

#### **Annual Report and Accounts 2014-2015**

for Frimley Park Hospital NHS Foundation Trust (Months 1-6) & Frimley Health NHS Foundation Trust (Months 7-12)

Frimley Park Hospital NHS Foundation Trust awarded first 'Outstanding' rating by Chief Inspector of Hospitals

### Frimley Park Hospital NHS Foundation Trust (Months 1-6)

Frimley Health NHS Foundation Trust (Months 7-12)

## Annual Report and Accounts 2014-2015

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

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#### STRATEGIC REPORT

#### Trust profile and overview

Frimley Health NHS Foundation Trust (FHFT), formerly known at Frimley Park Hospital NHS Foundation Trust (FPH), is a statutory body which acquired Heatherwood & Wexham Park Hospitals NHS Foundation Trust (H&WP) on 1 October 2014.







**Frimley Park Hospital** 

**Wexham Park Hospital** 

**Heatherwood Hospital** 

Services are delivered from three main hospital sites: Frimley Park Hospital near Camberley, Heatherwood Hospital in Ascot, and Wexham Park Hospital in Slough. Additionally, the Trust delivers outpatient and diagnostic services from Aldershot, Farnham, Fleet, Windsor, Maidenhead and Bracknell, bringing a range of services closer to these communities.

With over 8,000 employees and 1,100 beds across its three principal sites, Frimley Health NHS Foundation Trust provides NHS hospital services for 900,000 people in Berkshire, Hampshire, Surrey and South Buckinghamshire. As well as delivering a full range of district general hospital services to its population, the Trust provides specialist acute consultant delivered services across a wider catchment in the following areas:

- Primary percutaneous coronary intervention (PPCI: heart attack treatment)
- Vascular
- Stroke
- Spinal
- Cystic fibrosis
- Plastic surgery

Frimley Park Hospital has hosted a Ministry of Defence Hospital Unit since 1996 and a successful partnership has developed with military staff working alongside NHS colleagues.

Due to its consistently strong performance over several years, Frimley Park Hospital became a Foundation Trust on 1 April 2005, the first non-specialist foundation trust hospital in the South East region. As a foundation trust, it is accountable to its local community and aims to have a membership representative of its catchment area, with members providing feedback to the Trust on the services that it provides. Frimley Health NHS Foundation Trust has strong links to the community through its 24,528<sup>1</sup> foundation trust members representing patients, other stakeholders and staff.

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<sup>&</sup>lt;sup>1</sup> As at the end of March 2015.

In 2013, Frimley Park Hospital developed with staff its own set of organisational values. These best reflect the Trust's qualities, underpin its strategy, and focus on what matters most in providing excellent care to patients and continually improving.

Since the acquisition, these values were re-launched across the enlarged organisation to include staff based at Heatherwood and Wexham Park Hospitals. The values are summarised as:

- Committed To Excellence
- Working Together
- Facing The Future

In December 2013, Frimley Park Hospital was named Hospital Trust of the Year in the Dr Foster Hospital Guide 2013 for the South of England. The award followed four consecutive years of the Trust being ranked among the top 10 safest hospital trusts in the country by Doctor Foster.

Prior to the acquisition, the Care Quality Commission (CQC) undertook an inspection of Frimley Park Hospital during July and August 2014. Following the publication of the inspection report just before the acquisition date last year, Frimley Park Hospital became the first in the country to be rated as 'outstanding' under the CQC's new inspection regime. The CQC's Chief Inspector of Hospitals stated:

"When we [CQC] inspected Frimley Park Hospital, we found the vast majority of care to be outstanding. Even where we [CQC] rated services as good, these were found to be towards the upper end of that scale."

Since 1 October 2014, Frimley Health NHS Foundation Trust has had 10 operational directorates in the following areas:

- Emergency Department
- General Surgery and Urology
- Maternity and Gynaecology
- Medicine
- Orthopaedics and Plastics

- Pathology
- Paediatrics
- Radiology
- Specialist Surgery
- Theatres, Critical Care and Anaesthetics

Frimley Health is also proud to host a Ministry of Defence Hospital Unit which has been at Frimley Park Hospital since 1996 with military surgical, medical and nursing personnel fully integrated with the hospital's NHS staff, providing care to patients in all specialties.

Furthermore, there is a Parkside Private Suite located at Frimley Park Hospital. This is a dedicated unit providing inpatient and outpatient healthcare services using up-to-date technology, treatments, and diagnostic services. It is to be noted that any profits are reinvested directly into NHS patient care at Frimley Park Hospital.

#### Corporate strategy

The Trust is focused on delivering clinical excellence for patients through the sharing of leading practice across all sites to achieve consistently the highest standards of care nationally, using leading edge diagnostics and techniques to provide first rate consultant led services for patients. While the Trust already has several specialist acute services, it continues to look to develop high quality new ones. The

Trust will continue to work in and with its communities to deliver quality care in a local setting and to face the future with a continued drive for efficiency and improved service delivery.

#### Trust's objectives 2014-2015

During the pre-acquisition phase, in Quarters 1 and 2, Frimley Park Hospital NHS Foundation Trust had seven Trust objectives which were to:

- Achieve the compliance regime
- Progress the acquisition of Heatherwood and Wexham Park Hospitals NHS Foundation Trust
- Further enhance hyper-acute services
- Improve in-hospital care
- Expand services to deliver care locally
- Maximise non-NHS income
- Improve quality and efficiency.

With effect from Quarter 3 to the end of the financial year 2014-2015, Frimley Health revised its objectives to reflect the shift in priorities and focus in light of the acquisition. Accordingly, Frimley Health NHS Foundation Trust established five Trust objectives:

- Achieve the compliance regime for Frimley Health
- Deliver the integration plan
- Improve in-hospital care operational
- Improve in-hospital care strategic
- Expand services to deliver care locally through the integration agenda.

Some objectives were therefore carried over from Quarters 1 and 2 but applied Trust-wide. Improving inhospital care was divided into two objectives to focus on operational improvements and strategic improvements separately in the enlarged organisation. Each of the Trust objectives has multiple work streams and these have at least one executive lead associated.

#### Trust's objectives 2015-2016

Frimley Health has agreed its 2015-2016 Trust objectives, of which there are six:

- Pursue the highest level of quality, patient experience, and clinical outcomes
- Transform the Trust's infrastructure
- Develop staff and the culture at the Trust
- Break through traditional healthcare boundaries
- Develop leading edge services
- Keep control of resources

The Trust remains focused on providing excellent quality care to its patients and on continually improving, which is demonstrated by the objectives above.

#### Frimley Health's constituencies and the population

The health of the population that Frimley Health serves is variable. The table on the following two pages gives an overview of the health of the population by the eight districts that Frimley Health serves.

# <u>Local health economy overview</u>

	General health of population	Deprivation	Life expectancy (men and women)	Cause mortality rates over the last 10 years	Early death as a result of heart disease and stroke	Obesity in children (in year 6)	Levels of teen pregnancy, GCSEs, alcoholspecific hospital stay for under 18s, breast feeding and smoking in pregnancy	Adult smoking and physical activity	Adult obesity	Hip fractures in people aged 65 and over	Acute sexually transmitted infections
Bracknell Forest and Wokingham (data extracted from Public Health England reports produced 12 August and 7 October	Better than England average	Lower than England average	Higher than England average	Lower than England average	Lower than England average	Better than England average	Better than England average	Better than England average	Better than England average	Lower than England average	Lower than England average
Chiltern, South Buckinghamshire and Wycombe (data extracted from Public Health England reports produced 12 August 2014)	Better than England average	Lower than England average	Higher than England average	Lower than England average	Lower than England average	Better than England average	Better than England average <sup>2</sup>	Better than England average	Chiltern and South Buckinghamshire: better than England average Wycombe: worse than England average	Lower than England average	Lower than England average
Guildford, Waverley and Wokingham Public Health England reports produced 12 August 2014)	Better than England average	Lower than England average	Higher than England average	Lower than England average	Lower than England average	Better than England average	Better than England average	Varied compared with England average <sup>3</sup>	Better than England average	Guildford: lower than England average; Waverley and Woking: higher than England average	Lower than England average
Hart and East Hampshire (data extracted from Public Health England reports produced 12 August 2014)	Better than England average	Lower than England average	Higher than England average	Lower than England average	Lower than England average	Better than England average	Better than England average	Better than England average	Better than England average	Lower than England average	Lower than England average
Runnymede and Surrey Heath (data extracted from Public Health England reports produced 12 August 2014)	Better than England average	Lower than England average	Higher than England average	Lower than England average	Lower than England average	Better than England average	Better than England average	Better than England average	Runnymede: better than England average; Surrey Heath: similar to England	Higher than England average	Lower than England average

<sup>2</sup> Levels of teenage pregnancy, GCSE attainment and alcohol-specific hospital stay for those under the age of 18 only; breastfeeding and smoking in pregnancy not recorded <sup>3</sup> Guildford and Waverley - adult smoking and physical activity: better than England average. Woking, adult smoking: worse than England average; physical activity: better than England average.

	General health of population	Deprivation	<b>Life expectancy</b> (men and women)	Cause mortality rates over the last 10 years	Early death as a result of heart disease and stroke	Obesity in children (in year 6)	Levels of teen pregnancy, GCSEs, alcohol-specific hospital stay for under 18s, breast feeding and smoking in pregnancy	Adult smoking and physical activity	Adult obesity	Hip fractures in people aged 65 and over	Acute sexually transmitted infections
Rushmoor (data extracted from Public Health England report produced 12 August 2014)	Varied compared with England average	Lower than England average	Similar to England average	Similar to England average	Lower than England average	Better than England average	Teen pregnancies, GCSE attainment and alcohol-specific hospital stays: worse than England average. Smoking status at time of delivery and breastfeeding: better than England average	Better than England average	Better than England average	Higher than England average	Similar to England average
Slough (data extracted from Public Health England report produced 12 August 2014)	Varied compared with England average	Lower than England average	Lower than England average	Higher than England average	Higher than England average	Worse than England average	Better than England average	Worse than England average	Worse than England average	Higher than England average	Lower than England average
Windsor and Maidenhead (data extracted from Public Health England report produced 12 August 2014)	Better than England average	Lower than England average	Higher than England average	Lower than England average	Lower than England average	Better than England average	Better than England average	Better than England average	Better than England average	Lower than England average	Lower than England average

#### Local health priorities

The relevant priorities, as identified in the Health Profile 2014 for each of the areas or the Joint Strategic Needs Assessment, are detailed below. Where areas have been grouped and maintain different local priorities these have been listed separately.

Constituency	Local Priorities
Constituency Bracknell Forest and Wokingham (data extracted from Public Health England report produced 12 August 2014)	Bracknell Forest:  Local public health intelligence Smoking cessation Falls prevention  Wokingham: Long-term conditions Supporting older people to live at home Tackling obesity in primary school children
Chiltern, South Buckinghamshire and Wycombe (data extracted from Buckinghamshire County Council's Joint Strategic Needs Assessment Report)	<ul> <li>Chiltern, South Buckinghamshire and Wycombe:</li> <li>Local public health intelligence</li> <li>Physical activity</li> <li>Tackling obesity</li> </ul>
Guildford, Waverley and Woking (data extracted from Public Health England report produced 12 August 2014)	<ul> <li>Guildford: <ul> <li>Road injuries and deaths</li> <li>Alcohol and smoking</li> <li>Physical activity</li> </ul> </li> <li>Waverley: <ul> <li>Drugs, alcohol and crime</li> <li>Skin cancer</li> <li>Road injuries and death</li> </ul> </li> <li>Woking: <ul> <li>Alcohol and smoking</li> <li>Crime</li> </ul> </li> </ul>
Hart and East Hampshire (data extracted from Public Health England report produced 12 August 2014)	Hart:  Alcohol Healthy ageing Access to health services  East Hampshire: Chronic diseases Cancer Healthy ageing
Rushmoor (data extracted from Public Health England report produced 12 August 2014)	<ul> <li>Reducing drug and alcohol related harm</li> <li>Mental health</li> <li>Healthy weights</li> </ul>
Slough (data extracted from Public Health England report produced 12 August 2014)	<ul> <li>Slough:</li> <li>Crime reduction (violent crime and domestic abuse)</li> <li>Childhood obesity</li> <li>Cardiovascular disease in those aged 75, especially those with diabetes</li> </ul>
Surrey Heath and Runnymede (data extracted from Public Health England report produced 12 August 2014)	Surrey Heath:  Physical activity Alcohol Excess winter deaths Runnymede: Road injuries and death Alcohol Hip fractures
Windsor and Maidenhead (data extracted from Public Health England report produced 12 August 2014)	<ul> <li>Windsor and Maidenhead:</li> <li>Mental health (including dementia)</li> <li>Falls prevention and long-term conditions (Ageing population)</li> <li>Crime Reduction (violent crime and domestic abuse)</li> </ul>

Overall the Trust faces increasing demand for services due to a growing, diverse and ageing demographic in its core catchment area. Common priorities focus on alcohol, obesity, physical activity, caring for an ageing population, and cardiovascular and mental health.

#### Statement from the Chairman



Sir Mike Aaronson, Chairman

I am pleased to present the results of Frimley Park Hospital NHS Foundation Trust for the first six months to 30 September 2014 (months 1-6) and Frimley Health NHS Foundation Trust for the subsequent six months to 31 March 2015 (months 7-12). It is our first annual report as an enlarged organisation, following the acquisition on 1 October 2015 of Heatherwood and Wexham Park NHS Hospitals Foundation Trust.

This transaction allowed us to double in scale and become Frimley Health. It was an historic moment, not just for us but for the NHS, as it represented the first ever acquisition of one foundation trust by another. Since then we have made great progress in creating a unified Trust with a workforce sharing a common set of values and objectives.

The acquisition happened just a few days after another momentous announcement, when Frimley Park Hospital became the first in the country to be rated as 'outstanding', the highest accolade under the Care Quality Commission's (CQC's) new inspection regime. It followed an inspection in Quarter 2 in which the majority of services were recognised as outstanding. Even where aspects of the services were rated as 'good', these were considered to be towards the upper end of the scale.

All in all, it is no exaggeration to say that 2014-2015 has been the most significant to date in the Trust's history and the beginning of a new era for healthcare in our communities.

