Government Grant and Other Grant Funded Assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

## 1.10 Revenue, Government and Other Grants

Government grants are grants from Government bodies other than income from Primary Care Trusts or NHS Trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

## 1.11 Inventories

Inventories are valued at the lower of cost and net realisable value. This is considered to be a reasonable approximation to current cost due to the high turnover of stocks. Work-in-progress comprises goods in intermediate stages of production. Cost is determined either on a first-in first-out (FIFO) basis or a weighted average cost basis.

Provision is made where necessary for obsolete, slow moving and defective stocks.

## 1.12 Cash and cash equivalents

Cash and cash equivalents are recorded at the current values of these balances in the Trust's cashbook. These balances exclude monies held in the Trust's bank accounts belonging to patients. Account balances are only set off where a formal agreement has been made with the bank to do so. Interest earned on bank accounts and interest charged on overdrafts are recorded as respectively, 'interest receivable' and 'interest payable' in the periods to which they relate. Bank charges are recorded as operating expenditure in the periods to which they relate.

## 1.13 Research and development

Expenditure on research is not capitalised. Expenditure on development is capitalised if it meets the following criteria:

- there is a clearly defined project;
- the related expenditure is separately identifiable;
- the outcome of the project has been assessed with reasonable certainty as to:
  - its technical feasibility and;
  - its resulting in a product or service which will eventually be brought into use;
- the trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate resources exist, or are reasonably expected to be available, to enable the project to be completed and to provide any consequential increases in working capital.
- the Trust can measure reliably the expenses attributable to the asset during development.

Expenditure so deferred is limited to the value of future benefits expected and is amortised through the Statement of Comprehensive Income on a systematic basis over the period expected to benefit from the project. It is revalued on the basis of current cost. Expenditure which does not meet the criteria for capitalisation is treated as an operating cost in the year in which it is incurred. Where possible NHS Foundation Trusts disclose the total amount of research and development expenditure charged in the Statement of Comprehensive Income separately. However where research and development activity cannot be separated from patient care activity it cannot be identified and is therefore not separately disclosed.

Non-current assets acquired for use in research and development are amortised over the life of the associated project.

#### 1.14 Provisions

The Trust provides for legal or constructive obligations that are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation where it is more likely than not that an outflow of resources embodying economic benefits will be required. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the HM Treasury's discount rates and mandated by HM Treasury.

#### 1.15 Risk pooling schemes

##### Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is disclosed at note 19. The Trust does not include any amounts relating to these cases in its accounts.

##### Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to the NHS Litigation Authority and in return receives assistance with the costs of claims arising. The annual membership contributions, and any 'excesses' payable in respect of particular claims are charged to operating expenses when the liability arises.

#### 1.16 Contingencies

Contingent liabilities are not recognised, but are disclosed in note 23, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

#### 1.17 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, 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 accrual basis with the exception of provisions for future losses.

#### 1.18 Taxation

##### Value Added Tax

Most of the activities of the 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. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

##### Corporation Tax

The FT is a Health Service Body within the meaning of s519A of the Income and Corporation Tax Act 1988 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this. There is a power for HM Treasury to dis-apply the exemption in relation to specified activities of an NHS Foundation Trust (s519A (3) to (8) of the Income and Corporation Taxes Act 1988). Accordingly, the FT is potentially within the scope of corporation tax in respect of activities which are not related to, or are ancillary to, the provision of healthcare, and where the profits there from exceed £50,000 per annum. Until the exemption is dis-applied then the FT has no corporation tax liability.

#### 1.19 Leases

##### Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

For finance liabilities 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 so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease asset and liability is de-recognised when the liability is discharged, cancelled or expires.

#### 1.19 Leases (continued)

##### Lessor of assets

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

##### Operating leases

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

##### Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

#### 1.20 Accounting standards that have been issued but have not yet been adopted

##### IASB standard and IFRIC interpretations

The following accounting standards have been issued but are not yet effective or adopted by Monitor. The FT cannot adopt new standards unless they have been adopted in the FT ARM issued by Monitor. The FT ARM generally does not adopt an international standard until it has been endorsed by the European Union for use by listed companies. In some cases, the standards may be interpreted in the FT ARM and therefore may not be adopted in their original form. The analysis below describes the anticipated timetable for implementation and the likely impact on the assumption that no interpretations are applied by the FT ARM.

##### i) IFRS 9 - Financial Instruments

This standard will eventually replace IAS 39. It is applicable for periods beginning on or after 1 January 2015, but the standard has not yet been EU endorsed and therefore by HM Treasury policy is not available for NHS Bodies to apply.

##### ii) IFRS10 - Consolidated Financial Statements

This standard was published by the IASB in May 2011 with an effective date of 2014/15 but has not yet been adopted by the EU.

##### iii) IFRS 11 - Joint arrangements

This standard was published by the IASB in May 2011 with an effective date of 2014/15 but has not yet been adopted by the EU.

##### iv) IFRS 12 - Disclosure of interests in Other Entities

This standard was published by the IASB in May 2011 with an effective date of 2014/15 but has not yet been adopted by the EU.

##### v) IFRS 13 - Fair Value Measurement

This standard was published by the IASB in May 2011 with an effective date of 2013/14 but has not yet been adopted by Monitor. HM Treasury has delayed its adoption by government bodies while it finalises some adaptations. The impact on the financial statements is unknown until these adaptations are finalised.

##### vi) IAS 1 - Presentation of Financial Statements (Other Comprehensive Income)

This standard was published by the IASB in June 2011 with an effective date of 2013/14.

##### vii) IAS 12 - Income Taxes amendment

This standard was published by the IASB in December 2010 with an effective date of 2013/14.

##### viii) IAS 19 - (Revised) Employee benefits

This standard was published by the IASB in June 2011 with an effective date of 2013/14..

##### ix) IAS 27 - Separate Financial Statements

This standard was published by the IASB in May 2011 with an effective date of 2014/15 but has not yet been adopted by the EU.

Until 31 March 2013, HM Treasury agreed to exempt NHS Foundation Trusts from consolidating NHS charitable funds over which they have control, typically where the Board of the NHS Foundation Trust is the corporate trustee of the Charitable Fund. The interpretation of accounting standard IAS 27, Consolidated and Separate Financial Statements, with regard to this matter is inconclusive and this issue has been examined by a working group of the Financial Reporting Advisory Board (FRAB), the results of which are awaited.

In 2013/14 it is likely that the FT ARM will delete the present exemption from consolidating NHS charitable funds that are controlled by NHS Foundation Trusts.

**1.21 Accounting standards that have been issued but have not yet been adopted (continued)**

**ix) IAS 27 - Separate Financial Statements (revised 2011) (continued)**

If this were to happen, the effect on the FT's accounts would be to include the charitable fund's income and expenditure. Income and expenditure between the FT and the charitable fund will be eliminated on consolidation. The assets, liabilities and reserves of the charitable fund will also be consolidated. The FT's donated asset reserve largely represents past amounts received from the charitable funds and therefore will be eliminated on consolidation. (If the change in treatment of donated assets described above occurs then an amount equivalent to the donated asset reserve would be removed from the income and expenditure and revaluation reserves instead on consolidation.)

**x) IAS 28 - Associates and joint ventures (revised 2011)**

This standard was published by the IASB in May 2011 with an effective date of 2014/15 but has not yet been adopted by the EU.

**xi) IAS 32 and IFRS 7 - Financial Instruments; Presentation on Offsetting financial assets and liabilities**

This standard was published by the IASB in December 2011 with an effective date of 2014/15 but has not yet been adopted by the EU.

**xii) Annual improvements to IFRS 2011**

This standard is potentially applicable to 2013/14 but has not yet been endorsed by the EU and therefore by HM Treasury policy is not available for NHS bodies to apply.

**xiii) IPSAS - Service Concession Arrangement**

This standard is not mandatory because it is not an IFRS standard, however, HM Treasury may voluntarily choose to adopt certain principles in the FReM.

**1.22 Accounting standards that have been adopted early**

No new accounting standards or revisions to existing standards have been early-adopted in 2012/13.

**1.23 Financial instruments**

The Trust may hold any of the following assets and liabilities:

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities.