In his CQC report the Chief Inspector of Hospitals wrote of the 'stable long-serving leadership which remained focused on its strategy for improvement' and the 'passion of the executive team for excellence which has created a workforce of dedicated staff caring for people at Frimley Park Hospital'. These are among the key qualities the Trust will be calling on to address the challenges ahead; our task is to extend our successful leadership model across the wider organisation. Our vision is to deliver sustainable long-term healthcare services to the public across large parts of Berkshire, Hampshire, Surrey and South Buckinghamshire.

In last year's annual report, written as we were going through the process of deciding whether the acquisition would be in the best interests of patients, I outlined some of the underlying reasons why a high performing trust like Frimley Park would consider taking over another trust in difficulties.

Ultimately there are a number of strategic benefits that can only be realised by bigger organisations. The Five Year Forward View for the NHS that was set out in 2014 by NHS Chief executive Simon Stevens reiterated the view that growing pressures on the national service from an aging population living longer with chronic diseases made it unsustainable without major reconfiguration.

Our larger Trust with its greater catchment population puts us in a much better position to break down the barriers between health sectors and to work with commissioners and partners to create better models of care. In addition we are better placed to improve efficiency and develop more 24-hour NHS acute services, increase sub-specialisation, and repatriate some services locally.

All this was laid out in detail in the full business case that was prepared in the run up to the acquisition. The business case gave us confidence that the Trust could rise to the challenge of turning around an organisation in special measures after years of poor economic performance, a decline in standards, and a high turnover of managers. At the same time we had to be sure that the excellent reputation of Frimley Park Hospital created through many years of good performance would not be damaged.

The acquisition was overwhelmingly backed by both Boards of Directors and Councils of Governors, and I commend them on making bold decisions in the best interests of patients. It required one set of Directors and Governors to agree to dissolve their own organisation and the other to take on an additional challenge when the easy short-term option might have been to do nothing.

Faced with bringing together the workforce from the two organisations we have articulated a set of common values that reflect the Trust's qualities and outline what is expected of every member of staff in the way they treat patients, visitors, service users, and colleagues. The values 'Committed To Excellence, Working Together and Facing The Future' were first developed in 2013 by Frimley Park staff and have been adapted for Frimley Health. We have been encouraged by the enthusiasm with which colleagues have embraced the values and a recent survey showed that the vast majority of staff recognised them, understood them, and supported them.

Over the year there have been a number of changes to the Board of Directors. On October 1 2014 Lisa Glynn joined the Frimley Health Board as our Director for Operations for Wexham Park and Heatherwood Hospitals. Lisa was previously Chief Operating Officer at Heatherwood and Wexham Park NHS Foundation Trust. At the same time Helen Coe's post as Director of Operations was redefined as Director of Operations for Frimley Park Hospital.

On 14 October 2014 Mike O'Donovan, former Chairman of Heatherwood and Wexham Park Hospitals NHS Foundation Trust, was appointed as a Non-Executive Director of Frimley Health. Mike played a key role during the acquisition process and both he and Lisa bring with them a detailed understanding of the acquired organisation which will be invaluable to the Board of FHFT. On 28 February 2015 and 31 March 2015 respectively we sadly said goodbye to Non-Executive Directors Stephen Crouch and Tina Oakley. Stephen served over two years and Tina exactly four years on the Board of Directors and I would like to thank them for their contribution and support and to wish them well in the future.

Following the acquisition the Trust hosted its biggest ever set of governor elections, which ended in December. This was the first stage in achieving due governor representation for the catchment population of the acquired trust (the second stage will be when elections take place across the Frimley Park Hospital catchment area in September 2015). Previous members of Heatherwood and Wexham Park NHS Foundation Trust could not be transferred automatically as members of the new organisation, so the election was preceded by an intense membership recruitment drive in the Berkshire and Buckinghamshire area. In just over four weeks we signed up 3,924 new members to ensure that we had a big enough electorate for representative elections in the new area. There were also elections for four staff governors.

It turned out to be the most hotly contested election since the Trust first achieved foundation status in 2005, with 70 candidates standing for 19 vacancies. On 1 January 2015, the new public and staff governors took up their posts alongside the existing governors. As a result of this re-shaping we said goodbye to a number of governors; I would like to thank them for their excellent service. I am very proud of the strong and effective working relationship that exists between our Directors and our Governors. Our expanded Council of Governors will be a cornerstone of our success with a key role in shaping the organisation's future strategy.

We have also expanded our membership to more than 24,500, some 8,200 more than before the acquisition.

Governors continued to hold health events in their constituencies. These have been very popular in the Frimley Park area, with more than 100 people at most events, and we are confident that attendances will grow in the expanded catchment area once word about them spreads through the community.

I have once again been heartened by the superb support we continue to receive from members of the public for our charitable appeals. The most recent at Frimley Park – the Breast Care Appeal for a dedicated breast care unit and state of the art diagnostics – has already broken through the half-way point of its £750,000 target. We had a record turnout for Run Frimley in May 2014, our biggest participatory event in the appeal calendar, and the community showed its kindness with a number of generous donations to Heatherwood and Wexham Park's charity too.

I would like to take this opportunity to thank the Board for its leadership and support throughout the year. In particular I would like to congratulate the Chief Executive Sir Andrew Morris on being voted one of the top ten NHS Leaders for the second year running and for being awarded a knighthood in the New Year's Honours for his outstanding service to the NHS.

We have a testing time ahead over the next few years to make Frimley Health a long term success. We have support from local commissioners, the Department of Health, NHS England, Monitor and others, but ultimately our future is in our hands. Recently we have been working with colleagues in the North East Hampshire and Farnham community after the Clinical Commissioning Group for that area won a bid to become a 'Vanguard Site' — one of only nine of its kind in the country - where new models of care are being developed in accordance with the NHS England Five Year Forward View for supporting patients much more effectively throughout the health community.

I believe very strongly that this and similar projects on which we are working with our commissioners, combined with our Trust's track record of great leadership, will provide the bedrock for the excellent and sustainable services that we are all aiming for, and which our enlarged and more resilient organisation will help us to deliver.

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Sir Mike Aaronson

Chairman

#### **Business Review and the year ahead**



**Sir Andrew Morris, Chief Executive** 

I am pleased to present the review of our work for the year ended 31 March 2015. This covers Frimley Park Hospital NHS Foundation Trust for 1 April 2014 to 30 September 2014 and Frimley Health NHS Foundation Trust from 1 October 2014 to 31 March 2015.

In my 40 years in the NHS, most of which I have spent locally, I cannot remember a year that has been more significant. In the same week that the Care Quality Commission declared our Trust to be the first in the country worthy of an 'outstanding' rating we announced we would be taking over a neighbouring trust in the first ever acquisition of one foundation trust by another.

All this preceded a winter that was one of the most challenging in recent memory for NHS staff across the country, as a spike in emergency admissions in the New Year put unprecedented pressure on the acute care system.

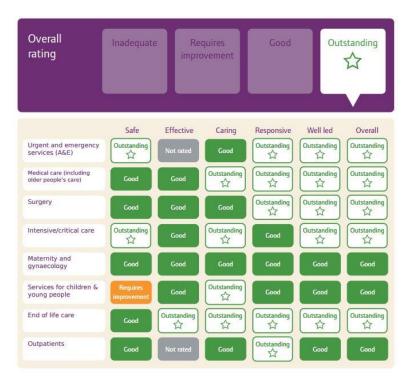
The decision by Frimley Park to acquire Heatherwood and Wexham was clearly going to be the biggest that we have made to date. Therefore much of our focus leading up to September 26, 2014, when we made a final announcement that acquisition would take place five days later, was establishing central and local support and evaluating whether we could make the acquisition a success. This involved a comprehensive due diligence process that included a full business case looking at the viability of both the acquired organisation and the combined organisation in the longer term.

This process was fully supported by Monitor, NHS England, the Department of Health, and local commissioners. In addition, senior managers at the Trust were involved in a parallel process of working alongside key services at Wexham Park and Heatherwood in a 'buddying up' process facilitated by Monitor as part of the acquired trust's special measures following findings in its CQC inspection. This additionally helped Frimley Park Hospital NHS Foundation Trust to gain further insight into Heatherwood and Wexham Park Hospitals. So when we announced that the acquisition would take place on 1 October 2014 it was a decision based on a wealth of information.

For Frimley Park Hospital it represented our best opportunity to expand our catchment so that we could achieve a number of strategic objectives that we would be more likely to attain on a larger scale. This includes improving management efficiency, increasing sub-specialisation, expanding acute care out of hours, and collaborating with commissioners and community partners to transform the way we deliver care especially for frail, elderly, and chronically ill patients. For Heatherwood and Wexham Park, an acquisition by Frimley Park was a chance to address a number of long standing financial and leadership issues that had damaged performance and reputation.

The confidence placed in us by Monitor, NHS England, the Department of Health, local commissioners and others to make the acquisition a success was a reflection of many years as a well-run, well-led trust with an excellent reputation, delivering excellent services.





#### Are services



This was endorsed by the Care Quality Commission's report into an inspection of services at Frimley Park Hospital, also published in September 2014. Inspectors from the CQC originally came to Frimley Park in November 2013 as part of a pilot for its rigorous new inspection regime. They produced a very positive report, but no rating as it was written while the process was still being trialled. So the CQC returned in July and August 2014 to examine Frimley Park again. Dozens of inspectors spent several days examining every aspect of care. Their conclusion was to award Frimley Park Hospital the first ever 'outstanding' rating since the new inspection regime was launched. To date only one other trust in the country has been given this accolade. Services were rated as 'outstanding' under the key domains of being caring, responsive, and well-led and as 'good' for being safe and effective, resulting in an overall rating of 'outstanding'.

Inspectors gave special praise for the attitude of the staff and they were particularly impressed that staff they spoke to were not only familiar with the Trust's values, but they could relate them directly to their work and the positive impact this would have on patient care.

When embarking on the acquisition we realised that a priority would be to engage all staff across the enlarged Trust to extend this positive culture. One of the main vehicles we used was our Trust values, summarised as 'Committed to Excellence, Working Together and Facing the Future', which had been devised by staff and launched at Frimley Park in 2013. When they were amended and re-launched across the Frimley Health trust in November 2014 they were once again enthusiastically received, especially at Wexham Park and Heatherwood Hospitals where colleagues were not already familiar with them.

The values are further described by a set of expected behaviours and colleagues at every level in the organisation are encouraged to apply the Trust values in all they do. The values have also been ingrained in other policies and processes such as recruitment, appraisal and induction, and this is being extended across the whole trust. Posters and pull-up banners promoting the Trust's values can be found throughout staff and public areas of the three main hospital sites.

#### Sets of posters promoting the staff values



In addition to Trust-wide values, we have also extended some of the #hellomynameis and Listening into Action (LiA) programmes initiated under Heatherwood and Wexham Park NHS Foundation Trust into the wider Trust to enhance staff engagement.

Another major piece of work since 1 October has been to restructure the senior management posts. All Executive Director posts are Trust-wide with the exception of the Directors of Operations, who both have a specific responsibility for Frimley Park and for Wexham Park and Heatherwood respectively. Executive Directors have Tier 2 staff — mostly Associate Directors or Deputy Directors — reporting to them. Most of these posts are cross-site with a few exceptions (for example the posts of Associate Director for Site Management and Medicine and Emergency Department). Clinical leadership is provided by the new posts of Chief of Service, which is similar to the former clinical director role but on a larger scale. Each of the 10 Chiefs of Service heads up a clinical division and reports to the Chief Executive.

All Tier 2 and almost all Tier 3 posts have now been appointed and work continues to restructure services and departments.

The extra pressures that built up just after Christmas and into the New Year – and that were felt nationally – resulted in the NHS and the Trust significantly missing the target of admitting, treating or discharging 95% of emergency department attenders within four hours, in January. However the target was attained in February and March, so despite just missing the target for the quarter the Trust finished the year as one of the better performers nationally.

Throughout the year up to 31 March 2015 our finances have been reported for internal reporting purposes along historic lines so that the financial performance for both Frimley Park and Heatherwood and Wexham Park Hospitals can be separately identified. We also reported the combined position (for Frimley Health) from the date of acquisition. The accounts show a surplus for the end of year at Frimley Park of £4.6m. This is the net position after receipt of £17.6m central support from the Department of Health to address the underlying deficit during the transitional period following the acquisition. At Heatherwood and Wexham Park Hospitals the year ended £35.3m in deficit, of which £26m is recurrent. The combined year end position for Frimley Health was an underlying deficit of £2.5m, the first we have incurred since becoming a foundation trust in 2005. It is clear then that in the year ahead we will need to focus even more acutely on our cost improvement programme, in particular reducing the cost of using agency and locum staff and recruiting more substantive staff.

It has always been recognised centrally within the NHS that the acquisition would require significant financial support in order to clear historic debts, turn around underlying deficits, address several years of backlog maintenance at the Wexham Park and Heatherwood sites, and invest in the infrastructure to bring services up to a higher standard. We have also been given some headroom by regulators to turn around performance. However, even with these allowances we know that creating a successful, sustainable, unified trust in a relatively short space of time will require all of our efforts and continued support from partners in the healthcare community.

Our integration plan is split into a number of work streams and key objectives. These are reported regularly to the Trust board and all work streams are either green or amber as of March 2015.

Over the course of the year we have upgraded the labour ward at Frimley Park to provide much better triage and reception facilities and install a bathroom with en suite shower and toilet in each labour room. In February we also opened the Mulberry unit, our first midwife-led birth centre with a more relaxing and homely environment for some of the more uncomplicated births. We also upgraded the communal areas of the Frimley Parkside private care facility and added a new ward on the north-east side of Frimley Park Hospital to provide acute dependency beds for medicine and surgery along with extra elderly care beds.

We have continued to host the Ministry of Defence Hospital Unit (MDHU) at Frimley Park Hospital, which sees our employees working successfully alongside military colleagues in wards and departments to provide the best possible service for civilian and military patients in our care. We benefit from the skills, experience and expertise of service personnel – such as recent support for a nurse leadership programme – and in return the MDHU staff receive comprehensive training and experience for its medical, nursing and allied staff. We are very proud of this military connection, especially as the Frimley area in particular has strong links with the Army through the nearby Aldershot Garrison and the Royal Military Academy, Sandhurst.

#### **Quality standards**

Indicator	Baseline data	2012-2013	2013-2014	<b>FPH</b> Apr '14 – Sept '14	FHFT Oct '14 – Mar '15	Trend over time*
Methicillin-resistant staphylococcus aureus (MRSA) (Number of avoidable cases)	4 (2008-2009)	1	4 (1)	1 (0)	FPH: 1/(1) H&WPH:0	
Clostridium difficile (C.diff) (Number of lapses in care)	85 (2008-2009)	16	15	6 (0)	FPH: 4 / (1) H&WPH: 10 / (1)	
Pressure ulcers Grade 2	269 (2009-2009)	144	90	48	FPH: 41 (Feb) H&WPH: 74	
Pressure ulcers Grade 3	52 (2008-2009)	15	7	1	FPH: 1 (Feb) H&WPH: 7	
Pressure ulcers Grade 4	15 (2008-2009)	0	0	0	FPH: 0 (Feb) H&WPH: 1	
Falls resulting in significant injury, occurrence per 1,000 bed days	0.10 (2010-2011)	0.03	0.03	0.03	FPH: 0.03 H&WPH: **	
Venous thromboembolism (VTE) % risk assessment (higher = better)	83% (2010-2011)	93%	97%	97%	FPH: 99% H&WPH: 96.6%	
NHS safety thermometer (NHS ST) % harm free care	93% (2012-2013	93%	95%	95.3%	FPH: 96.0% H&WPH: 95.6%	

<sup>\*</sup>Trend over time relates to Frimley Park baseline data. The first full year of baseline data collection is shown in brackets. Thumbs up = performance improved or improvement not possible.

Source: Trust performance data & NHS Safety Thermometer data

Safety Thermometer, national tool used to measure harm from falls, pressure ulcers, VTE and catheter associated urine tract infections.

#### **Achievement of objectives**

#### Finance:

- Continuity of Services Risk Rating (CoSRR) is the measure by which Monitor assesses the financial risk of the Trust. The combined Trust calculation for this indicator after the receipt of Department of Health deficit support funding is a '4'. The final Quarter had a risk rating of '3', in line with the revised plan.
- The Trust acquired the assets and liabilities of Heatherwood and Wexham Park Hospitals NHS FT on 1 October 2014 and its income and expenditure from that date onwards. This transaction involved the transfer of net assets, which were valued at £90.7m at the time into the books of Frimley Health. Accounting convention dictates that this asset transfer is shown as a gain on absorption. On this basis the Trust is showing a surplus of £88.2m in the annual accounts. Without this gain on absorption the Trust has a small deficit of £2.5m after the receipt of deficit support funding of £17.6m. The plan was a £3.2m surplus which has not been achievable due to the costs associated with very high levels of emergency patients which have been treated in year.
- The year-end cash position was £59.1m. The cash holding represents just over 34 days of operating expenses, ahead of the desired minimum of 30 days.
- Cost improvements / Innovation and Change plan: the Trust delivered combined savings of £17.8m in 2014-2015, slightly below plan but this was offset by higher activity levels.

<sup>\*\*</sup> Data not currently collected in this format. Data will be aligned

#### Governance:

- The Trust governance rating from Monitor was green throughout the year.
- Performance on C. difficile infection was 10 at Frimley Park for the year and 10 at Heatherwood and Wexham Park for the quarters 3 and 4, giving a total for the Trust of 20. There was just one avoidable MRSA case in the Trust for the year. Both these figures are well within Monitor minimum targets.
- The Trust achieved the first ever 'outstanding' rating for the Frimley Park site in its CQC inspection report. The only area highlighted by inspectors where improvements could be made was in paediatrics, particularly in relation to skills mix and staffing levels. A new ward sister and two new consultants have been appointed.

#### Integration objectives:

- The first six months of the integration plan have delivered the following:
  - Development and implementation of new operational and back office structures, including establishment of Chiefs of Service and Associate Directors for the 10 newly formed clinical directorates.
  - New clinical governance structures in place to improve oversight of quality and to drive improvements at Wexham Park.
  - Establishment of a project management office to oversee cost improvements, integration and transformation across Frimley Health.
  - Appointment of a technical design team to support the business case for the redevelopment of the Heatherwood site and a new.

#### Consultations

- The Trust consulted widely with staff representatives, Governors and the local healthcare community throughout the process leading up to acquisition. Since the decision was made by Frimley Park Hospital and Heatherwood and Wexham Park Hospital NHS FTs to explore the possibility of the acquisition, the Trust was in regular communication with commissioners, patients groups, local authorities and others while seeking support and guidance from Monitor and NHS England to ensure that any decision would be in the best interests of patients.
- The Trust carried out no further significant consultations during 2014-2015.

#### Other Key Achievements:

- The Emergency Department four-hour waiting target was delivered at Frimley Park A&E in all but one month of the year. Despite missing the 95% target as a Trust in Quarters 3 and 4, the Trust finished the year with a relatively good performance nationally.
- Worked with commissioners from across the catchment to revolutionise models of care for frail, elderly and chronically ill patients in accordance with the Five Year Forward View for a sustainable NHS. This included supporting North East Hampshire and Farnham CCG in its bid to be a Vanguard site providing new models of care with multiple agencies collaborating the community to keep people out of hospital.
- Seven day working established in medicine at Frimley Park Hospital and a seven day model has been developed for the Wexham Park site.
- The Trust has continued high level performance on vascular, pPCI, plastics and stroke services to ensure it is well positioned as a Major Emergency Centre delivering hyper-acute care.

- Staff values were launched across the Trust in a series of awareness events.
- We completed the refurbishment of the Parkside private patient services at Frimley Park.

#### The year ahead

We have developed a number of quality goals for the Trust as part of our ambition to be recognised locally and nationally as leaders in quality healthcare delivering safe, clinically effective services focused on the patients and their relatives and carers. Although Frimley Park Hospital and Heatherwood and Wexham Park Hospitals have been assessed by the CQC as being at differing stages of development, patient safety will remain a top priority throughout 2015-2016.

We will also develop a number of service improvements, including:

- Repatriating vascular services from Oxford to Wexham (from 1 April 2015)
- Extending seven-day consultant-delivered services in acute medicine at Frimley Park and Wexham Park
- Beginning work on the development of a £25m new Emergency Department and £10m
   Maternity upgrade at Wexham Park
- Reviewing the stroke service at Wexham in light of the recent decision not to pursue hyperacute status at present
- Develop ophthalmology services at Wexham Park and Heatherwood
- Increase the number of medical beds in preparation for winter 2015-2016, given the unprecedented pressures on capacity last winter (2014-2015)
- A&E minors at Frimley Park will be refurbished to create additional capacity. Improved booking systems and theatre management will also be introduced to effectively manage waiting lists.

We will also be focussing on workforce planning, particularly recruitment and retention to reduce the Trust's costly over-reliance on locum and agency staff. This includes overseas recruitment of nursing staff where it is proving impossible to recruit nationally. A review of nurse training for the Wexham Park site and a more sustainable midwife to birth ration will be addressed with a view to encouraging retention of nurses and midwives.

In addition the Trust has a longer term clinical strategy. The key priorities of this in relation to each of the three main hospital sites area outlined overleaf. There have been no significant events since 1 April 2015 affecting the Trust's strategy and key objectives.

Finally I would like to pay tribute and say thanks to all my colleagues across the Trust for what has been a remarkable year in many ways. Once again they have gone the extra mile so that we can to continue delivering excellent care and aim for an even better future. We have all gone through significant change in the past 12 months and there is much more to come if we are to achieve our vision, but I know that they will deliver.

**Sir Andrew Morris** 

Andrew Monis

**Chief Executive** 

#### Clinical strategy: Trust priorities at our three key hospital sites

#### **Wexham Park**



#### **Hyper-acute**

#### Stroke

Develop service (non-Hyper Acute Stroke Unit, HASU)

Cardiology

pPCI and complex cardiology onsite

Vascular

Repatriation from Oxford

Renal

Expand from 5 to 7-day service

#### Acute

- 7-day consultant delivered service
- New emergency department
- Frail elderly service
- Medical / Surgical acute dependency units
- Neurology
- Liver Service
- Improve/extend paediatric HDU

#### Cancer

- On site radiotherapy (LINAC)
- Haematology AML
- Rationalise surgical referrals

#### **Elective**

- Repatriate Bucks activity
- New ophthalmology service
- New maternity unit

#### Heatherwood



#### New elective centre

Plans to provide a new elective centre at the Heatherwood site are currently being developed with local partners. Among the services that may be included are:

- Orthopaedics
- General Surgery
- Urology
- o Gynaecology
- ENT, excluding OMFS
- o Radiology: X-ray, CT & MRI
- Outpatient department,
- o including children's clinic
- o Pre-operative assessment
- Therapies
- o Private patients suite
- Administration
- Training and meeting facilities

#### Frimley Park



#### **Hyper-acute**

Stroke

Further develop hyper-acute stroke unit

Vascular

Repatriation from Oxford

Renal

On-site dialysis (seven-day service)

#### <u>Acute</u>

- 7-day consultant delivered service
- Frail elderly service
- Improved Paediatric Assessment Unit

#### Cancer

- Increase range of chemotherapy
- New Breast Unit

#### **Elective**

- Lithotripsy
- Increase private patient income

#### **Enabling work**

- Increased acute medical beds at Frimley Park and Wexham Park
- Invest in additional car parking at Frimley Park and Wexham Park
- Backlog maintenance at Wexham Park
- IT infrastructure at all three sites
- Transformation

The Trust encourages significant investment in research and development leading to more patients having access to cutting edge treatments through participation in clinical trials.

#### Financial, activity and risk review

#### **Activity review**

During 2014-2015, the Trust continued to provide a range of major general hospital services to its catchment, including:

- Full emergency services
- Elective and emergency services in surgery and medicine
- Women's and children's services
- Therapeutic, diagnostic and pharmaceutical services

In 2014-2015 there was a 5% increase in referrals from GPs to Frimley Park Hospital year on year, reflecting positive a trend over a long period. The biggest increase was from Berkshire GPs, up 12%, followed by Hampshire (8%). Surrey increased by 1% and military referrals continued to reduce following the change in commissioning arrangements which led to a shift in elective work away from Ministry of Defence Hospital Units. At Wexham Park and Heatherwood, GP referrals had been declining during the year but this reversed in February and March 2015 so that the final net reduction in referrals was relatively small at 1.2%.

Frimley Park's elective workload continued to increase, especially among day case surgery. The proportion of day cases at Wexham Park and Heatherwood is much lower that at Frimley Park and this is being addressed as part of the Frimley Health clinical strategy.

The number of patients on the waiting list at the end of March had decreased year on year across the Trust in spite of the overall increase in GP referrals.

Maternity activity rose again at Frimley Park after a slight dip last year, but it was still slightly below the 2012-2013 peak. Nevertheless the second highest birth figure was remarkable for the fact that it took place during a year of major refurbishment in the labour ward.

Emergency attendances continued to rise at Frimley Park Hospital, as did the proportion of those patients needing to be admitted.

The following tables show the five year history of aggregate activity for Frimley Park Hospital and latterly Frimley Health NHS Foundation Trust, including private patient work.

#### **Outpatient attendances**

Fleet Hospital (17,890), and Aldershot Centre for Health (29,055)

	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
Frimley Park Hospital (including satellite centres) <sup>1</sup>	414,465	398,963	377,238	377,110	364,504
Wexham Park and Heatherwood Hospitals (1 October 2014 – 31 March 2015	191,732				
<b>Total for Frimley Health NHS</b>	606,197				

Foundation Trust 2014-2015

1 Satellite centres where outpatient services are provided by Frimley Park Hospital. These include Farnham Hospital (24,817 attendances in 2014-2015),

#### **Elective activity spells**<sup>1</sup>

	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
Frimley Park Hospital					
Day cases	50,278	47,765	43,728	43,062	39,701
Inpatients	7,978	7,740	8,351	8,852	9,051
Births	5,498	5,318	5,564	5,399	5,230
WPH & HH (1 October 2014 –	31 March 2015				
Day cases	11,939				
Inpatients	8,725				
Births	2,089				
Frimley Health total					
Day cases	62,217				
Inpatients	16,703				
Births	7,587				

<sup>1</sup> A spell is a discrete period of care in hospital. The calculation of all these figures has been reviewed to reflect recent national changes to counting and coding. For example regular attenders are now included as day cases and ward attenders and pre-ops are included in outpatient figures. This accounts for slight variations in these figures compared with previous annual reports.

#### Non-elective activity

	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
ED attendances - FPH	113,219	109,649	104,240	103,206	101,480
Emergency admissions - FPH	38,685	34,927	33,785	31,719	29,598
ED attendances WP&HH (M7-12)	55,856				
Emergency admissions – WP&HH(M7-12)	23,722				
ED attendances - FH total	169,075				
Emergency admissions – FH total	62,407				

#### Patients on waiting lists at 31 March

	2015	2014	2013	2012	2011
Outpatients	<b>15,672</b> [7,507 (WP&HH), 8,162 (FPH)]	8,810	7,284	5,972	6,606
Inpatients	<b>7,243</b> [3,009 (WP&HH), 4,234 (FPH)]	4,416	4,393	3,325	3,972

#### Monitor regulatory ratings

The Trust is regulated by Monitor, to whom it submits its annual plan. On the basis of the information contained in the annual plan and in-year submissions, Monitor will assess and assign a risk rating for the Trust.

The year-end deficit was larger than had been planned. This was mainly the result of increased activity over the winter period necessitating the opening of extra capacity using high cost agency staff. The Trust was only paid at 30% of tariff for this extra activity, thus compounding the financial problem. The final Quarter had a risk rating of '3', in line with the revised plan.

Foundation Trusts are allocated a 'governance rating', which is awarded by Monitor after using performance against national targets as a proxy for good Board governance. Target performance is summarised in the quality report section of this document. The Trust was awarded a 'green' governance rating in each quarter of 2014-2015.