Liabilities: loans and overdrafts, long-term payables, long-term provisions arising from contractual arrangements, short-term payables, short-term provisions arising from contractual arrangements.

During the year none of the Board members or members of the key management staff or parties related to them has undertaken any material transactions with the Trust.

During the year the Trust has had a significant number of transactions with the Department of Health and Strategic Health Authorities, other NHS Foundation Trusts and NHS Trusts.

All other financial instruments are held for the sole purpose of managing the cash flow of the Trust on a day to day basis or arise from the operating activities of the Trust. The management of risks around these financial instruments therefore relates primarily to the Trust's overall arrangements for managing risks to the financial position.

**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 1.19.

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 Trust's loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income and other receivables.

### 1.23 Financial instruments (continued)

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 other 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, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to Finance Costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

#### Impairment of financial assets

At the statement of financial position date, the Trust assesses whether any financial assets, other than those held at 'fair value through profit or loss' are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the statement of comprehensive income and the carrying amount of the asset is reduced through the use of an allowance account/bad debt provision.

Provision for bad debts is calculated based on individual outstanding balances which are not financial assets and are unlikely to be recoverable.



## 2 Segmental reporting

The Trust's Chief Operating Decision Maker is the Board of Directors.

The Board of Directors functions as a corporate decision-making body. Officer and non-officer members are full and equal members. Their role as members of the Board of Directors is to consider the key strategic and managerial issues facing the Trust in carrying out its statutory and other functions.

The Trust has used three key factors in its identification of its reportable operating segments. The factors are that the reportable operating segment:

- engages in activities from which it earns revenues and incurs expenses.
- reports financial results which are regularly reviewed by the Trust's board of directors to make decisions about allocation of resources to the segment and assess its performance.
- has discrete financial information.

The Trust's reportable segments and services provided are:

- **Medical Services** - The services provided by this operating segment are those that are directed toward preventive, therapeutic or palliative treatment of a medical condition, including Oncology, Nephrology, Neurology, Rheumatology, Elderly and Palliative care.
- **Surgical Services** - The services provided by this operating segment include General Surgery and Urology, providing inpatient and outpatient care for emergencies and routine cases. There is a dedicated Day Case Unit. Specialist opinions are available for breast, vascular, upper gastro-intestinal, colorectal and urological disease.
- **Women's, Children's and Diagnostic Services** include Maternity, Gynaecology, Child Health, Radiology, Breast Care, Infection Control, Clinical Psychology, Dietetics, Physiotherapy, Occupational and Speech and Language Therapy.
- **Estates and Facilities Management** is responsible for Capital Developments, Environmental Services, Estates, Hotel Services, Medical Devices Support Services and Transport.
- **Trust-Wide & Other Services** include the Trust Board, Performance and Development, Education and Training, Nursing and Quality, Human Resources, Research & Development, Finance and Information, Health Informatics, Procurement and the Pharmacy Manufacturing Unit.

Pay is total staff costs as described in note 5.1. Income is reported by segment to the Chief Operating Decision Maker. Expenditure is monitored against plan or budget.

### For the year ended 31 March 2013

	Note	Medical Services	Surgical Services	Women's, Children's and Diagnostic Services	Estates & Facilities Management	Trust-Wide Services	TOTAL 2012/13
		£000	£000	£000	£000	£000	£000
Income from patient care	3.1	80,235	64,557	38,900	3,754	6,159	193,605
Other operating income	3.2	1,909	720	1,749	4,114	29,570	38,062
Income total		82,144	65,277	40,649	7,868	35,729	231,667
Pay		(35,950)	(38,347)	(32,415)	(11,015)	(23,426)	(141,153)
Non-pay		(23,529)	(16,134)	(8,266)	(10,575)	(17,748)	(76,252)
		<b>22,665</b>	<b>10,796</b>	<b>(32)</b>	<b>(13,722)</b>	<b>(5,445)</b>	<b>14,262</b>
Depreciation, amortisation and impairment of non-current assets							(12,556)
Financial income and expenses							(377)
PDC dividend payable							(2,490)
<b>Deficit</b>							<b>(1,161)</b>

### For the year ended 31 March 2012

	Note	Medical Services	Surgical Services	Women's, Children's and Diagnostic Services	Estates & Facilities Management	Trust-Wide Services	Restated TOTAL 2011/12
		£000	£000	£000	£000	£000	£000
Income from patient care	3.1	76,345	65,920	40,031	4,031	5,452	191,779
Other operating income	3.2	796	536	961	3,322	22,039	27,654
Income total		77,141	66,456	40,992	7,353	27,491	219,433
Pay		(33,462)	(36,053)	(31,557)	(11,187)	(20,804)	(133,063)
Non-pay		(20,279)	(15,295)	(8,320)	(10,567)	(15,269)	(69,730)
		<b>23,400</b>	<b>15,108</b>	<b>1,115</b>	<b>(14,401)</b>	<b>(8,582)</b>	<b>16,640</b>
Depreciation, amortisation and impairment of non-current assets							(23,973)
Financial income and expenses							(60)
PDC dividend payable							(2,862)
<b>Deficit</b>							<b>(10,255)</b>

Transactions between segments are made at cost and are netted off against the appropriate expenditure heading.

The Trust operates solely in the UK. Patients who are not resident in the UK are treated via reciprocal arrangements or are required to pay for their own treatment. £7,600 (£87,790 in 2011/12) came from patients who are not resident in the UK.

### 3 Income

	2012/13 £000	2011/12 £000
<b>3.1 Income from patient care activities</b>		
<b>3.1.1 Income from patient care activities - by activity</b>		
Elective income	40,556	40,344
Non elective Income	56,620	52,699
Outpatient income	46,639	45,566
A&E income	8,046	7,406
Other NHS clinical income	40,495	44,583
<b>Total income at full tariff (protected)</b>	<b>192,356</b>	<b>190,598</b>
Private patient income	455	523
Other non-protected clinical income	794	658
<b>Total income from patient care activities</b>	<b>193,605</b>	<b>191,779</b>

#### 3.1.2 Mandatory services

Mandatory services	192,356	190,598
Non-mandatory services	1,249	1,181
<b>Total services</b>	<b>193,605</b>	<b>191,779</b>

Under the terms of authorisation the Trust is required to provide the mandatory services. The allocation of operating income between mandatory services and other services is shown in the table above.

#### 3.1.3 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. Therefore a disclosure note is not required to demonstrate that the Trust has remained within the private patient income cap previously set by Monitor. However, details of the private patient income generated by the Trust is disclosed in note 3.1.4 below.

#### 3.1.4 Income from patient care activities - by source

	2012/13 £000	2011/12 £000
NHS Trusts	0	380
Primary Care Trusts	192,342	190,194
NHS Other	14	24
Non-NHS: private patients	447	435
Non-NHS: overseas patients (non-reciprocal)	8	88
Non-NHS: NHS Injury Scheme	794	647
Non-NHS: other	0	11
<b>Total income from patient care activities</b>	<b>193,605</b>	<b>191,779</b>

NHS Injury Scheme income is subject to a provision for doubtful debts of 12.6% (2011/12 10.5%) to reflect expected rates of collection.

### 3.2 Other operating income

	2012/13 £000	Restated 2011/12 £000
Research and development	1,622	1,703
Education and training	6,693	6,698
Charitable and other contributions to capital expenditure	372	1,012
Charitable and other contributions to revenue expenditure	894	748
Non-patient care services to other bodies	12,851	5,693
Reversal of impairments of property, plant and equipment	0	141
Revenue received from finance leases	23	25
Revenue received from operating leases	30	30
Other income	15,577	11,604
<b>Total other operating income</b>	<b>38,062</b>	<b>27,654</b>

Non-patient care services to other bodies includes £1.6m (2011/12 £1.5m) from hosting the Audit South West - Internal Audit Counter Fraud and Consultancy Services.

Other income includes £10.6m sales (2011/12 £9.8m) from the Pharmacy Manufacturing Unit.

#### Restatement of 2011/12 Comparative data

As a result of Monitors reporting requirements the income the Trust received from its Finance Leased Asset has now been reported within Operating Income as opposed to Finance income. The impact of the adjustment has been to increase Other Operating Income by £25,000 and reduce Finance Lease Income by £25,000.