#### Frimley Health NHS Foundation Trust regulatory rating 2014-2015 (Monitor)

	Annual Plan 2014-2015 <sup>1</sup>	First quarter Q1	Q2	Q3	Q4
Financial risk/ continuity of service risk rating <sup>2</sup>	4	4	4	4	3
Governance risk rating <sup>3</sup>	Green	Green	Green	Green	Green <sup>4</sup>

The Trust's ratings throughout the previous year were as follows:

#### Frimley Park Hospital NHS Foundation Trust regulatory rating 2013-2014 (Monitor)

		First quarter Q1	Q2	Q3	Q4
Financial risk rating <sup>2</sup>	4	4	4	4	4
Governance risk rating <sup>3</sup>	Green	Green	Green	Green	Green

- Annual plan review and in-year reporting and monitoring
  - Monitor uses the information provided in the annual plan primarily to assess the risk that an NHS foundation trust may breach its licence in relation to finance and governance and assigns risk ratings. Every quarter, NHS foundation trust boards are required to submit details of performance in the most recent quarter and year-to-date against their annual plan, and self-certify that all healthcare targets and indicators have been met. Each trust is assigned an overall financial and governance risk rating for the quarter based on the declarations they make to Monitor.
- Financial risk rating (FRR) / Continuity of Service (COS) rating
  Risk ratings are assigned using a scorecard which compares key financial metrics consistently across all foundation trusts. The risk
  rating reflects the likelihood of a financial breach of an NHS foundation trust's provider licence. The FRR rating applied for quarters 1
  and 2 of 2013-2014. A COS rating was introduced from quarter 3 of 2013-2014. Under the FRR, a rating of five reflects the lowest
  level of risk and a rating of one the highest. The highest rating under the COS rating is four. In year the ratings apply to Frimley Park
  stand alone for quarter 1 and 2 and for Frimley Health combined for quarter 3 and 4.
- Governance risk rating

  Monitor rates governance risk using a graduated system of green, amber-green, amber-red and red, where green indicates low risk and red indicates high risk.
- Monitor to confirm rating

There were no formal interventions by the regulator during the year 2014-2015.

There were no material inconsistencies between the Trust's assessment of key risks and either subsequent Monitor ratings or Care Quality Commissions assessments.

The Trust Annual Governance Statement details how the Trust has reviewed and assessed the effectiveness of the Trust's systems of internal control.

#### **Financial review**

The Trust has recorded a surplus of £88.2m or a deficit of £2.5m excluding gains on absorption for 2014-2015 against a surplus plan of £3.2m (2013-2014: surplus of £6.5m). Income and expenditure both increased substantially on the previous year across all sites, reflecting a continuing rise in patient activity, not all of which had been planned either by the Trust or by local commissioners. In the table below the income and expenditure is shown as full year values for both predecessor Trusts to enable comparison with prior years.

Operating Income and Expenditure	2014-2015	2013-2014	Increase
	(£m)	(£m)	(%)
Income FPH Expenditure FPH	336.8	291.9	15.4
	314.5	280.9	11.9
Income H&WPH Expenditure H&WPH	259.6	252.9	2.6
	294.9	259.4	13.7

The numbers shown in the table above include amounts in respect of financial support for in year operating costs of £17.6m and for one off acquisition costs of £5.7m. The former is shown in the books of Frimley Park Hospital and the latter in Heatherwood and Wexham Park Hospitals.

The Trust's income from the provision of goods and services for the purposes of the National Health Service is greater than its income from the provision of goods and services for any other purposes. There has not been any significant impact from other income on the provision of goods and services for the purposes of the health service in England.

The Trust invested £13.7m on the Frimley site and £17.7m across the Heatherwood and Wexham Park Hospitals sites in infrastructure and equipment during 2014-2015: £10.6m and £13m respectively for the 2013-2014. This was funded internally for the Frimley Park Hospital site investments and through draw down of central funds from the Department of Health for the H&WPH investments. Significant investments included spends of:

- Modular ward for surgical and medical day units at Frimley Park £2.8m
- Interventional Radiology Suite at Frimley Park £1.0m
- MRI scanner at Wexham Park £1.2m
- Two additional surgical wards at Wexham Park £2.0m
- 12 bed recovery unit for the Cardiac Catheter Lab at Wexham Park £0.8m
- Roofing repairs to Wexham £1.1m
- Investment in IT infrastructure at Heatherwood and Wexham Park £1.2m

Together with the usual infrastructure upgrades and equipment replacement programmes, we have continued to invest in top end technology while maintaining our general infrastructure.

The Trust's cash holding increased by £10m on the previous year to £59m at 31 March 2015 (31 March 2014: £49m).

During March 2015 the Trust requested the District Valuation Office to conduct a full site valuation of its estate. Details of the revaluation and market value of the property plant and equipment are shown in 10.1 to the Trust's accounts. In addition to this the Trust has reviewed the capitalisation of intangible assets following the acquisition, which has resulted in a reduction of £5.3m in the fair value of those intangible assets.

The income and expenditure account for Wexham Park and Heatherwood Hospitals declined significantly in the six months following the acquisition. This decline resulted from a number of recurrent and non-recurrent items. The recurrent items included the recoding of informatics staff from capital to revenue (full year effect of just over £2m) under the Frimley Health accounting policy where only specific projects are capitalised.

Non-recurrent items included the accelerated depreciation of £5.7m of intangible assets, for which no physical asset could be identified by Frimley Health. An under delivery of cost improvement plans and increase in agency costs compounded to make the outturn position for the two hospitals significantly worse than had been anticipated in the due diligence and financial modelling conducted in the lead up to the acquisition on 1 October 2015.

The Trust follows the 'Better Payments Practice Code' and aims to pay all relevant creditors within 30 days. Performance against this standard is detailed in note 5.1 of the Trust's accounts. The Trust also aims to pay smaller creditors as quickly as internal processes allow.

#### Financial risks

The Trust ended 2014-2015 with a deficit of £2.5m compared to a plan of £3.2m. However, this was after allowing for support from the Department of Health of £17.6m to cover the in-year Heatherwood and Wexham Park sites' run rate deficit and to cover adjustments required to align accounting policies of the two predecessor Trusts. Deficit support funding will be provided throughout the agreed five year integration plan to allow the Trust to move to a standalone surplus position over time.

The five year transitional plan, including support as shown in the original full business case (FBC) into the acquisition, is unlikely to follow the trajectory as originally envisaged due to the impact of the worse than expected outturn for 2014-2015. The Trust is committed to achieving a recurrent and sustainable financially balanced position at the end of this five year period but with a different trajectory between now and the end of that period.

Specifically moving into 2015-2016 the key financial risks will be:

- Achievement of the agreed plan
- Delivery of a challenging CIP programme and savings related to synergy of functions and services
- Ability of CCGs to deliver QIPP savings and in particular the use of the 'Better Care Fund' as
  driver to ensure patients are treated closer to home and avoid unnecessary hospital
  episodes.

Measured for a full year across all sites, the Trust delivered £17.8m of savings in 2014-2015. This is a significant achievement. However, going forward the Trust financial plan relies on delivering at least £21m of savings in 2015-2016. Like all NHS organisations, the Trust will be required to deliver further

considerable efficiency savings over the coming years in the region of between 3-4% each year. Plans to deliver the in-year target for 2015-2016 have been formulated with Trust managers and clinicians. Given the scale of savings required this remains a significant risk to the bottom line, particularly given that a significant proportion of the 2015-2016 target is dependent on reducing agency spend by recruitment and retention, which is challenging in certain specialities.

Looking ahead, the NHS aspires to move activity out of hospitals and into community settings (GP surgeries and patients' homes). This will almost certainly reduce future activity growth and therefore income levels at the Trust. In 2015-2016, the Better Care Fund will move resources from the NHS into social care. The Trust is working closely with commissioners to identify areas where this shift of resource might help to reduce demand on the acute sector.

In addition to activity changes, income levels are at risk from changes to the tariff (the rate at which hospital trusts are paid for treating patients) and other financial penalties and incentives that may be introduced. The uncertainties within the first years of the five year plan are not only largely related to activity but also to price. Moreover, Monitor has signalled that there may be significant change in NHS pricing and reimbursement mechanisms beyond 2015-2016, although clearly the Trust will not be able to gauge the potential impact until more details are available.

The Trust's financial plans include an expected 1.5% rise in pay costs, a 2.5% rise for non-pay items and services and a 7.2% increase for drugs due to price inflation and growing demand for new treatments. The Trust has also incorporated additional sums for known cost pressures, such as staffing more beds and increasing consultant numbers. These anticipated cost rises are planned to be partially offset by the Trust's cost improvement and efficiency programme, comprising schemes totalling £21.4m. Taken together with other planned activity and income changes, the Trust anticipates that being able to meet the five year surplus / deficit targets as originally outlined in the transaction FBC that supported the acquisition of H&WPH is at risk. Although the Trust aims to reach sustainable underlying financial balance within the period, this may take longer than originally planned.

The Trust's long term financial liabilities are shown at note 12 of the annual accounts. There have been no significant changes over prior years.

#### Changes in the Trust's investment strategy

The Trust has in place an investment and treasury policy which has four principal aims:

- To integrate professional treasury management disciplines into the management processes and evolving corporate strategy
- To create a framework to ensure the identification and management of financial risk associated with commercial activities, for instance, loss of income due to interest rate changes and differences and also to minimise potential reputational risks associated with investments
- To maximise interest income and minimise borrowing costs
- To be able to obtain new funding on appropriate commercial terms and in compliance with the Prudential Borrowing Code.

This policy is periodically reviewed in the light of national guidance on Treasury Management. There have been no changes to the Trusts investment strategy during the year.

#### **Other Key Performance Indicators**

			y Park pital		lealth NHS tion Trust
	Target	Q1	Q2	Q3	Q4
A&E Clinical Quality – Total time in A&E under 4 hours	95%	95.9%	95.3%	<b>94.5%</b> FPH: 95% WPH: 94%	<b>93.7%</b> FPH: 94.1% WPH: 93.4%
Referral to Treatment Time: 18 Weeks in aggregate admitted	90%	92%	85%*	88.8*%	86.7%
non-admitted	95%	97.3%	96%	95.6%	95.4%
incomplete pathways	92%	95%	95%	93.7%	93.9%
62-Day waits first treatment all cancers**	85%	88.2%	87.9%	83.8%	86.3%
all cancers screening**	90%	100%	97.6%	96%	88.9%
Cancer: 31-Day wait for second or subsequent treatment surgery**	94%	97.5%	100%	98.4%	98.4%
for second or subsequent treatment drug treatments**	98%	100%	100%	99.2%	100%
from diagnosis to first treatment**	96%	99.4%	98.3%	99.4%	99.5%
Cancer: 2-week all cancers**	93%	95.1%	94%	95.4%	95.5%
breast symptoms**	93%	96.1%	95.6%	98.4%	98.7%

	National/ Trust		y Park pital	Frimley Health NHS Foundation Trust	
	Specific – Target	Q1	Q2	Q3	Q4
Clostridium Difficile infections	FPH: 18 H&WPH: 34	2	4	7	7
due to lapses in care		0	0	1	1

<sup>\*</sup> Monitor and NHS England introduced a 'Referral to treatment amnesty' allowing Trusts to breach the 90% target in order to focus on clearing a backlog of patients waiting more than 18 weeks: Quarter performance is based upon the lowest failed month in the quarter. However in Quarter 2 the figure submitted to Monitor was the average for the three months rather than the worst performance.

#### 18 Weeks

Frimley Park NHS FT achieved both the non-admitted and the incomplete pathways 18 week RTT standards for Quarters 3 and 4 but failed to achieve the admitted pathway standard. This was due to both Frimley Park Hospital and Heatherwood and Wexham Park Hospitals undertaking extensive

<sup>\*\*</sup> These figure may vary from the Monitor published quarterly returns because the figures have to be submitted to Monitor one month in arrears.

backlog clearance work across the two final quarters in line with the national request for all hospitals to reduce significantly the volume of patients waiting in excess of 18 weeks.

#### Cancer

With the exception of the 62 day treatment standard, all cancer standards were met by Frimley Health NHS FT during Quarter 3; extensive work continues to be undertaken at Wexham Park Hospital with the clinical teams in the specialties where performance has been below that expected. Improvement was seen in Quarter 4 with the 62 day treatment standard being achieved across Frimley Health NHS Foundation Trust. However, the Trust failed to achieve the 62 day screening target in Quarter 4.

#### 

Frimley Park Hospital achieved the four- hour standard for the first half of the year; however, Frimley Health NHS FT narrowly missed the 95% four-hour standard for Quarters 3 and 4. Despite a significant increase in non-elective demand, Frimley Park A&E achieved the standard at 95% for Quarter 3 with the standard being delivered in two months of the quarter. However, the standard at Wexham Park Hospital was not achieved for either quarter due to a significant increase in demand seen during the months of December and January. In spite of this the performance in Quarter 4 compared very favourably with other acute trusts, since the unprecedented pressures during January 2015 had impacted on waiting times nationally.

#### Our people and community

#### Statistics of substantive staff

Key performance indicator	Total number (March 2015)	Percentage	Total number (March 2014)	Percentage
Total number of employees	8,531		4,504	
Male	1,835	21.5%	905	20.1%
Female	6,738	78.5%	3,599	79.9%
Directors	7		5	
Male	3	43%	1	20%
Female	4	<b>57%</b>	4	80%
Other senior managers	30		17	
Male	11	<b>37</b> %	9	52.9%
Female	19	64%	8	47.1%

Key performance indicator	Total number (March 2015)	Percentage	Total number (March 2014)	Percentage
Staff in post – full-time equivalent (FTE)	7,475.38		3,829.57	
Staff in post - headcount	8,531		4,504	
Sickness absence rate		3.19%		2.54%
Vacancy rate		10%		4.58%
Turnover rate		14.87%		14.39%
Appraisal rate		86%		

#### Staff engagement

As a major employer, Frimley Health (the Trust) is committed to the principles of partnership working and staff engagement. The Trust has been working on adopting the best of both staff engagement approaches from Frimley Health and the former Heatherwood and Wexham Park NHS FT.

The Trust strongly believes that involving its staff in decision making processes draws upon their knowledge and experience from their work environment to generate ideas that will help develop and modernise NHS services.

The Trust has a range of standing and project groups and committees that seek to involve staff in making decisions about future developments. For example, the Trust has a Staff Council which meets regularly. It provides an effective method of regular consultation between managers and staff representatives and is intended to form the basis of a constructive and co-operative approach towards achieving corporate goals. The Staff Council also reviews and approves staff bids for funds from the Improving Working Lives lottery fund. This fund uses the proceeds of a monthly staff lottery to pay for a range of items to improve the working environment, from a new kettle for a staff rest room to funding for a new cycle pathway for staff.

The Trust also has other consultative bodies to discuss specific areas of joint interest with staff representatives such as the Local Communications Networks, the Health and Safety Committee, and the Equality and Diversity Steering Group.

Mechanisms in place to monitor and learn from staff feedback include:

- Business planning within directorates, involving managers and staff
- The clinical governance infrastructure, which enables multidisciplinary discussion of clinical issues and service improvement
- The Listening into Action Programme which involved a pulse check survey and several staff conversations about barriers to achieving Trust priorities and ways of engaging staff at the front-line
- Regular face-to-face update briefings from the Chief Executive, Executive Director question and answer sessions and team briefings through which key points are cascaded to teams and departments, with the opportunity for staff to ask questions and raise concerns
- A fortnightly newsletter to which all staff are encouraged to contribute
- Well-used intranets, which include departmental mini-sites and a live news feed incorporating a comments section allowing staff to feedback on items of staff news
- Staff following the Trust on its official Facebook and Twitter sites and contributing to exchanges as appropriate
- The annual NHS Staff Survey and action planning and the staff Friends and Family Test
- Investors in People reviews
- Annual appraisal for all staff

#### **National Staff Survey**

The results of the 2014 National Staff Survey are shown separately for. The survey is carried out across the NHS on behalf of the Care Quality Commission (CQC). Staff in NHS trusts were questioned anonymously from October to December 2014 and the results published in February 2015. The results were broken down into 29 key findings that were benchmarked as either in the best 20% nationally, better than average, average, worse than average or in the worst 20%.

#### Results for Frimley Park Hospital

Frimley Park staff rated the hospital as the best in the country for recommending their hospital as a place to work or have treatment and on senior management communication with staff. They also gave the hospital one of the best scores in the country for the fairness of its systems for staff reporting incidents, feeling secure to raise concerns about unsafe clinical practice, and the degree to which patient feedback is used to improve patient experience.

The 29 key findings of the hospital's 2014 Staff Survey results compared to other acute hospitals were summarised as follows:

- 17 were in the best 20% (17 in 2013)
- 6 were better than average (6 in 2013)
- 5 were average (3 in 2013)
- 1 was worse than average (2 in 2013)
- 0 were in the worst 20% (0 in 2013)

In addition, five of the key findings had significantly improved since 2013 and none had deteriorated.

#### **Response Rate**

	2014			
Frimley Park rate	Comparative rate	Frimley Park rate	Comparative rate	Change
41%	Below average	46%	Below average	5% worse

#### Top four ranking scores

	2014		2013		
	Frimley Park	National average	Frimley Park	National average	Change
Staff recommend Trust as a place to work or receive treatment	4.20	3.67	4.06	3.68	0.14 better
Fairness and effectiveness of incident reporting procedures	3.73	3.54	3.73	3.51	No change
% of staff reporting good communication between senior management and staff	46%	30%	41%	29%	5% better
Staff job satisfaction	3.77	3.60	3.70	3.60	0.07 better

#### **Bottom four ranking scores**

		2014	20	2013	
	Frimley Park	National average	Frimley Park	National average	Change
% of staff working extra hours	73%	71%	70%	70%	3% worse
% of staff experiencing discrimination at work in the last 12 months	12%	11%	12%	11%	No change
% of staff feeling pressure in last 3 months to attend work when feeling unwell	27%	26%	28%	28%	1% better
% of staff experiencing physical violence from patients, relatives or the public in the last 12 months	14%	14%	11%	15%	3% worse

#### Results for Heatherwood and Wexham Park Hospitals staff

Heatherwood and Wexham Park staff rated their hospital as one of the best on staff motivation at work. There were also encouraging results on staff being satisfied that they could provide a quality service for patients.

The 29 key findings of Heatherwood and Wexham Park's 2014 Staff Survey results compared to other acute hospitals were summarised as follows:

- 1 was in the best 20% (0 in 2013)
- 3 were better than average (3 in 2013)
- 8 were average (8 in 2013)
- 5 were worse than average (5 in 2013)
- 12 were in the worst 20% (11 in 2013)

In addition, one of the key findings had significantly improved since 2013 and three had significantly deteriorated (in relation to receipt of training and appraisal).

#### **Response rate**

2014		20	2013		
Heatherwood and Wexham Park	Comparative rate	Heatherwood and Wexham Park	Comparative rate	Change	
34%	Below average	44%	Below average	10% worse	

#### **Top four ranking scores**

	20	)14	20	013	
	H&WPH	National average	H&WPH	National average	Change
Staff motivation at work	3.97	3.86	3.92	3.86	0.05 better
Work pressure felt by staff	3.02	3.07	3.08	3.06	0.06 better
% of staff feeling pressure in last 3 months to attend work when feeling unwell	25%	26%	28%	28%	3% better
% of staff feeling satisfied with the quality of work and patient care they are able to deliver	79%	77%	81%	79%	2% worse

#### **Bottom four ranking scores**

	2014		20	13	
	H&WPH	National average	H&WPH	National average	Change
% of staff reporting errors, near misses or incidents witnessed in the last month	87%	90%	89%	90%	2% better
% of staff feeling the trust provides equal opportunities for career progression or promotion	80%	87%	80%	88%	No change
% of staff experiencing harassment, bullying or abuse from staff in the last 12 months	29%	23%	30%	24%	1% better
% of staff agreeing they would feel secure raising concerns about unsafe clinical practice	62%	67%	n/a	n/a	

### **Future priorities and targets**

The results of the staff surveys will be used to help develop a rolling action plan for Frimley Health. It will include the following:

- To continue to reduce the number of staff who are working extra hours
- To maintain and increase the number of staff appraised
- To continue to review and address the incidence of work-related stress
- To tackle issues causing harassment and bullying and discrimination at work
- To improve perceptions around incident reporting to ensure that people feel safe to raise concerns.

#### Staff absence rate

The absence rate for Frimley Health for 2014-2015 was 3.2%, which compares well against other large acute trusts in the NHS. Although national end of year figures are not yet available, the national absence rate for large acute trusts in January 2015 was 4.97% (the Frimley Health result for that particular month was 3.5%). The Trust runs a number of initiatives to help reduce absence rate.

### **Equality and diversity**

Both Frimley Park Hospital NHS FT and Heatherwood and Wexham Park Hospitals NHS FT have this year published annual employment and service information, thereby demonstrating compliance with the Public Sector Equality Duty. Reports regarding equality and diversity can be found on the organisation's websites. Frimley Health is progressing with the development of unified equality objectives and governance arrangements.

## **Disabled staff**

Frimley Park was assessed in May 2014 as compliant with its commitments as a 'Positive About Disabled People' symbol user, which includes the following:

- Interviewing disabled applicants who meet the minimum job criteria
- Consulting annually with individual disabled staff through the appraisal process about how they can develop and how the Trust can support them
- Making every effort to redeploy staff who become disabled
- Raising awareness of disability amongst staff
- Monitoring and communicating annually achievements in relation to the commitments.

In the year to 31 March 2015, Frimley Park received 262 applications for jobs from disabled applicants. Of these, 102 disabled applicants were shortlisted and 17 disabled interviewees were appointed.

In the year to 31 March 2015, Heatherwood and Wexham Park received 284 applications for jobs from disabled applicants. Of these, 112 disabled applicants were shortlisted and 10 disabled interviewees were appointed.

To encourage disabled applicants to apply for jobs, Frimley Health will continue to take positive action to target disabled applicants through Job Centre Plus and other bodies who support placements for disabled staff in the workplace.

### Community engagement

During the year Frimley Park continued to develop its community engagement strategy to promote good relationships, communication, and collaboration with the wider community. It focused on engaging people through foundation trust membership, fundraising, and some aspects of volunteering.

The overarching aim is to maximise community support for the Trust and to improve its understanding and response to social and community issues. Frimley Park has implemented a number of initiatives in the year. Some examples of these were:

- A Nepalese Elder Day covering all aspects of hospital care and health promotion
- Promotion of awareness of TB in the community involving talks to Nepali groups and development of a Nepali DVD of a patient's journey
- Campaigns to raise awareness of risks of alcohol, smoking, and how to improve diet and include exercise in daily routines
- Opening of the dementia café for carers
- Continuation and extension of the successful Samaritans projects in the Emergency Department
- Launch of a patient forum for disabled patients to provide an opportunity to engage with patients on improving access to current services
- A programme working with Macmillan Cancer Support and Rushmoor Healthy Living to identify and support cancer patients in the Rushmoor community
- 'Celebrating diversity' events in staff restaurants ethnic and cultural menus celebrating different cultures or national days such as Greek, Nepali, Portuguese, Indian, Chinese days, celebrating St George's and St David's days and Burns Night.
- Work with Rushmoor Borough Council on projects for local residents, such as health improvement information, working with the Nepali community, mental health team, and diabetes groups.

At Wexham Park Hospital, some further examples include:

- New ablution facilities for people of Islamic faith following feedback from the local Muslim community and staff
- Opening of the Sunflower Lounge for patients with dementia and launching the dementia buddies scheme following engagement with staff and patients
- Creation of two early labouring rooms following engagement with patients.

## Recruitment: career events / encouraging employment

Over the past year, the Trust has supported a number of careers events in the local communities.

On the Frimley Park site, the annual 'Taste of Frimley' open evening attracted a lot of interest from students at local colleges. The evening involved them being taken on mini tours of areas such as Physiotherapy, Pharmacy and Pathology. The students were also shown equipment used in clinical areas and listened to presentations from clinicians on a variety of careers.

There were over 150 work experience placements offered on the Frimley Park site over the year to students in the surrounding areas to enable them to get a feel for what working in the hospital would be like. Four 'taster' weeks were also organised over the year for local students interested in a career in nursing to experience work based on a ward.

For the Wexham Park and Heatherwood sites, there have been various careers events supported by a number of staff from different areas of the Trust. They proved popular with students and gave them an insight into the many professions within the NHS.

These included a careers speed networking evening. Staff also represented the Trust on careers question-and-answer panels for students at careers fairs.

The Trust also attended career fairs within colleges and universities in support of older students who were either going on to university or leaving to start their careers and exploring where they wanted to develop their interests.

The main focus of recruitment over the last year has been in nursing and the Trust has advertised recruitment open mornings for nurses on a monthly basis over the last year on the Frimley Park site and has started organising these events for the site at Wexham Park. The Trust has also been out to Continental Europe and latterly to the Philippines to recruit overseas nurses for both sites.

Medical staffing

The number of medical staff since 1 April 2014 throughout the year is shown in the table below

	Medical Staffing: WTE	Medical Staffing: Headcount
April 2014	473.44	495
May 2014	482.06	504
Jun 2014	482.06	506
Jul 2014	483.23	508
Aug 2014	508.03	533
Sep 2014	485.01	512
Oct 2014	<b>980.38</b> FPH: 498.34 H&WPH: 482.04	<b>1,038</b> FPH: 529 H&WPH: 509
Nov 2014	<b>974.51</b> FPH: 495.17 H&WPH: 479.34	<b>1,034</b> FPH: 525 H&WPH: 507
Dec 2014	<b>976.91</b> FPH: 494.96 H&WPH: 481.95	<b>1,033</b> FPH: 526 H&WPH: 508
Jan 2015	<b>975.61</b> FPH: 492.72 H&WPH: 482.89	<b>1,031</b> FPH: 522 H&WPH: 509
Feb 2015	<b>978.02</b> FPH: 500.74 H&WPH: 477.28	<b>1,034</b> FPH: 532 H&WPH: 502
Mar 2015	<b>980.97</b> FPH: 506.19 H&WPH: 474.78	<b>1,036</b> FPH: 534 H&WPH: 502

### **Occupational Health and Safety Services**

The past year has been a very exciting one for the department. During the year the results of a national audit and benchmarking exercise that found the occupational health department saw all referrals within the recommended time period and that all health reports were issued within two days.

A security audit of the Frimley site was undertaken under NHS guidelines and our security management was found to be good. Strenuous efforts were also made to improve security systems in ward areas at Frimley, which resulted in a fall of 50% in the number of thefts reported over the calendar year. This work will now be extended to include the Heatherwood and Wexham Park sites.

Since the acquisition, work to manage the combined Occupational Health and Safety departments commenced and a Head of Service and deputy have been appointed. There is also a new clinical lead to manage the clinical service on all sites. A transitional plan has been developed outlining the work required in the short, medium and long term and an overarching Health, Safety & Environment Committee has been established along with local sub committees.

The annual flu vaccination programme which began in autumn 2014 was successful and Frimley was again found to be one of the best performing trusts in the south east region with 2,743 (2,514 front line worker) staff at the Frimley Park site taking the vaccine, which was 225 more than last year despite a national fall in uptake due to the mild winter. At Wexham Park and Heatherwood the total number of staff vaccinated was 1,609.

A comprehensive project was undertaken to improve the management of staff health records at Frimley and a new electronic system is now being introduced to allow staff to access records electronically via the internet quickly and produce detailed health reports. This new system became operational this spring and extended to the Wexham Park and Heatherwood sites on 1 May 2015.

One highlight of the year was the annual staff health fair held at Frimley Park in February 2015. This formed part of a wider campaign to improve staff health and fitness, as recommended by National Institute for Health and Clinical Excellence (NICE) guidance. In addition the department launched a new self-assessment surveillance form which forms part on the annual appraisal. The department also launched the British Heart Foundation pedometer challenge, which proved a great success. Thirteen teams from the hospital took part and more are waiting to take part in challenges this year.

Recently, NICE revised its guidance on smoking within health care premises. As a result the Trust's policy was substantially revised and efforts were undertaken in association with the local Environmental Health Department and the community 'Stop Smoking Services'. Frimley remains smoke free across the whole site and this work will now be extended to Heatherwood and Wexham Park hospitals.

Over the year, the number of staff attending health and safety training rose to 83%, compared to a national average of 76%. A steady decline in the number of health and safety related incidents reported in recent years continued. In addition, the number of incidents reported to the Health and Safety Executive (HSE) remained very low, with no major incidents or dangerous occurrences that required reporting under relevant legislation.

### **Fundraising**

## Breast Care Appeal at Frimley Park Hospital

In October 2013 the Frimley Park Hospital Charity launched the Breast Care Appeal as it main strategic fundraising focus. The aim of the appeal is to provide a £1.5m dedicated breast care unit with gold standard equipment including the latest 3D diagnostic imaging equipment. This will provide the best possible care for patients, over and above the minimum standards required by the NHS. The appeal aims to raise £750,000 for equipment for the Unit at Frimley Park Hospital and the Trust has agreed to match fund this with a further £750,000 to develop the Unit. By the end of December 2014 the Appeal had raised over £375,000 so was well on target to reach its total by October 2016.