#### 3.2.1 Operating lease income

	2012/13 £000	2011/12 £000
Rents recognised as income in the period	30	30
	<b>30</b>	<b>30</b>

#### 4 Operating expenses

##### 4.1 Operating expenses comprise:

	2012/13 £000	Restated 2011/12 £000
Services from other NHS Foundation Trusts	1,573	1,171
Services from NHS Trusts	532	549
Services from PCTs	23	0
Purchase of healthcare from non NHS bodies	1,456	377
Executive Directors' costs	800	866
Non Executive Directors' costs	130	132
Staff costs	139,033	132,065
Supplies and services - clinical (excluding drug costs)	20,432	21,481
Supplies and services - general	4,571	3,525
Establishment	2,357	2,143
Research and development (not included in employee expenses)	207	284
Research and development (included in employee expenses)	1,188	916
Transport	1,569	1,610
Premises	11,704	10,977
(Decrease) / Increase in provision for impairment of receivables	(121)	401
Drug costs (non inventory)	1,175	1,210
Drug Inventories consumed	20,550	17,715
Inventories written down	51	182
Rental under operating leases - minimum lease payments	957	916
Depreciation on property, plant and equipment	8,002	8,137
Amortisation on intangible assets	744	575
Impairments of property, plant and equipment	3,810	15,261
Audit services - statutory audit	71	71
Clinical negligence	3,870	3,745
(Gain) / Loss on disposal of other property, plant and equipment	(8)	(8)
Other	5,285	2,465
<b>Total operating expenses from continuing operations</b>	<b>229,961</b>	<b>226,766</b>

Included within 'Other' expenditure in 2012/13 are services and products bought on behalf of other NHS organisations totalling £1,752,000 (2011/12 £0) the cost of which are recharged to those NHS organisations - the income for which is reported within 'Non-Patient care services to other bodies' within Other Operating Income. Also included within 'Other' expenditure are Staff Training costs of £883,000 (2011/12 £671,000)

Staff costs reported in note 5.1 is higher than the employee expenditure reported above, due to some employee expenditure being capitalised.

##### Directors' remuneration and other benefits

Salaries	830	903
Employer's contribution to pension scheme	100	95
	<b>930</b>	<b>998</b>

In the year ended 31 March 2013, 6 directors (2011/12 6) accrued benefits under a defined benefit pension scheme.

##### Highest paid directors' remuneration and other benefits

Salaries	168	163
Employer's contributions to pension scheme	23	21
	<b>191</b>	<b>184</b>

##### Auditors' remuneration

PricewaterhouseCoopers LLP (PwC) have been the external auditors of the Trust since the financial year ending 31 March 2009. The audit fee for the statutory audit, including Quality Reports, in 2012/13 was £64,795 (2011/12 £71,754) excluding VAT. This was the fee for an audit in accordance with the Audit Code issued by Monitor in October 2007. No additional payments were made to the auditors for non-statutory audit. PwC also audit the accounts of South Devon Healthcare NHS Charitable Funds, the audit fee for the statutory audit in 2012/13 was £4,000 (2011/12 £4,000) excluding VAT.

The engagement letter signed in November 2012, states that the liability of PwC, its members, partners and staff (whether in contract, negligence or otherwise) shall in no circumstances exceed £1 million in the aggregate in respect of all services.

##### Restatement of 2011/12 expenditure

The 2011/12 comparative data has been restated. The Total operating expenses remains unchanged but the classification of expenditure within the note has been modified. Changes made to the note include the following: -

In line with Monitors revised requirements for 2012/13 Operating lease expenditure is now shown separately on the face of the operating expenditure note to the accounts. Previously operating expenditure was recorded against, Premises, Transport, and Supplies and Services Clinical and Non Clinical expenditure categories.

In line with Monitors updated Whole Government Accounting agreement of balances guidance, expenditure incurred with NHS bodies has now been charged to the most relevant expenditure category as opposed to being simply reported as NHS Expenditure. An example of this has been the reallocation of facilities charges for the use of Community Hospitals for Outpatient Clinics from expenditure with NHS Trusts to Premises.

In line with Monitors revised requirements for 2012/13, expenditure incurred on Research and Development is now split between the pay element of the research and development and the non - pay element.

#### 4.2 Arrangements containing an operating lease

	2012/13 Land £000	2012/13 Buildings £000	2012/13 Plant & Machinery £000	2012/13 Other £000	2012/13 Total £000
Minimum lease payments	0	459	247	251	957
	0	459	247	251	957

	2011/12 Land £000	2011/12 Buildings £000	Restated 2011/12 Plant & Machinery £000	Restated 2011/12 Other £000	2011/12 Total £000
Minimum lease payments	0	459	254	203	916
	0	459	254	203	916

#### Total future minimum lease payments

	Land 31 March 2013 £000	Buildings 31 March 2013 £000	Plant & Machinery 31 March 2013 £000	Other 31 March 2013 £000	Total 31 March 2013 £000
Payable:					
Not later than one year	0	459	160	391	1,010
Later than one and not later than five years	199	3,670	215	587	4,671
Later than five years	1,406	15,040	0	0	16,446
<b>Total</b>	<b>1,605</b>	<b>19,169</b>	<b>375</b>	<b>978</b>	<b>22,127</b>

#### Total future minimum lease payments

	Land 31 March 2012 £000	Buildings 31 March 2012 £000	Restated Plant & Machinery 31 March 2012 £000	Restated Other 31 March 2012 £000	Total 31 March 2012 £000
Payable:					
Not later than one year	0	459	247	408	1,114
Later than one and not later than five years	0	1,817	376	592	2,785
Later than five years	0	2,199	0	0	2,199
<b>Total</b>	<b>0</b>	<b>4,475</b>	<b>623</b>	<b>1,000</b>	<b>6,098</b>

During 2012/13, the Trust entered into a legally binding contract with Balfour Beatty Property Limited for the construction of a new Pharmacy Manufacturing Unit. At the end of the construction period, the Trust will be contractually obliged to enter into a lease agreement with the constructor or nominee. The lease is for a duration of 25 years, with the first payment being due to the contractor / lease nominee 9 months after construction is completed. The initial rent payable will be finalised at the end of the construction period, i.e. it is dependent upon the finalised gross internal area of the facility, but the initial rental is anticipated to be £0.5m per annum inclusive of VAT. Rent increases will occur every five years throughout the contract period and are fixed at 2.5% per annum. The total future minimum lease payments recorded above incorporates this new commitment. The values disclosed are inclusive of VAT. A proportion of VAT will be reclaimable on the lease payments made dependent upon the proportion of sales made to non NHS customers relative to total sales.

Also included in these commitments is £3.0m (2011/12 £3.4m) for Regent House, a building in Regent Close, Torquay, which has a 15 year lease expiring in 2021, with rent reviews every 5 years. The 'other' category relates to the lease of Lease Vehicles. The Trust places contracts for some lease vehicles on behalf of neighbouring NHS organisations. The value of the lease vehicle contractual commitments placed on behalf of NHS organisations included within the overall commitment value as at 31st March 2013 and as at 31st March 2012 is £0.3 m and £0.3m respectively. These costs when incurred are recharged to these NHS organisations.

#### Restatement of 2011/12 comparative data

In 2011/12 the expenses incurred on vehicle leases were combined with equipment leases within Plant and Machinery. The cost and future commitments of vehicle leases are now separately identified within the 'other' category

## 5 Staff costs and numbers

### 5.1 Staff costs

	2012/13			2011/12		
	Total £000	Permanently Employed £000	Other £000	Total £000	Permanently Employed £000	Other £000
Salaries and wages	114,899	111,259	3,640	109,798	104,904	4,894
Social Security Costs	8,736	8,572	164	8,414	8,300	114
Employer contributions to NHS pension scheme	13,762	13,499	263	13,237	13,052	185
Pension costs - other contributions	178	178	0	114	114	0
Termination benefits	201	201	0	628	628	0
Agency/contract staff	3,588	0	3,588	2,099	0	2,099
<b>Total staff costs</b>	<b>141,364</b>	<b>133,709</b>	<b>7,655</b>	<b>134,290</b>	<b>126,998</b>	<b>7,292</b>

During the year £343,000 of staff costs were capitalised (2011/12 £444,000).