The main fundraising events in aid of the Breast Care Appeal at Frimley Park Hospital were:

- 'Run Frimley', the largest annual event, which took place in May 2014 and was more successful than ever with a record 1,770 runners and fundraising total of £72,000
- 'Tour de Frimley' in August 2014 with 16 cyclists riding 1,000 km from Frimley Park Hospital to Brest in North West France and back to raise £27,000
- 'Ride for Frimley', an inaugural community bike ride, in September 2014, which attracted 460 riders and raised £23,000.

Other events for the Breast Care Appeal, organised by the fundraising team, staff and community supporters, included a sponsored weight loss group, a champagne reception at the Artists' Village at Compton, The Big Jump skydive, a masquerade ball themed Christmas party, and an afternoon tea.

In addition many local groups took the Breast Care Appeal as their charity for the year and raised significant sums for the appeal and it also received significant sponsorship support at events from local businesses.

These included Camberley WI (£4,000), Terry Bridgeman, Mayor of Rushmoor (£7,000), Fleet Morning Townswomen's Guild (£2,944), Hart Lions (£2,250), House of Fraser (£1,500), Inner Wheel Club of Rushmoor (£1,250), Farnham Homemakers £1,200, Roundabout 50 (£1,520). The Downing Street Fashion Show raised £1,750, Farnborough Sixth Form College raised £2,000 over the last year as part of their ongoing support for the appeal and Novartis Social Club, Interlife along with a raffle organised by their security staff raised £1,500. We are very grateful to all these groups and to Vickery Estate Agents who continue to support the appeal with their annual sponsorship of Run Frimley.

Local charity KatCanDo, along with a local fitness group BeFiit, raised £12,000 to buy a cordless gamma probe that enables the breast surgeons to accurately remove the lymph nodes, which helps prevent cancer spreading.

The most significant single donation to the appeal to date came from The Johnson Wax Ltd Charitable Trust who presented the hospital with a donation of £57,950 for a much needed portable ultrasound scanner for the breast clinic. We are grateful to The Johnson Wax Ltd Charitable Trust as well as SC Johnson and their staff for their ongoing support for the appeal.

The Breast Care Appeal's Community Group did a magnificent job both in raising the profile of the appeal as well as holding several fundraising events. The group has raised many thousands of pounds with quizzes, musical evening events, raffles and collection days during the year.

## Other fundraising at Frimley Park Hospital

Funds have continued to come in for both the Heart 2 Heart Appeal and Saving Tiny Lives and two boys, Oliver and Connor Skuthe-Cook (aged 10 and 12) climbed Mt Snowdon and raised over £2,500 for the ICU in memory of their late father, Gary.

As well as supporting the Breast Care Appeal, KatCanDo donated a TEO kit (used to remove small early cancers or polyps) to the colorectal department and the Urology department benefitted from their donation of a cystoscope.

### Legacies to Frimley Park Hospital

During the year we received or were notified of legacies left to Frimley Park Hospital. The late Miss Jessie White left half her property and all its contents to Frimley Park Hospital. Two Chinese vases were included in the contents and raised £10,100 at auction. The late Mrs Leila Holliday also left half her estate to the hospital. Funds from these two properties will be received during the year 2015-2016.

The Eye Department received a legacy of £17,700 from the late Dorothy Parker.

The late Anne Newman left £5,000 to the Stroke Unit and the late Mr Donald Currey left £1,000 to the hospital for wheelchairs.

# Frimley Park - RVS and second hand bookshop

The Trust has continued to benefit from support from the RVS shop in the main entrance. Funds donated by the RVS have enabled the Trust to improve the patient experience with bedside guides and discharge folders for each patient as well as special nursing pods placed in the ward bays so nurses can keep a closer eye on patients.

The second hand bookshop, which is run by a team of dedicated volunteers, continues to raise a considerable sum each year. Equipment purchased with funds raised by the bookshop include transfer equipment for the Intensive Care Unit and items for the dementia ward including calendar clocks, DAB Radios, DVD players, DVDs and iPads. The bookshop funds have also provided specialist chairs for dependent patients as well as a portable ultrasound.

### Support for Kitwe Central Hospital in Zambia

Frimley Park's link programme with Kitwe Central Hospital in Zambia continues to go from strength to strength. The link programme started in 2010 as part of the VISION 2020 global initiative to eliminate avoidable blindness, with funding for three years. At the end of 2014 a further two year grant of £30,000 was obtained for research into diabetic retinopathy in Zambia along with a mentoring grant. Meanwhile Mr Thomas Poole, one of Frimley's ophthalmic consultants, has undertaken corneal transplants at Kitwe and restored the sight of several young blind patients. These were the first corneal transplants ever to be carried out in the national health service in Zambia.

### Fundraising at Heatherwood and Wexham Park Hospitals

2014-2015 was an active year for fundraising at Wexham Park and Heatherwood with an increase in the number of corporate volunteers coming in to work on projects within the grounds of the hospitals. Many companies have worked tirelessly on the courtyards and gardens at Heatherwood and Wexham Park and special thanks must go to Lilly, Leaseplan and 02 in particular for their work. N2O sponsored the new garden at the back of the Children's Ward with the planting of over 5,000 spring bulbs and a flock of wooden sheep. In addition they supplied over 1,000 Disney water and sandwich boxes and sponsored the T-shirts for all the participants in RUNWXM (Run Wexham sponsored fundraising event). Support from Outdoor Bespoke Spaces helped create a dementia friendly garden, the Sunflower Garden, which was opened by TV presenter Nick Knowles. Other corporate support came from local branches of Waitrose who donated £1,182 and two branches of the Co-Op who chose Wexham Park as their charity for the year. Marks & Spencer donated £1,907 to the Eden Unit.

The Ablutions Room was opened at Wexham Park. This facility allows Muslim patients, visitors and staff to wash before prayers and was funded by the community with one family donating the majority of the funds needed. It is believed that this is one of the first facilities of its type within an NHS trust in the country and has led to an increase in the use of the Chapel at Wexham Park Hospital.

RUNWXM attracted over 140 runners, creating a great atmosphere. In addition, throughout the year staff and other individuals organised fundraising events and cake sales in support of wards and units at Wexham Park and Heatherwood hospitals.

Heatherwood's League of Friends purchased a pager system for the Outpatients Department at Heatherwood and a phlebotomy chair. The League of Friends of Slough Hospitals donated a number of televisions for patient waiting areas and play storage equipment for the Children's Outpatients area as well as some beautiful outdoor furniture for the Sunflower Garden. We are grateful to the League of Friends at Slough and Heatherwood for their generous support.

## A new fundraising event for Frimley Health NHS Foundation Trust

On the 28 June 2015 the Trust will be holding the first event that will be supporting all departments and specialities across the new Trust. Walk for Wards will take place simultaneously on two sites – the Hampton Estate at Seale for Frimley Park and a circular route from Wexham Park Hospital. Staff and patients participating in these events can raise funds for the department or ward of their choice.

## Volunteering

The Trust is fortunate to have a small army of volunteers from the community who carry out a variety of valuable roles. This is a reflection of the goodwill in the local population towards their NHS hospital. During the year ahead a new volunteering strategy will be developed across the enlarged Trust to support the Trust's objectives and make best use of the contribution that our volunteers make. We are grateful to all of them for the time and effort they provide in making our hospitals even better places for our patients and their relatives and carers.

## Volunteering at Heatherwood and Wexham Park Hospitals

Individual volunteering at Heatherwood and Wexham Park continues to grow. The hospital volunteers help in the following departments:

- **Maternity Department** Breastfeeding Support Volunteers. This is proving very popular and offers excellent support to the midwives and improves the patient experience
- Paediatric Ward –This is a very popular placement and enhances the patient (parents) experience
- Meal time volunteers Volunteers receive nutritional training and assist patients to eat at meal times
- Introduction of A&E schedule This is another popular placement especially with those who are applying to medical school, nursing and physio training. This cover allows patients to talk to volunteers and enhances the patient experience.
- Introduction of volunteers evenings within ITU This request was made as the ward clerk goes home at 16.30. Due to the nature of the ITU Department, it is a locked area. Staff were having to cover reception desk, and phone enquiries as well as letting visitors in and out of the ward. Since the introduction of volunteers every evening the staff can now focus on the patients and their needs.
- **Urology admin/reception support HWD** This is very successful as the Wednesday clinic is very hectic and the use of a volunteer allows greater patient interaction and attention when patients report at reception
- **Payroll Department** A volunteer who has been in place 6 months has recently been offered a 6 month (Fixed Term) paid post as a Finance Assistant

Many volunteers are very happy to undertake administrative tasks. This is illustrated by the placement of volunteers in HR, Legal Services Department, Patient Complaints, Fundraising and Volunteering and also Communications.

### Volunteering at Frimley Park Hospital

The hospital has more than 300 volunteers regular on its main database, this remains very much the same as last year. Not all commit to regular sessions of volunteering as some provide ad-hoc support when required.

Volunteers support staff and patients in a variety of roles some of which are outlined below:

- Appeals and fundraising, including support for the annual Run Frimley event
- Time Garden volunteers, who maintain the end of life garden
- Running the on-site second hand bookshop to raise funds for the Trust, which provides equipment for a variety of specialties
- Patient Library, delivering library books to inpatients
- Patient surveys facilitators, gaining feedback from inpatients to guide improvements to the quality agenda
- Delivering a tea trolley service in the breast one-stop clinic.

## **Handling complaints**

The Trust ensures that following investigation it identifies any appropriate learning from the complaints it receives. They drive service improvements, changes to practice and improved patient experience. Every effort is made to resolve issues locally in a way that is acceptable to the complainant. Local resolution meetings are encouraged where complaints are complex or where they raise more serious concerns. The Trust remains committed to responding within 25 working days to all complaints. Complaints have naturally become more complex as services have expanded and often involve various external agencies and care providers including other Trusts.

The Trust has centralised the complaints service at Wexham Park Hospital and has established a Patient Experience Forum to monitor compliance against the local complaints policy, NHS complaints regulations and CQC outcomes. Complaints are also discussed at local clinical governance meetings or specialist forums.

Complaints may highlight a need to change a practice, improve a service in an individual area or offer learning for an individual. When identified, a change in practice will be implemented to avoid recurrence. Learning is shared at local level through Clinical Governance and specialist forums such as dementia end of life and practice development teams. Individual complaints are used in training at preceptorship, junior doctors' training and the Trust Managing People course.

Annual comparison for Wexham Park and Frimley Park noted below:

	2013-2014 Formal	2014-2015	Variance
	complaints	Formal	
		complaints	
Frimley Park	382	433	+13%
Heatherwood Wexham	548	539	+1%
Park			
Total	930	972	+5%

Please note there are variances in the logging of complaints on each site making comparison difficult. This will be aligned under the new central complaints process being implemented at Heatherwood and Wexham Park.

## Patient Advice and Liaison Service (PALS)

The PALs service continues to support patients in resolving current issues and concerns in a timely manner. They facilitate local resolution meetings between the patients, clinicians and wards to ensure the patient's voice is heard and their concerns addressed appropriately. They also ensure GP's receive a timely investigation and response to the clinical concerns they raise. The PALs team also facilitate the Patient Voice sessions chaired by the Director of Nursing. These sessions invite patients and carers in to discuss and share their experience and suggestions for improvement to the quality of care we provide. These sessions are recorded and presented at the board meetings at Frimley Park and Wexham, they are also utilised for local training sessions.

### **Our members**

During the year the Trust continued to develop its community engagement strategy to promote good relationships, communication, and collaboration with the wider community. It focused on engaging people through foundation trust membership, fundraising, and some aspects of volunteering.

The overarching aim is to maximise community support for the Trust and to improve its understanding and response to social and community issues. The Trust has implemented a number of initiatives in the year. Some examples of these were:

- A Nepalese 'Health and Wellbeing Showcase Event' in conjunction with Macmillan which took place in November 2013 at the Village Hotel, Farnborough and was attended by over 100 community members.
- A meeting with a local group in Farnborough (Miscellaneous Club) where 45 deaf people gave feedback about the provision of services for that community.
- Open Sight Group (blind or partially sighted people) a survey has been modified by this local group and an officer commissioned to visit 10 members and patients in their own homes to gain their views about Trust services and improvements they would like to be made.
- A programme to train 20 members of staff to a high standard to act as interpreters for our patients.
- A pilot programme for volunteers from the Samaritans to be available in our Emergency Department to help distressed patients.

The Trust will continue to monitor the outcomes from the strategy in the coming year.

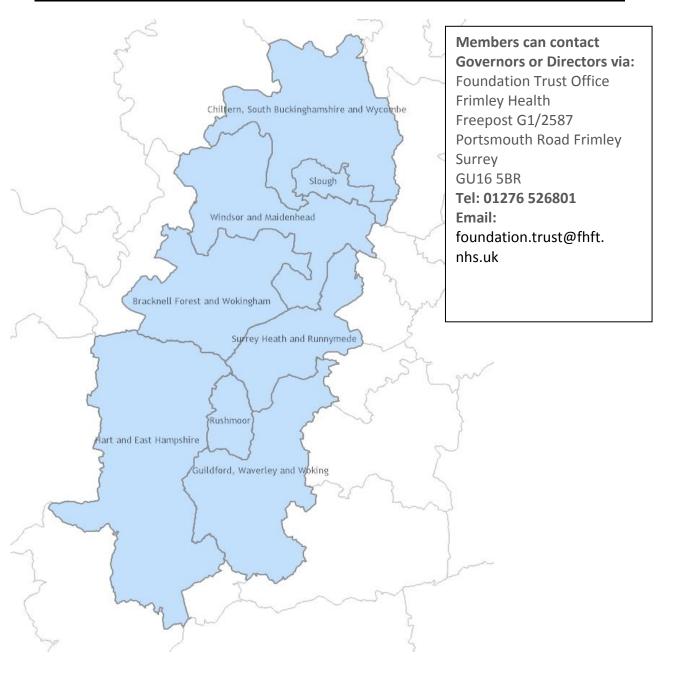
## **Membership: Members of the Trust**

Membership comprises individuals who satisfy at least one of the following:

- Any resident of England over the age of 16, living either in one of our constituencies within our core catchment or from the 'Rest of England' constituency
- Staff: any member of staff who has a permanent contract of employment, or has worked at the
  Trust for 12 months or worked on a series of short-term contracts amounting to more than 12
  months.