### 5.2 Staff numbers (monthly average number of whole time equivalents)

	2012/13			2011/12		
	Total Number	Permanently Employed Number	Other Number	Total Number	Permanently Employed Number	Other Number
Medical and dental	411	398	13	418	406	12
Administration and estates	837	800	37	762	743	19
Healthcare assistants and other support staff	545	490	55	481	459	22
Nursing, midwifery and health visiting staff	1,031	954	77	1,013	957	56
Nursing, midwifery and health visiting learners	0	0	0	5	5	0
Scientific, therapeutic and technical staff	648	646	2	634	633	1
<b>Total staff numbers</b>	<b>3,472</b>	<b>3,288</b>	<b>184</b>	<b>3,313</b>	<b>3,203</b>	<b>110</b>

Staff numbers include directors on service contracts.

### 5.3 Retirements due to ill-health

This note discloses the number and additional pension costs for individuals who retired early on ill-health grounds during the year. There were 4 retirements (2011/12 2), at an additional cost of £250,000 (2011/12 £92,000). This information has been supplied by NHS Pensions.

#### 5.4 Staff Exit Packages paid in year

Exit package cost band	2012/13 Total number of exit packages by cost band	2011/12 Total number of exit packages by cost band
<£10,000	24	26
£10,000 - £25,000	3	16
£25,001 - £50,000	1	4
£50,001 - £100,000	1	1
<b>Total number of exit packages by type</b>	<b>29</b>	<b>47</b>
	<b>£000</b>	<b>£000</b>
<b>Total resource cost</b>	<b>201</b>	<b>628</b>

#### 6 Better Payment Practice Code

##### Measure of compliance

	2012/13		2011/12	
	Number	£000	Number	£000
Total Non-NHS trade invoices paid in the year	53,704	89,036	50,698	78,637
Total Non NHS trade invoices paid within target	47,559	79,865	45,050	69,300
Percentage of Non-NHS trade invoices paid within target	89%	90%	89%	88%
Total NHS trade invoices paid in the year	2,032	12,637	1,564	10,973
Total NHS trade invoices paid within target	1,773	11,491	1,362	9,586
Percentage of NHS trade invoices paid within target	87%	91%	87%	87%

The Better Payment Practice Code requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

#### 7 Financial income

	2012/13 £000	Restated 2011/12 £000
Interest on bank accounts	118	104
<b>Total financial income</b>	<b>118</b>	<b>104</b>

##### Restatement of 2011/12 comparative data

As a result of Monitors reporting requirements the income the Trust received from its Finance Leased Asset has now been reported within Operating Income as opposed to Finance income. The impact of the adjustment has been to increase Other Operating Income by £25,000 and reduce Finance Lease Income by £25,000.

#### 8 Financial expenses

	2012/13 £000	2011/12 £000
Interest on Loans from the Foundation Trust Financing Facility	387	53
Interest on Finance leases	8	15
<b>Total financial expenses</b>	<b>395</b>	<b>68</b>

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9 Intangible assets

9.1 Intangible assets 2012/13

	Software licences £000	Assets under Construction £000	Total £000
Fair value at 1 April 2012	3,476	432	3,908
Additions purchased	669	812	1,481
Reclassifications	575	(250)	325
<b>Gross cost at 31 March 2013</b>	<b>4,720</b>	<b>994</b>	<b>5,714</b>
Accumulated amortisation at 1 April 2012	1,890	0	1,890
Charged during the year	744	0	744
<b>Accumulated amortisation at 31 March 2013</b>	<b>2,634</b>	<b>0</b>	<b>2,634</b>
<b>Net book value</b>			
- Purchased at 1 April 2012	1,586	432	2,018
<b>- Total at 1 April 2012</b>	<b>1,586</b>	<b>432</b>	<b>2,018</b>
- Purchased at 31 March 2013	2,086	994	3,080
<b>- Total at 31 March 2013</b>	<b>2,086</b>	<b>994</b>	<b>3,080</b>

9.2 Intangible assets 2011/12

	Software licences £000	Assets under Construction £000	Total £000
Fair value at 1 April 2011	3,241	0	3,241
Additions purchased	0	432	432
Reclassifications	235	0	235
<b>Gross cost at 31 March 2012</b>	<b>3,476</b>	<b>432</b>	<b>3,908</b>
Accumulated amortisation at 1 April 2011	1,315	0	1,315
Charged during the period	575	0	575
Reclassifications	0	0	0
<b>Accumulated amortisation at 31 March 2012</b>	<b>1,890</b>	<b>0</b>	<b>1,890</b>
<b>Net book value</b>			
- Purchased at 1 April 2011	1,926	0	1,926
<b>- Total at 1 April 2011</b>	<b>1,926</b>	<b>0</b>	<b>1,926</b>
- Purchased at 31 March 2012	1,586	432	2,018
<b>- Total at 31 March 2012</b>	<b>1,586</b>	<b>432</b>	<b>2,018</b>



## 10 Property, plant and equipment

### 10.1 Property, plant and equipment 2012/13

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction and payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Cost or valuation at 1 April 2012</b>	5,775	61,597	3,663	6,866	40,018	1,418	11,548	3,721	134,606
Additions purchased	0	7,151	0	4,146	2,441	2	1,486	54	15,280
Additions donated	0	114	0	0	258	0	0	0	372
Reclassifications	0	3,900	0	(5,784)	856	23	667	13	(325)
Disposals	0	0	0	0	(4,773)	(868)	(123)	(57)	(5,821)
<b>Cost or Valuation at 31 March 2013</b>	<b>5,775</b>	<b>72,762</b>	<b>3,663</b>	<b>5,228</b>	<b>38,800</b>	<b>575</b>	<b>13,578</b>	<b>3,731</b>	<b>144,112</b>
<b>Accumulated depreciation at 1 April 2012</b>	0	0	0	0	29,450	1,164	7,992	3,155	41,760
Charged during the period	0	3,049	167	0	2,830	56	1,731	169	8,002
Impairments recognised in operating income and expenses (*see note 10.8)	0	3,768	42	0	0	0	0	0	3,810
Disposals	0	0	0	0	(4,731)	(859)	(115)	(49)	(5,754)
<b>Accumulated depreciation at 31 March 2013</b>	<b>0</b>	<b>6,817</b>	<b>209</b>	<b>0</b>	<b>27,549</b>	<b>361</b>	<b>9,608</b>	<b>3,275</b>	<b>47,818</b>
<b>Net book value</b>									
<b>- Total at 1 April 2012</b>	<b>5,775</b>	<b>61,598</b>	<b>3,663</b>	<b>6,866</b>	<b>10,568</b>	<b>254</b>	<b>3,556</b>	<b>566</b>	<b>92,846</b>
<b>- Total at 31 March 2013</b>	<b>5,775</b>	<b>65,946</b>	<b>3,454</b>	<b>5,228</b>	<b>11,251</b>	<b>214</b>	<b>3,970</b>	<b>456</b>	<b>96,293</b>

### 10.2 Analysis of property, plant and equipment

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction and payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
- Protected assets at 1 April 2012	5,465	39,715	0	0	0	0	0	0	45,180
- Un-protected assets at 1 April 2012	310	21,883	3,663	6,866	10,568	254	3,556	566	47,666
<b>Total at 1 April 2012</b>	<b>5,775</b>	<b>61,598</b>	<b>3,663</b>	<b>6,866</b>	<b>10,568</b>	<b>254</b>	<b>3,556</b>	<b>566</b>	<b>92,846</b>
- Protected assets at 31 March 2013	5,465	50,318	0	0	0	0	0	0	55,783
- Un-protected assets at 31 March 2013	310	15,628	3,454	5,228	11,251	214	3,970	456	40,511
<b>Total at 31 March 2013</b>	<b>5,775</b>	<b>65,946</b>	<b>3,454</b>	<b>5,228</b>	<b>11,251</b>	<b>214</b>	<b>3,970</b>	<b>456</b>	<b>96,294</b>