Members are represented on the Council of Governors by representatives from the public, patients and carers, staff and other stakeholder groups. The Council of Governors is elected from the Trust's membership, which means that the members will have the opportunity to significantly influence the enlarged organisation's future strategy. Moreover, in this way the Trust is directly accountable to its local community. The Trust is constantly exploring with the Governors the potential for wider stakeholder engagement, through the Community Engagement Group.

# Membership catchment map for Frimley Health NHS Foundation Trust as at 31 March 2015



Constituency	<sup>1</sup> Population per constituency aged over 16*	Number of members 31 March 2015	*Number of members 31 March 2014	% who are members 31 March 2015
Bracknell Forest and Wokingham	160,844	1,197	*	0.74%
Chiltern, South Buckinghamshire and Wycombe	116,080	481	*	0.41%
Guildford, Waverley and Woking	86,409	1,532	*	1.77%
Hart and East Hampshire	111,777	2,228	*	1.99%
Rushmoor	85,514	3,035	*	3.55%
Slough	128,021	1,599	*	1.25%
Surrey Heath and Runnymede	95,083	2,992	*	3.15%
Windsor and Maidenhead	133,816	1,047	*	0.78%
Rest of England	N/A	1,354	*	0.10%

<sup>&</sup>lt;sup>1</sup> These figures use actual 2011 Census data with 2014 projections <sup>2</sup> Election rules - The Board confirms that all elections to the CoG are held in accordance with the election rules, as stated in the constitution. \* The figures in the Number of members at 31 March 14 has been left blank as since the acquisition 1 October 2014 as we are unable to look back in time for the new constituencies that we have acquired. Going forward to March 2016, we will be able compare as previously figures as reported.

# Membership by staff directorate constituency at 31 March 2015

Directorate	Number of members 31 March 2015	Number of members 31 March 2014
Women's & Children's Diagnostics and Therapeutics	2,619	1,243
Surgery and Surgical Services	1,162	1,087
Medicine, Elderly Care, Pharmacy and Emergency Dept	3,007	1,515
Admin, Management, Estates, Hotel Services, Parkside, others	2,252	1,129
Unspecified*	0	0
Total	9,040	4,974

## Major targets and actions to develop membership

The Trust's aim over the period under review was to continue to find better ways of engaging with the membership, to educate and inform them, to seek their participation in events, obtain their feedback and capture their concerns. In addition the acquisition of Heatherwood and Wexham Hospital took place on the 1 October 2014. The enlarged Trust needed to recruit around 3,000 members within four weeks so that the election for the new governors could take place. This target was surpassed. The following summarises the outcome of the modified annual targets for membership for 2014-2015.

# Membership numbers

The focus at the start of the year had been to stabilise total membership at it existing level of approximately 15,000 throughout 2014-2015. However, following the acquisition this was adjusted to account for the enlarged staff and catchment to a target membership of 25,000. The Trust ended the year with 24,528 members. (2013-2014: 16,297).

### Public and Rest of England

Following the acquisition the target was 17,000 of the total membership from the public constituencies. We ended the year with 15,488 members (2013-2014: 11,323). After an initial public membership surge ahead of the governor elections the rate of increase tailed off more than expected. More resource is planned to address this in the year ahead.

### Staff

At 31 March 2015 the Trust had 9,040 staff members. The Trust continued to improve links between staff governors and staff members, for example by publicising the names of staff governors to staff in prominent staff areas and involving staff governors as observers in the Chief Executive briefings. (2013-2014: 4,974).

### Constituency populations as members

The constituencies on average have 1.71% representation (i.e. percentage of the population who are members of the Trust). Recruitment events again have taken place in all constituencies with the membership manager, governors and volunteers attending.

### Socio-economic groupings

The Trust aimed to focus on the diversity of membership and to increase contact with members in under-represented socio-economic groups to obtain their views on the hospital. The Trust continued to focus on increasing membership from hard-to-reach, seldom heard, groups by holding recruitment events in venues that these people are known to visit. These included garden centres, DIY stores and computer shops, recreation centres and swimming pools, shopping centres, supermarkets, libraries. This activity will continue in 2015-2016. The socio-economic analysis indicates the Trust membership has a good distribution of social class groupings. This distribution will continue to be taken into account in on-going membership recruitment.

## Public membership\* breakdown by socio-economic group at 31 March 2015

Socio-economic group	Eligible households*	Number of public members 31 March 2015**	Number of public members 31 March 2014**
ABC1	207,877	8,988 (4.3%)	6,661 (3.2%)
C2	57,523	2,618 (4.6%)	1,858 (3.2%)
DE	49,391	2,476 (5.0%)	1,590 (3.2%)
Not assigned	0	0	0
Total	314,791	14,082	10,109

<sup>\*</sup> These figures use 2011 Census data with 2014 projections. 2011 census data only counts households by socio economic group, not individuals. \*\*Excludes Rest of England Catchment members

# Age / gender

The Trust has more female members than male. The will continue to target men aged 20 to 59, who are under-represented, by holding events at venues they were likely to frequent, such as fitness centres and golf clubs. As at 31 March 2015 the male to female members' ratio was 37.0: 62.0 (31 March 2014: 36.9: 63.1).

## Public membership breakdown by gender at 31 March 2015

	Catchment	Membership 2015	Membership 2014
Male	541,955	37.0% (5,728)	36.7% (3,734)
Female	552,203	62.0% (9,617)	62.7% (6,376)
Unspecified	0	1.0% (157)	0.5% (52)

In the year from 1 April 2014 to 31 March 2015, following a data cleanse, 379 male and 592 female entries were removed from the database.

## Public and patient membership breakdown by age profile at 31 March 2015

Age (years)	Public number of members	Eligible membership catchment <sup>1</sup>	% of catchment population
0-16	178	10,676	1.7%
17 - 21	1,890	43,563	4.3%
22+	12,859	594,696	2.2%
Unspecified	575		

<sup>1</sup> estimate based on 2011 census data and closest age band

## Ethnicity

The Trust continues to need to increase BME (black minority ethnic) membership from local communities whose ethnic mix has changed as a result of recent settlements. The analysis of the catchment area for ethnicity provided by the membership database provider (MES) uses the 2011 census data with 2014 projections. The total number of BME Trust public members (inside catchment) has increased significantly to 2,004 in March 2015 from 772 in March 2014, primarily because the new part of the enlarged Trust has a bigger proportion of BME residents. Taking into account 218 removals from this group due to a data cleanse, true recruitment was 2,353. 903 members chose not to state their ethnicity.

## Public membership breakdown by ethnicity at 31 March 2015

Ethnicity	% composition of catchment population	Public membership (as % in brackets) March 2015	Public membership (as % in brackets) March 2014
White	84.2%	12,595 (81.2%)	8,911 (87.7%)
Mixed	2.1%	233 (1.5%)	100 (1.0%)
Asian	10.7%	1,327 (8.6%)	518 (5.1%)
Black	2.1%	338 (2.2%)	121 (1.2%)
Other	0.9%	106 (0.7%)	33 (0.3%)
Not specified		903 (5.8%)	479 (4.7%)
Total	100%	15,595	10,162

### **Annual major health events**

The careers event 'A Taste of Frimley Park' for younger people took place in November 2014. It was again a huge success with very positive feedback from the 93 students who attended. Many of these students are actively considering a career in health service. The event will take place again in November 2015. The goal going forward will be to hold another event at Wexham Park Hospital giving a similar opportunity to students in the northern part of our catchment.

# **Constituency meetings (local health events)**

Local constituency meetings enable direct consultation and debate by governors with the members on topical issues. The Trust continued to develop governor constituency meetings to give attendees more opportunity to take part in such discussions.

One of the meetings in 2014-2015 was a 'constituency meetings-plus', a longer event running from 6pm to 10pm with extra exhibits for the public to learn more about health and engage with staff. The Trust held another such event in April 2015.

Attendances remained higher than ever for the local health events with an average audience for the 13 meetings of 110 people. The best attended was the Rushmoor constituency plus meeting in April 2014, with 220 people. The meetings were also well publicised through the foundation trust's quarterly magazine, via posters across the community, direct email, websites and social media and other channels.

# <u>Public attendance at constituency meetings (local Health Events) 2014-2015</u>

Constituency	Date	Members attended	Guest speaker
Rushmoor (Constituency meeting - plus)	29 April 2014	220	Mr Thomas Kersey (Ophthalmic) Miss Sharmin Chowdury (Ophthalmic) Mr Tom Poole (Ophthalmic)
Surrey Heath	19 May 2014	130	Mr Philip Rosell (Orthopaedic)
	9 June 2014	130	Mr Jonathan Hull (Orthopaedic)
Hart	24 June 2014	100	Dr Vinod Achan (Cardiologist)
Bracknell Forest and Wokingham)	15 July 2014	100	Mr Marcus Cleanthis (Vascular)
Waverley	30 September 2014	110	Mr Philip Rosell (Orthopaedic)
Guildford	7 October 2014	50	Dr Ottilia Speirs (Stroke Physician)
Slough	14 October 2014	150	Dr Vinod Achan (Cardiologist)
Surrey Heath	28 October 2014	100	Dr Tim Wang (Biochemistry)
Rushmoor	11 November 2014	100	Mr Simon Bott (Urologist)
Runnymede and Surrey Heath	20 January 2015	110	Mr Jonathan Hull (Orthopaedic)
Chiltern South Bucks and Wycombe	17 February 2015	30	Mr Philip Rosell (Orthopaedic)
Windsor and Maidenhead	24 March 2015	100	Mr Marcus Cleanthis (Vascular)`

We anticipate that numbers will also grow in the Berkshire / Buckinghamshire catchment as the meetings become more widely known as there were no similar events run by Heatherwood and Wexham Park Hospitals NHS Foundation Trust before acquisition. The two events above with attendance only in double figures are in constituencies on the edges of our catchment where we currently have the lowest membership.

#### Handheld devices for interactive feedback

The Trust continued using 200 handheld electronic 'KEEpad' devices at all local health events. These give audiences a better way to interact with speakers and all public responses to specific questions collected electronically at the meetings are collated as feedback to the relevant Governor-led committees.

### Membership engagement and mechanisms for reviewing membership plans

Improving membership involvement continued to feature as a topic for discussion with the governors' Community Engagement Group (CEG – see below). The CEG monitors delivery of membership activity.

Membership recruitment events were held at many locations, including: Aldershot Centre for Health, colleges in Farnborough, Farnham and Camberley, garden centres, sports centres, large stores and at the workplaces of several big local employers.

### **Engagement with governors and members**

### Community Engagement Group (CEG)

The Community Engagement Group (CEG), formerly called the Stakeholder Engagement Group, is a working group of the Council of Governors. It meets quarterly to co-ordinate actions on matters relating to Trust membership and stakeholder / community and public involvement and to provide feedback to the Board and to the CoG.

The CEG receives presentations on membership activity, recruitment and retention, and local projects to foster engagement. This year the members of the group have considered presentations and discussions in the following areas:

- Membership, including approval of the targets for 2014-2015
- Governors and their constituency meetings
- Community engagement, in particular with the Nepalese community
- Fundraising
- Results of the Governor elections
- Corporate and Community Engagement (CACE) objectives for 2013-2016
- The Trust's use of social media

# **Sustainability**

Plans to operate more sustainably from an environmental perspective are at different stages at each of the three hospitals that make up Frimley Health. The next 12 months will focus on information gathering and identification of energy reduction opportunities to establish a new baseline and targets.

A Sustainable Development Management Plan (SDMP) diagnostic has been initiated across all three sites, with the aim of understanding the new Trust's current position. This assessment will help to develop an overarching Frimley Health SDMP as well as site specific Carbon Management Plans (CMP's). This will help align sustainability and carbon reduction and put firm plans in place for the period 2015 to 2020.

### **Corporate Social Responsibility (CSR)**

Frimley Park Hospital (FPH) has used the Good Corporate Citizenship (GCC) tool to help assess commitment to corporate social responsibility, scoring 42 (21 is the national average taken from 94 participating acute trusts, with the highest being best and ranging from 1 - 100). This assessment will be redone in 2015 for all sites within Frimley Health and will feed into the SDMP.

## **Greenhouse gas (GHG) emissions**

Since October 2013, the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has required all companies to report on their greenhouse gas (GHG) emissions, which are either direct or indirect and which are divided further into scope 1, scope 2 and scope 3 emissions. This does not apply to foundation trusts. However, the Trust has chosen to disclose the information below for Frimley Park Hospital. GHG emissions data for Heatherwood and Wexham Park Hospitals will be collated during 2015-2016 for next year's Annual Report and combined with FPH to display the new organisation's emissions.

Direct GHG emissions are emissions from sources that are owned or controlled by the organisation. Indirect GHG emissions are emissions that are a consequence of the activities of the Trust but that occur at sources owned or controlled by other entities.

### Greenhouse gas emission (Frimley Park Hospital data only)

GHG Emissions (tCO2e) Summary (FPH only)	07/08	08/9	09/10	10/11	11/12	12/13	13/14	14/15
Scope 1*	6,145	6,137	8,258	9,681	9,913	9,906	9,760	10,334
Scope 2**	4,788	5,420	3,872	1,924	1,421	1,023	1,814	1,846
Scope 3***	40,161	49,278	50,798	52,065	61,328	60,717	60,695	67,647
TOTAL	51,094	60,835	62,928	63,670	72,662	71,646	72,269	79,827

Scope 1 emissions: Direct emissions controlled by the Trust arising from gas use in buildings, trust owned vehicles and anaesthetic gases. Figure excludes lease car data.

Scope 2 emissions: Indirect emissions attributable to the Trust due to its consumption of purchased electricity.

Scope 3 emissions: Other indirect emissions associated with activities that support or supply the Trust's operations within procurement, travel, waste, water and transmission of energy supplies.

# Additional explanations / notes re amounts in accounts

The Annual Accounts have been prepared under a direction issued by Monitor in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006.

The full set of Annual Accounts are have been submitted with the Annual Report.