### 10.3 Property, Plant & Equipment Financing

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction and payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Purchased and Owned	5,775	62,257	3,454	5,191	9,668	214	3,833	439	90,831
Finance Leased	0	0	0	0	73	0	0	0	73
Donated and Owned	0	3,689	0	37	1,510	0	137	17	5,390
<b>Total at 31 March 2013</b>	<b>5,775</b>	<b>65,946</b>	<b>3,454</b>	<b>5,228</b>	<b>11,251</b>	<b>214</b>	<b>3,970</b>	<b>456</b>	<b>96,294</b>

#### 10.4 Property, plant and equipment 2011/12

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction and payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Cost or valuation at 1 April 2011</b>	16,224	58,142	3,448	4,597	38,963	1,478	10,816	3,681	137,349
Additions purchased	0	7,777	278	6,496	2,213	155	461	40	17,420
Additions donated	0	97	0	0	915	0	0	0	1,012
Reclassifications	0	3,155	0	(4,232)	338	0	504	0	(235)
Revaluations	(10,449)	(7,573)	(63)	5	0	0	4	0	(18,077)
Disposals	0	0	0	0	(2,411)	(215)	(237)	0	(2,863)
<b>Cost or Valuation at 31 March 2012</b>	<b>5,775</b>	<b>61,597</b>	<b>3,663</b>	<b>6,866</b>	<b>40,018</b>	<b>1,418</b>	<b>11,548</b>	<b>3,721</b>	<b>134,606</b>
<b>Accumulated depreciation at 1 April 2011</b>	0	(8,123)	(418)	(5)	29,370	1,330	6,487	2,993	31,634
Charged during the period	0	3,561	185	0	2,449	48	1,732	162	8,137
Impairments recognised in operating expenses	7,668	7,583	10	0	0	0	0	0	15,261
Reversal of impairments	0	(141)	0	0	0	0	0	0	(141)
Revaluations	(7,668)	(2,880)	223	5	0	0	0	0	(10,321)
Disposals	0	0	0	0	(2,369)	(214)	(227)	0	(2,810)
<b>Accumulated depreciation at 31 March 2012</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>29,450</b>	<b>1,164</b>	<b>7,992</b>	<b>3,155</b>	<b>41,760</b>
<b>Net book value</b>									
<b>- Total at 1 April 2011</b>	<b>16,224</b>	<b>66,265</b>	<b>3,866</b>	<b>4,602</b>	<b>9,593</b>	<b>148</b>	<b>4,329</b>	<b>688</b>	<b>105,715</b>
<b>- Total at 31 March 2012</b>	<b>5,775</b>	<b>61,598</b>	<b>3,663</b>	<b>6,866</b>	<b>10,568</b>	<b>254</b>	<b>3,556</b>	<b>566</b>	<b>92,846</b>

#### 10.5 Analysis of property, plant and equipment

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction and payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
- Protected assets at 1 April 2011	15,914	40,756	0	0	0	0	0	0	56,670
- Un-protected assets at 1 April 2011	310	25,509	3,866	4,602	9,593	148	4,329	688	49,045
<b>Total at 1 April 2011</b>	<b>16,224</b>	<b>66,265</b>	<b>3,866</b>	<b>4,602</b>	<b>9,593</b>	<b>148</b>	<b>4,329</b>	<b>688</b>	<b>105,715</b>
- Protected assets at 31 March 2012	5,465	39,715	0	0	0	0	0	0	45,180
- Un-protected assets at 31 March 2012	310	21,883	3,663	6,866	10,568	254	3,556	566	47,666
<b>Total at 31 March 2012</b>	<b>5,775</b>	<b>61,598</b>	<b>3,663</b>	<b>6,866</b>	<b>10,568</b>	<b>254</b>	<b>3,556</b>	<b>566</b>	<b>92,846</b>

#### 10.6 Property, Plant & Equipment Financing

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction and payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Purchased and Owned	5,775	57,858	3,663	6,829	8,498	254	3,302	543	86,722
Finance Leased	0	0	0	0	121	0	0	0	121
Donated and Owned	0	3,740	0	37	1,949	0	254	23	6,003
<b>Total at 31 March 2012</b>	<b>5,775</b>	<b>61,598</b>	<b>3,663</b>	<b>6,866</b>	<b>10,568</b>	<b>254</b>	<b>3,556</b>	<b>566</b>	<b>92,846</b>

#### 10.7 Net Book value of Property, plant and equipment in the Revaluation Reserve as at 31st March 2012

	Land £'000	Buildings excluding Dwellings £'000	Dwellings £'000	Assets under Construction £'000	Plant & Machinery £'000	Furniture & Fittings £'000	Total £'000
As at 1 April 2011	2,781	27,226	3,543	28	2,945	11	36,534
Movement in Year	(2,781)	(4,750)	(286)	(28)	(146)	0	(7,991)
<b>At 31st March 2012</b>	<b>0</b>	<b>22,476</b>	<b>3,257</b>	<b>0</b>	<b>2,799</b>	<b>11</b>	<b>28,543</b>

#### Net Book value of Property, plant and equipment in the Revaluation Reserve as at 31st March 2013

	Land £'000	Buildings excluding Dwellings £'000	Dwellings £'000	Assets under Construction £'000	Plant & Machinery £'000	Furniture & Fittings £'000	Total £'000
As at 1 April 2012	0	22,476	3,257	0	2,799	11	28,543
Movement in Year	0	(543)	(42)	0	(261)	(3)	(849)
<b>As at 31st March 2013</b>	<b>0</b>	<b>21,933</b>	<b>3,215</b>	<b>0</b>	<b>2,538</b>	<b>8</b>	<b>27,694</b>

#### 10.8 Revaluation of assets brought into use during 2012/13

During the financial year the Trust brought into use three significant capital construction schemes, these being the refurbishment of a clinical ward, implementation of fire safety works and the complete refurbishment of two operating theatres. In line with standard accounting practice and as the basis of the Modern Equivalent Asset (MEA) valuation assumes a ground up build in a green field site environment, the Trust requested the District Valuer to assess whether an MEA valuation adjustment was required for these assets when they were first brought into use. The assessment made by the District Valuer demonstrated that significant value had been made to the capital estate but that an MEA impairment was required to be recognised in the Trust accounts. The total value of the impairment totals £3,810k. Of the impairment value charged to operating expenditure, a proportion of the cost related to assets with a balance held in the revaluation reserve at 1st April 2012. The sum held in the revaluation reserve in respect of these impaired assets totalled £585k. In line with accounting standards this balance has been transferred through the Statement of changes in taxpayers equity from the revaluation reserve to the income and expenditure reserve.

	Buildings excluding Dwellings £'000	Total £'000
PPE Depreciation - Impairments Charged to Income and Expenditure	3,810	3,810
<b>Sub-total</b>	<b>3,810</b>	<b>3,810</b>
Of which, the impairment charge that can be charged to the revaluation reserve		(585)
<b>Total Impairment Charge for 2012/13 to Income and Expenditure Reserve</b>		<b>3,225</b>

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11 Inventories

	31 March 2013 £000	31 March 2012 £000
<b>11.1 Inventories balances</b>		
Drugs	1,408	1,315
Consumables	2,396	1,894
Energy	44	39
Inventories carried at fair value less costs to sell	1,874	1,828
<b>Total</b>	<b>5,722</b>	<b>5,076</b>

	2012/13 £000	2011/12 £000
<b>11.2 Inventory Movements and Inventories recognised in expenses</b>		
Carrying value at 1 April	5,076	4,889
Additions	30,884	28,752
Inventories recognised as an expense in the period	(30,187)	(28,383)
Write-down of inventories (including losses)	(51)	(182)
<b>Carrying value at 31 March</b>	<b>5,722</b>	<b>5,076</b>

12 Trade and other receivables

	31 March 2013 £000	31 March 2012 £000
<b>12.1 Trade and other receivables balances</b>		
<b>Current</b>		
NHS receivables - Revenue	5,903	4,295
Receivables due from NHS Charities	67	0
Provision for impaired receivables	(396)	(563)
Prepayments	1,938	1,761
Accrued income	697	1,402
Finance lease receivables	0	0
PDC dividend receivable	47	445
Other receivables *	2,250	2,525
	<b>10,506</b>	<b>9,865</b>
<b>Non-current</b>		
Finance lease receivables	425	425
Other receivables *	1,460	1,325
	<b>1,885</b>	<b>1,750</b>
<b>Total trade and other receivables</b>	<b>12,391</b>	<b>11,615</b>

\* Other receivables includes Non-NHS Trade and Non-NHS Pharmacy Manufacturing Unit (PMU) receivables totalling £1,051,000 (2011/12 £1,064,000) and NHS Recovery Unit receivables of £1,881,000 (2011/12 £1,637,000). The PMU manufactures and sells pharmaceutical products to both NHS and non-NHS customers.

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	31 March 2013 £000	31 March 2012 £000
<b>12.2 Provision for impairment of receivables</b>		
Balance at 1 April	563	331
Increase in provision	442	401
Amounts utilised	(46)	(169)
Unused amounts reversed	(563)	0
<b>Balance at 31 March</b>	<b>396</b>	<b>563</b>

The provision for impaired receivables includes £188,000 (2011/12 £290,000) for impairment of NHS receivables.

<b>12.3 Ageing of impaired receivables</b>		
0-30 days	130	59
30-60 days	2	55
60-90 days	3	49
90-180 days	58	114
over 180 days	203	286
<b>Total</b>	<b>396</b>	<b>563</b>

<b>12.4 Receivables past their due date but not impaired</b>		
0-30 days	141	31
30-60 days	110	23
60-90 days	60	48
90-180 days	28	61
over 180 days	94	77
<b>Total</b>	<b>433</b>	<b>240</b>

**13 Finance lease receivables**

**Gross lease receivables**

	<b>Minimum lease receivables</b>	
	31 March 2013 £000	31 March 2012 £000
<b>Gross lease receivables</b>	<b>1,809</b>	<b>2,009</b>
of which those receivable		
- not later than one year	23	25
- later than one year and not later than five years	93	100
- later than five years	1,693	1,884
	<b>1,809</b>	<b>2,009</b>
Unearned interest income	(1,384)	(1,584)
<b>Net lease receivables</b>	<b>425</b>	<b>425</b>
of which those receivable:		
- not later than one year	0	0
- later than one year and not later than five years	3	1
- later than five years	422	424
	<b>425</b>	<b>425</b>

This relates to the lease of the Torquay Ambulance Station to the South West Ambulance Service NHS Trust, which expires in 2091.

14 Trade and other payables

	31 March 2013 £000	Restated 31 March 2012 £000
<b>Current</b>		
Receipts in advance	132	26
NHS payables	552	360
Capital trade payables	2,658	1,628
Other trade payables	3,928	4,954
Social Security costs	2,926	2,879
Other payables *	3,286	2,646
Accruals **	6,311	8,750
	<b>19,793</b>	<b>21,243</b>

\* Other payables include: - £1,877,000 (2011/12 £1,689,000) outstanding pensions contributions at 31 March 2013

\*\* Accruals includes holiday pay of £981,000 (2011/12 £905,000) and property, plant and equipment of £444,000 (2011/12 £1,143,000)

**Restatement of 2011/12 Comparative data**

The value of the accruals as at 31st March 2012 has been increased by £49,000 in respect of accrued Foundation Trust Financing Facility accrued loan interest. Previously this accrued interest had been reported as part of the Borrowings balance. The value reported under Borrowings now only reflects the value of loan principal repayable. A compensating adjustment has been made to the value of Borrowings as at 31st March 2012.

15 Other liabilities

	31 March 2013 £000	31 March 2012 £000
<b>Current</b>		
Deferred income	541	769

In 2012/13, deferred income includes £531,000 (2011/12 £521,000) relating to education contracts

16 Borrowings

	31 March 2013 £000	Restated 31 March 2012 £000
<b>Current</b>		
Loans from Foundation Trust Financing Facility	869	207
Obligations under finance leases (note 18)	60	55
	<b>929</b>	<b>262</b>

**Restatement of 2011/12 Comparative data**

The value of the current loans from the Foundation Trust Financing Facility (FTFF) at 31st March 2012 has been reduced by £49,000 in respect of accrued FTFF accrued loan interest. Previously this accrued interest had been reported as part of the Borrowings balance. The value reported under Borrowings now only reflects the value of loan principal repayable. A compensating adjustment has been made to the value of Accruals as at 31st March 2012.

**Non-current**

Loans from Foundation Trust Financing Facility	15,991	8,153
Obligations under finance leases (note 18)	16	78
	<b>16,007</b>	<b>8,231</b>

During 2011/12, the Trust entered into two loan agreements with the Foundation Trust Financing Facility (FTFF). One loan is being used to invest in Torbay Hospital to enable the replacement of ageing infrastructure and to improve its patient facilities. The other loan is being used to enable the Trust to expand its current Pharmacy Manufacturing Unit (PMU) to meet increasing demand from both NHS and Non-NHS customers. In 2012/13, the Trust entered into another loan agreement with the FTFF. This loan again was to enable the replacement of ageing infrastructure and to improve patient facilities. The value of loans approved as at 31st March 2013 and the drawdown thereon are listed below. The PMU loan is repayable over a 9 year period in equal instalments, the first principal repayment being due in September 2014. The 2011/12 Torbay Hospital infrastructure loan is repayable over a 19 year period and the first principal repayment was made in December 2012. The 2012/13 Torbay Hospital infrastructure loan is again repayable over a 19 year period with the first repayment being due in September 2013. Interest rates on both loans are fixed for the duration of the loan and interest is payable to the Foundation Trust Financing Facility bi-annually. The annual interest rate of the 2011/12 Torbay Hospital Infrastructure loan is 3.41%. The annual interest rate of the 2012/13 Torbay Hospital Infrastructure loan is 1.9%. The annual interest rate of the PMU loan is 3.14%.

	Torbay Hospital Infrastructure Loans 31 March 2013 £000	Pharmacy Manufacturing Loan 31 March 2013 £000	Total 31 March 2013 £000	Restated Total 31 March 2012 £000
Total value of Loans approved	20,000	16,000	36,000	26,000
Gross Loan Principal drawdown as at 31st March	16,250	880	17,130	8,360
Repayments made during the period	(270)	0	(270)	0
Total Liability as at 31st March	15,980	880	16,860	8,360
Principal Repayable within one year	869	0	869	207
Principal Repayable after one year	15,111	880	15,991	8,153

17 Finance lease obligations (i.e. as lessee)

	Minimum lease payments 31 March 2013 £000	31 March 2012 £000
<b>Amounts payable under finance leases</b>		
of which liabilities are due		
- not later than one year	63	63
- later than one year and not later than five years	16	79
<b>Gross lease liabilities</b>	<b>79</b>	<b>142</b>
Less:		
Finance charges allocated to future periods	(3)	(9)
<b>Net lease liabilities</b>	<b>76</b>	<b>133</b>
Included in:		
Current borrowings	60	55
Non-current borrowings	16	78

## 18 Prudential borrowing limit

	2012/13 £000	2011/12 £000
Total long term borrowing limit set by Monitor	51,800	51,900
Working capital facility agreed by Monitor	15,000	15,000
<b>Total Prudential Borrowing Limit</b>	<b>66,800</b>	<b>66,900</b>

The Trust has a prudential borrowing limit (PBL) of £66.8 million in 2012/13 (2011/12 £66.9 million). The Trust has approved loans of £36 million (£16 million relates to the expansion of the Pharmacy Manufacturing Unit (PMU) and £20 million for Estates backlog maintenance (£10 million for FY 2011/12 and £10 million for FY 2012/13). The total amount of loan principal outstanding as at 31 March 2013 is £16.9million (31 March 12 £8.4 million).

The Trust has an actual working capital facility of £15 million (2011/12 £15 million) in place during 2012/13 within its approved limit of £15 million (2011/12 £15 million). The Trust has not drawn down against this facility in the period.

The Trust is required to comply with and remain within the prudential borrowing limit. This is made up of two elements:

- the maximum current amount of long term borrowing. This is set by reference to the four ratio tests set out in Monitor's Prudential Borrowing Code. The financial risk rating set under Monitor's Compliance Framework determines one of the ratios and therefore impact upon long term borrowing limit.

Following the adoption of International Financial Reporting Standards (IFRS) by NHS Foundation Trusts (NHSFTs) from 1 April 2009, and the bringing of PFI funded schemes on to the Statement of Financial Position, Long-Term Borrowing limits will be determined by a two tier system.

### Tier 1 Long-Term Borrowing limit ('Tier 1 limit')

A Tier 1 limit will be set by Monitor for NHSFTs based on their annual plans and in accordance with the ratios in Table 1 below.

### Tier 2 Long-Term Borrowing limit ('Tier 2 limit')

A Tier 2 limit is available, in appropriate circumstances, to accommodate affordable 'major investments' (as defined in the Compliance Framework) including PFI schemes. The tests are set out in Table 2 below. The Trust has not submitted a request for a tier 2 limit in 2011/12.

- The amount of any working capital facility approved by Monitor.

Further information on the NHS Foundation Trusts Prudential Borrowing Code and Compliance Framework can be found on the website of Monitor, the Independent Regulator of Foundation Trusts.

**Table 1 - Tier 1 PBC Ratio Tests**

Financial ratio	Actual ratio 2012/13	Approved PBL ratios 2012/13	Actual ratio 2011/12	Approved PBL ratios 2011/12
Minimum dividend cover	5 X	> 1 X	5 X	> 1 X
Minimum interest cover	35 X	> 3 X	133 X	> 3 X
Minimum debt service cover	31X	> 2 X	101 X	> 2 X
Maximum debt service to revenue	0.2%	< 2.5%	0.1%	< 2.5%

The actual maximum debt/capital ratio includes a cumulative charge of £16.9 million charged against PBL which represents the loan drawn down amounting to £16.8m and finance lease taken out prior to the Trust becoming a Foundation Trust totalling £0.1 million.

**Table 2 - Tier 2 Cap Ratio Tests**

Financial ratio	Actual PBL ratios 2012/13	Approved PBL ratios 2012/13
Minimum dividend cover	5 X	> 1 X
Minimum interest cover	35 X	> 2 X
Minimum debt service cover	31 X	> 2 X
Maximum debt service to revenue	0.2%	< 10%

## 19 Provisions

	31 March 2013 £000	31 March 2012 £000
<b>Current</b>		
Pensions relating to other staff	269	250
Legal claims	174	108
	<b>443</b>	<b>358</b>

### Non-current

Pensions relating to other staff	3,735	3,331
	<b>3,735</b>	<b>3,331</b>

	Pensions relating to other staff £000	Legal claims £000	Total £000
At 1 April 2012	3,581	108	3,689
Change in the discount rate	188	0	188
Arising during the period	416	113	529
Utilised during the period	(278)	(14)	(292)
Reversed unused	(3)	(33)	(36)
Unwinding of discount	100	0	100
<b>At 31 March 2013</b>	<b>4,004</b>	<b>174</b>	<b>4,178</b>

### Expected timing of cash flows:

- not later than one year	269	174	443
- later than one year and not later than five years	1,018	0	1,018
- later than five years	2,717	0	2,717
<b>At 31 March 2013</b>	<b>4,004</b>	<b>174</b>	<b>4,178</b>

At 1 April 2011	3,430	173	3,603
Change in the discount rate	42	0	42
Arising during the period	278	86	364
Utilised during the period	(256)	(68)	(324)
Reversed unused	(9)	(83)	(92)
Unwinding of discount	96	0	96
<b>At 31 March 2012</b>	<b>3,581</b>	<b>108</b>	<b>3,689</b>

### Expected timing of cash flows:

- not later than one year	250	108	358
- later than one year and not later than five years	932	0	932
- later than five years	2,399	0	2,399
<b>At 31 March 2012</b>	<b>3,581</b>	<b>108</b>	<b>3,689</b>

The provision entitled 'Pensions relating to other staff' has two components. The provisions for early retirement pensions and for injury benefit payments to staff have been based on information from NHS Pensions. The principal uncertainty relating to this is the life expectancy of the beneficiaries.

The provision entitled 'Legal claims' relates to personal injury claims received from employees and members of the public. These claims have been quantified according to guidance received from the NHSLA and the relevant insurance companies. Due to the inherent uncertainty of this type of claim it has been assumed that any of the claims being dealt with by the insurance companies will be settled and paid during the period ending 31 March 2014. The potential liability has been split into two parts with one part being provided for and the second part included in Contingencies at Note 23.

£19.7 million (2011/12 £17.4 million) is included in the provisions of the NHSLA at 31 March 2013 in respect of clinical negligence liabilities of the Trust.



20 Notes to the Statement of cash flows

Cash and cash equivalents

	31 March 2013 £000	31 March 2012 £000
At 1 April	16,454	14,154
net change in year	161	2,300
At 31 March	16,615	16,454
<b>Broken down into:</b>		
Cash at commercial banks and in hand	127	75
Cash with the Office of the Paymaster General/Government Banking Service	16,488	16,379
<b>Cash and cash equivalents as in SoFP</b>	<b>16,615</b>	<b>16,454</b>
<b>Cash and cash equivalents as in SoCF</b>	<b>16,615</b>	<b>16,454</b>

21 Capital Commitments

Commitments under capital expenditure contracts for property, plant and equipment at 31 March 2013 were £1,353,000 (2011/12 £2,905,000).

22 Events after the reporting year

**Capital Commitment**

The Trust will be entering into a contract with a contractor for the internal fit out of the new Pharmacy Manufacturing Unit which is currently being constructed. Please refer to note 4.2 for further details of this leased building. The value of the contract is estimated to be £15.9m inclusive of VAT. This construction contract is being funded by a secured Foundation Trust Financing Facility Loan. Please refer to note 17 for further details of the loan.

**Operating Lease Receivable**

The Trust has entered into a lease agreement with Devon Partnership NHS Trust (DPT). The Lease agreement enables DPT to rent part of the Torbay Hospital site from the Trust for a period 17 years - Lease expires 31st March 2020. The agreement can be cancelled by DPT serving 12 months notice. If notice was served by DPT no financial penalty would be payable to the Trust at the end of the lease period. The rental income payable under the agreement will be recalculated on an annual basis throughout the 17 year lease period. The income receivable is calculated from the sum of two components. The first component being an opportunity cost payable to the Trust of £30,000 per annum and the second component being the forecast capital charges the Trust will incur in respect of the leased asset.

23 Contingent liabilities

	31 March 2013 £000	31 March 2012 £000
Contingent liabilities (gross value)	(176)	(80)
<b>Net value of contingent liabilities</b>	<b>(176)</b>	<b>(80)</b>

**Personal injury claims**

The Trust receives a number of personal injury claims from employees and members of the public. The NHSLA administer the scheme and provide details of the liability and likely value of claims. The value of the claims which have been assessed as being unlikely to succeed for which no provision has been made in the annual report and accounts is £96,000 (2011/12 £30,000).

The Trust has also been informed of 8 potential additional personal injury claims. These have not yet been verified or assessed by the NHSLA and may not materialise. Given the level of uncertainty, these have been disclosed as a contingent liability. The potential maximum liability is £80,000 (2011/12 £0).

**Equal pay claims**

No new equal pay claims have been received. All existing claims have been processed and paid, with the exception of one unpaid claim, which has been accrued as a creditor in these accounts. There is therefore no contingent liability (2011/12 £50,000).

## 24 Related Party Transactions

South Devon Healthcare NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health. The independent Regulator of NHS Foundation Trusts ('Monitor') and other NHS Foundation Trusts are considered Related Parties.

The Trust is a public benefit corporation established under the NHS Act 2006. Monitor, the Regulator of NHS Foundation Trusts has the power to control the Trust within the meaning of IAS 27 'Consolidated and Separate Financial Statements' and therefore can be considered as the Trust's parent. Monitor does not prepare group accounts but does prepare separate NHS Foundation Trust Consolidated Accounts. The NHS Foundation Trust Consolidated Accounts are then included within the Whole of Government Accounts. Monitor is accountable to the Secretary of State for Health. The Trust's ultimate parent is therefore HM Government.

During the year none of the Board members or members of the key management staff or parties related to them has undertaken any material transactions with the Trust.

During the year the Trust has had a significant number of transactions with the Department of Health and Strategic Health Authorities, other NHS Foundation Trusts and NHS Trusts.

In addition the Trust has had a number of material transactions with other Government Departments and other Central and Local Government Departments. Most of these transactions have been with HM Revenue and Customs, National Insurance Fund, NHS Pensions and Torbay Council.

The Trust's income is mainly derived from contracted and non-contracted income for the provision of patient care.

The principal related party entities included in income and expenditure are: -

	Income 2012/13 £000	Income 2011/12 £000	Receivables 31 March 2013 £000	Receivables 31 March 2012 £000
Torbay Care Trust	97,635	104,271	321	3,491
NHS Devon	83,156	80,416	2,694	228
Department of Health and Strategic Health Authorities	7,697	7,399	574	454
Torbay and Southern Devon Healthcare NHS Trust	6,802	0	1,661	0
NHS Foundation Trusts	5,142	4,597	1,032	537
Other NHS organisations	18,113	13,105	1,205	1,822
Local Government and Central Government	1,557	1,203	195	121
	<b>220,102</b>	<b>210,991</b>	<b>7,682</b>	<b>6,653</b>
	Expenditure 2012/13 £000	Expenditure 2011/12 £000	Payables 31 March 2013 £000	Payables 31 March 2012 £000
NHS Blood and Transplant Agency	1,127	1,258	(28)	(31)
NHS Litigation Authority	4,033	3,841	0	1
NHS Pension Scheme	13,762	13,237	1,907	1,717
HMRC and National Insurance Fund	8,736	8,414	2,926	2,879
Other NHS organisations	7,568	6,886	1,100	1,145
Other Local Government and Central Government	2,253	1,459	781	3
	<b>37,479</b>	<b>35,095</b>	<b>6,686</b>	<b>5,714</b>

The Trust has also received revenue contributions of £1,140,000 (2011/12 £830,000) and capital of £372,000 (2011/12 £1,012,000) from a number of charitable funds, including the South Devon Healthcare Charitable Fund, the Trustees for which are also members of the Trust Board. The registered number of the charity is 1052232, the registered office is Regent House, Regent Close, Torquay TQ2 7AJ. The charity had reserves of £3,915,000 as at 31st March 2013 and recorded an increase in funds of £91,00 during the year ended 31st March 2013.

The balance of receivables due from the South Devon Healthcare Charitable Fund at 31 March 2013 was £67,000 (2011/12 £0).

The Trust is a member of the Clinical Negligence Scheme for Trusts, administered by the NHSLA. Further details of balances are disclosed in Note 19 to the accounts.

Receivables are mainly trade receivables with the customers listed above, under standard terms and conditions. The total amount of provision for impaired receivables is £396,000 (2011/12 £563,000).

The Trust has entered into a contract with Torbay and Southern Devon CCG to provide it with patient services for 2013/14 which is comparable with the value of the 2012/13 contracts with Torbay Care Trust and NHS Devon.

Torbay and Southern Devon Healthcare NHS Trust (TSDH) was formed on 1st April 2012. TSDH provides community hospital services as well as adult social care to the population of South Devon. Previously, this service was provided by Torbay Care Trust. South Devon Healthcare NHS Foundation Trust provides support services to TSDH.

### Key management personnel

Key management includes directors, both executive and non-executive. The compensation paid or payable in aggregate to key management for employment services is shown in note 4.1.

None of the key management personnel received an advance from the Trust. The Trust has not entered into guarantees of any kind on behalf of key management personnel. There were no amounts owing to key management personnel at the beginning or end of the financial year.

## 25 Financial Instruments

A financial instrument is a contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another enterprise.

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities.

The financial assets and liabilities of the Trust are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

### Credit risk

Credit risk is the possibility that other parties might fail to pay amounts due to the Trust. Credit risk arises from deposits with banks as well as credit exposures to the Trust's commissioners and other receivables. Surplus operating cash is only invested with UK based Clearing banks. The Trust's cash assets are held with National Westminster Bank plc, the Office of the Government Banking Service and Citibank only. An analysis of the ageing of receivables and provision for impairment can be found at note 12, trade and other receivables.

Because of the continuing service provider relationship that the Trust has with local primary care trusts and the way those primary care trusts are financed, the Trust is not exposed to the degree of credit risk faced by many other business entities. Also, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 25 mainly applies.

### Liquidity risk

Liquidity risk is the possibility that the Trust might not have funds available to meet its commitments to make payments. Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding from an adequate amount of committed credit facilities. NHS Foundation Trusts are required to comply with the Prudential Borrowing Code made by Monitor, the Independent Regulator of Foundation Trusts, and further details of the Trust's compliance can be found at note 18, prudential borrowing limit.

The Trust's net operating costs are incurred largely under annual service agreements with local primary care trusts, which are financed from resources voted annually by Parliament. The Trust also largely finances its capital expenditure from internally generated funds. The Trust is not, therefore, exposed to significant liquidity risks.

The Trust has secured three Foundation Trust Financing Facility (FTFF) Loans, details of which are disclosed in note 16 to the accounts. These loans are being used to enable the Trust to invest in replacement infrastructure of Torbay Hospital and to enable the expansion of the Trusts Pharmacy Manufacturing Unit (PMU). Interest on these loans are fixed. The two infrastructure loans are repayable over a 18 year period and the PMU loan is repayable over a 9 year period. A condition of the FTFF loan is that the Trust must not breach its terms of authorisation as stipulated by Monitor.

### Market Risk

Market risk is the possibility that financial loss might arise as a result of changes in such measures as interest rates and stock market movements. The Trust's transactions are almost all undertaken in sterling and so it is not exposed to foreign exchange risk. It holds no significant investments other than short-term bank deposits. Other than cash balance, the Trust's financial assets and liabilities carry nil or fixed rates of interest and the Trust's income and operating cash flows are substantially independent of changes in market interest rates. Therefore, the Trust is not exposed to significant interest-rate risk.

25.1 Financial assets and liabilities by category

Loans and receivables	31st March 2013	31st March 2012
Assets as per statement of financial position	£000	£000
NHS Trade and other receivables excluding non-financial assets	7,431	6,087
Non-NHS Trade and other receivables excluding non-financial assets	2,975	3,321
Cash and cash equivalents	16,615	16,454
<b>Total at 31 March</b>	<b>27,021</b>	<b>25,862</b>

Other financial liabilities	31st March 2013	31st March 2012
Liabilities as per statement of financial position	£000	£000
Borrowings excluding finance leases	16,860	8,360
Obligations under finance leases	76	133
NHS Trade and other payables excluding non-financial liabilities	1,072	1,114
Non-NHS Trade and other payables excluding non-financial liabilities	15,664	17,224
Provisions under contract	174	108
<b>Total at 31 March</b>	<b>33,846</b>	<b>26,939</b>

Maturity of Financial Liabilities	31st March 2013	31st March 2012
	£000	£000
In one year or less	17,838	18,709
In more than one year but not more than two years	989	475
In more than two years but not more than five years	2,917	1,501
In more than five years	12,102	6,254
<b>Total at 31 March</b>	<b>33,846</b>	<b>26,939</b>

25.2 Fair values

The book value of assets and liabilities due after 12 months is the same as the fair value of the assets and liabilities.

South Devon Healthcare NHS Foundation Trust  
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**26 Intra-Government Balances**

	Receivables: amounts falling due within one year £000	Receivables: amounts falling due after more than one year £000	Payables: amounts falling due within one year 0
Balances with other Central Government Bodies	195	0	5,614
Balances with NHS Trusts and Foundation Trusts	6,951	0	1,072
Balances with Department of Health	536	0	0
<b>At 31 March 2013</b>	<b>7,682</b>	<b>0</b>	<b>6,686</b>
Balances with other Central Government Bodies	121	0	4,601
Balances with NHS Trusts and Foundation Trusts	6,082	0	894
Balances with Department of Health	450	0	219
<b>At 31 March 2012</b>	<b>6,653</b>	<b>0</b>	<b>5,714</b>

**27 Losses and Special Payments**

There were 35 (2011/12 33) cases of losses and special payments totalling £9,000 (2011/12 £8,000) paid for the year ended 31 March 2013.

Note: The total costs included in this note are on a cash basis and will not reconcile to the amounts in the notes to the accounts which are prepared on an accruals basis.