The surplus for the year includes £90.732m arising from the acquisition of Heatherwood and Wexham Park Hospitals NHS Foundation Trust on 1st October 2014. This entry reflects the value of the net assets on transfer; before this item the Trust made a deficit of £1.229m.

As explained in Note 1.2 to the accounts, income and expenditure totals only include Heatherwood and Wexham Park Hospitals NHS Foundation Trust figures following its acquisition by Frimley Park Hospital NHS Foundation Trust on 1 October 2014.

As explained in Note 1.2 to the accounts, all prior year comparators that appear on pages 14 to 56 of the Accounts are as disclosed in the 2013-2014 Frimley Park Hospital NHS Foundation Trust Accounts, and do not include prior year figures for Heatherwood and Wexham Park Hospitals NHS Foundation Trust.

Other recognised gains and losses relates to a change in accounting policy in respect of consumables and energy stock which were written out of the books.

The Statement of Comprehensive Income includes a 'gain on transfer by absorption'. This entirely relates to the acquisition of Heatherwood and Wexham Park Hospitals NHS FT's assets and liabilities on 1 October 2014 at book value. The figures in the table below provide a breakdown:

	<b>5</b>	£000
Property plant and equipment		95,243
Intangible assets		7,694
Inventories		5,810
Trade and other receivables		28,851
Cash and cash equivalents		553
Trade and other payables		(38,456)
Tax payable		(5,048)
Other liabilities		(2, 167)
Provisions for liabilities and charges **		(1,643)
Borrowings		(105)
Gain in Income and Expenditure Reserve		90,732

Of this gain of £90.7m an amount of £19.7m was recreated in Frimley Health on 1 October through transferring £19.7m out of the income and expenditure reserve and into the revaluation reserve.

**Andrew Morris** 

Chief Executive, 29 May 2015

### **GOVERNANCE**

### **DIRECTORS' REPORT**

The Directors of Frimley Health NHS Foundation Trust present the annual report relating to months 1-6 for Frimley Park Hospital NHS Foundation Trust and months 7-12 for Frimley Health NHS Foundation Trust.

#### **Monitor Code of Governance**

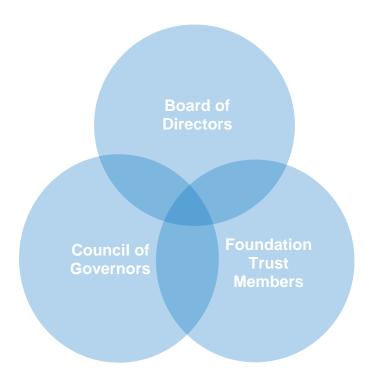
Frimley Health NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012. The Board of Directors considers that it was compliant with the provisions of the revised Monitor NHS Foundation Trust Code of Governance.

As per 'The NHS Foundation Trust Code of Governance' (updated July 2014), produced by Monitor, the independent regulator, 'the board of directors is a unitary board. This means that within the board of directors, the non-executive directors and executive directors make decisions as a single group and share the same responsibility to constructively challenge during board discussions and help develop proposals on priorities, risk mitigation, values, standards and strategy.'.

The Directors consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Trust's performance, business model and strategy.

# **Corporate Governance**

There are legislative requirements concerning the governance of all NHS foundation trusts which require such organisations to have three principal components of the governance structure.



A brief overview of each is provided below:

- The **Board of Directors** (the 'Board') is made up of Executive Directors and Non-Executive Directors:
  - Executive Directors are employees of the NHS Foundation Trust, led by the Chief
     Executive, and are responsible for the day to day management of the Foundation Trust.
  - Non-Executive Directors are not employees, but officers; they bring to the Board an
    independent perspective and have a duty to challenge decisions and proposals made by
    the Executive Directors and to hold Executive Directors to account.

The Board of Directors is led by the Chairman who is also a Non-Executive Director.

- The **Council of Governors** is made up of appointed and elected Governors<sup>4</sup>. Appointed Governors represent stakeholder organisations such as the local councils. Elected Governors are elected by their distinct constituencies:
  - o 'Public Governors' elected by members of the respective public constituency
  - 'Staff Governors' elected from the staff body.

The Council of Governors has a statutory duty to 'hold the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors'.

• **Members** of the Trust comprise members of the public or staff who work at the NHS Foundation Trust. Members vote to elect Governors and can also stand for election themselves.

In accordance with Monitor's 'NHS Foundation Trust Code of Governance', NHS foundation trusts have a number of statutorily required positions across the Board of Directors and Council of Governors.

## These comprise:

- A Chief Executive and Executive Directors including a Director of Finance, Director of Nursing,
   Medical Director plus other Executive Directors.
- A Chair, plus a Deputy Chair and Senior Independent Director (these roles may be taken by one person) plus other Non-Executive Directors (note: the total number of Non-Executive Directors must always exceed the total number of Executive Directors)
- A Lead Governor plus other Governors

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<sup>&</sup>lt;sup>4</sup> Governors are volunteers and are not paid

### Governance structure

Frimley Health NHS Foundation Trust is a public benefit corporation established under the Health and Social Care (Community Health Standards) Act 2003, which was replaced by the National Health Service Act 2006.

The Board of Directors at Frimley Health attaches great importance to ensuring that the Trust operates to high ethical and compliance standards. In addition, it seeks to observe the principles of good corporate governance set out in the Monitor NHS Foundation Trust Code of Governance updated in July 2014. Furthermore, the Board of Directors is responsible for the management of the Trust and for ensuring proper standards of corporate governance are maintained. The Board of Directors accounts for the performance of the Trust and consults on its future strategy with its members through the Council of Governors.

The Council of Governors' role is to influence the strategic direction of the Trust so that it takes account of the needs and views of the members, local community and key stakeholders, to hold the Board to account on the performance of the Trust, to help develop a representative, diverse and well-involved membership, and to help make a noticeable improvement to patient experience. During 2014-2015 the Governors from the Trust and from the former Heatherwood and Wexham Park Hospitals NHS Foundation Trust were consulted throughout the acquisition process, including a series of joint workshops, where they were encouraged to put forward their own concerns and opinions along with those of their constituents. This was in addition to the on-going bi-monthly Board / Council of Governors workshops and committees where this and other business was routinely discussed. These workshops and committees have been continuing as the Trust formulates its forward plans. The Council of Governors also has to carry out other statutory and formal duties, including the appointment of the Chairman and Non-Executive Directors of the Trust and the appointment of the external auditor.

In the event of a dispute or disagreement between the Council of Governors and Board of Directors, in the first instance the Chairman would endeavour to resolve this. Should a resolution not be reached, the Chairman may ask the Company Secretary, Senior Independent Director and/or the Deputy Chairman to review the matter further. If a final decision is not reached, the matter would be referred back to the Chairman for a final decision.

If a dispute arose regarding the interpretation of the standing orders and the procedure to be followed at meetings of the Council of Governors, the Trust and the parties to the dispute would use all reasonable endeavours to resolve the dispute as quickly as possible.

If a dispute arose which involves the Chairman, the dispute would be referred to the Senior Independent Director who would use all reasonable efforts to mediate a settlement to the dispute.

#### Constitution

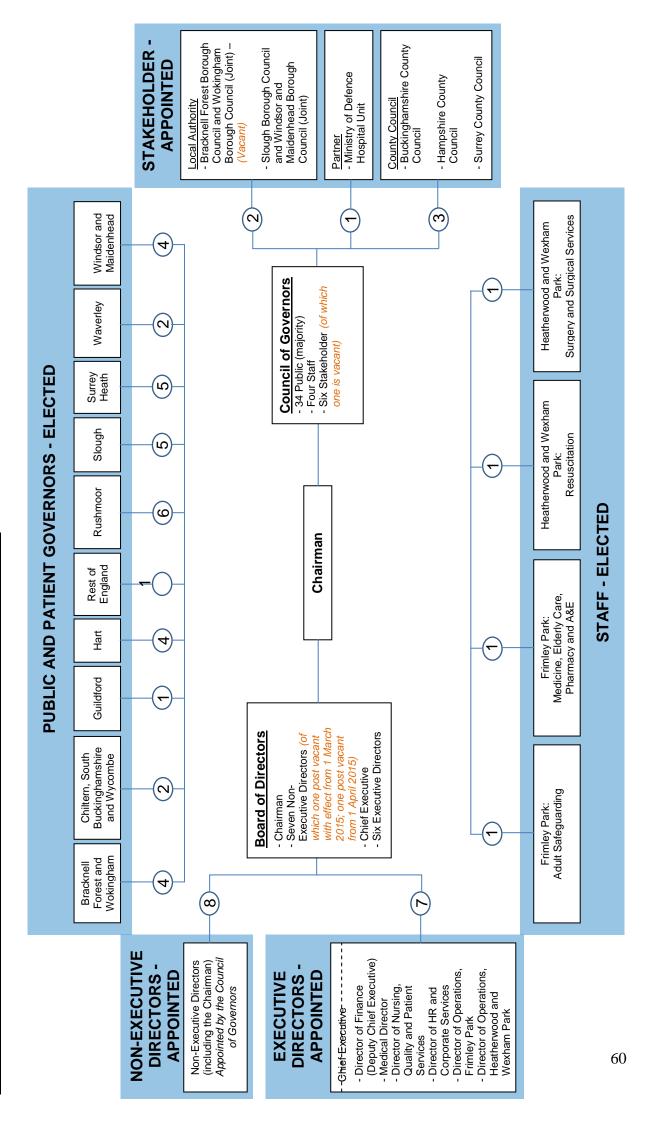
A revisited Trust Constitution was approved in July 2014 by the Council of Governors in anticipation of the acquisition to reflect the enlarged catchment and to ensure appropriate representation for the areas

that had previously been served by Heatherwood and Wexham Park Hospitals NHS Foundation Trust. The Constitution was subsequently effective from 1 October 2014.

# Corporate governance structure

The diagram overleaf illustrates the governance arrangements of Frimley Health NHS Foundation Trust as at 31 March 2015. There was a total of 44 Governor positions, eight Non-Executive Director positions and seven Executive Director positions.

Frimley Health NHS Foundation Trust's governance arrangements as at 31 March 2015



## **Our Board of Directors**

## The role of the Board of Directors at Frimley Health NHS Foundation Trust

### **Non-Executive Directors**

**Non-Executive Directors (including the Chairman)**: The Board of Directors is collectively accountable for the performance of the Trust and Non-Executive Directors play a key role in taking a broad, strategic view, ensuring constructive challenge is made and supporting and scrutinising the performance of the Executive Directors whilst helping to develop proposals on strategy. Furthermore, Non-Executive Directors should satisfy themselves as to the integrity of clinical, financial and other information, and that there are effective and robust systems of risk management and control mechanisms. The appointment of, and remuneration of, Executive Directors' is the responsibility of Non-Executive Directors.

**Chairman**: together with the other Executive and Non-Executive Directors, collectively accountable for the performance of the Trust. The Chairman is responsible for leadership of the Board of Directors and the Council of Governors. Furthermore, the Chairman is responsible for ensuring the effectiveness of the Board of Directors and the Council of Governors on all aspects of their role and leading on setting the agenda for meetings. The Chairman also leads on the evaluation of the Non-Executive Directors.

**Deputy Chairman**: together with the other Executive and Non-Executive Directors, collectively accountable for the performance of the Trust. The Deputy Chairman will deputise for the Chairman in his absence, which may involve chairing the Board of Directors' and/or Council of Governors' meetings and any other such meetings for which the Chairman of the Trust is also the appointed Chairperson. The Deputy Chairman is responsible for supporting the Chairman in ensuring the effectiveness of the Board of Directors' and Council of Governors' meetings.

**Senior Independent Director**: together with the other Executive and Non-Executive Directors, collectively accountable for the performance of the Trust. The Senior Independent Director has a key role in supporting the Chairman in leading the Board of Directors and Council of Governors, providing advice as required. The Senior Independent Director maintains regular contact with, and attends meetings of, the Council of Governors to obtain a clear understanding of Governors' views on key strategic and performance issues and matters of concern, and is responsible for leading the appraisal of the Chairman with the Lead Governor of the Council of Governors.

### **Executive Directors**

**Executive Directors (including Chief Executive)**: are accountable, with Board colleagues, for engaging with the local community and staff in creating a vision for the organisation and developing the strategy for implementing it. They are accountable also for exemplary corporate leadership and governance of the organisation, dedicated to the delivery of healthcare services that meet quality standards, are value for money and, are provided with professionalism, compassion and care.

**Chief Executive**: is responsible for leading the Executive Directors, Chiefs of Service<sup>5</sup> and Director of Integration in managing an organisation that is 'committed to excellence, working together and facing the future' as it delivers professional, high quality healthcare services.

**Director of Finance / Deputy Chief Executive**: is responsible for directing and leading the delivery of professional finance, procurement, information technology, and business strategy and performance services.

**Director of HR and Corporate Services**: is responsible for directing and leading the delivery of professional human resources, organisational development, media and public engagement, corporate services (including the company secretariat), and estate and facility services.

**Medical Director**: is responsible for directing and leading the delivery of professional, high quality medical services and, with the Director of Nursing and Quality, leads on clinical quality (Clinical Governance).

**Director of Nursing and Quality**: is responsible for directing and leading the delivery of professional, high quality nursing and midwifery services and, with the Medical Director, leads on clinical Governance.

**Director of Operations, Frimley Park Hospital**: is responsible for directing and leading, together with the Director of Operations for Heatherwood and Wexham Park Hospitals, the professional, high quality day-to-day operation of the organisation, including the management of the site and transformation of services, working hand-in-hand with medical, nursing, midwifery and other clinical, scientist and management colleagues.

**Director of Operations, Heatherwood and Wexham Park Hospitals**: is responsible for directing and leading, together with the Director of Operations for Frimley Park Hospital, the professional, high quality day to day operation of the organisation, including the management of the site and transformation of services, working hand-in-hand with medical, nursing, midwifery and other clinical, scientist and management colleagues.

**Director of Integration** (*not an Executive Director*): is responsible for directing and leading the programme of integration and transformation across all specialities and functions provided in the three hospital sites (Frimley Park Hospital; Heatherwood Hospital; Wexham Park Hospital).

### Operation of the Board of Directors

The Board of Directors at Frimley Health meets regularly and has a formal schedule of matters specifically reserved for its decision. This includes high level matters relating to strategy, business plans and budgets, regulations and control, annual report and accounts, audit, and monitoring how the strategy is implemented at operational level. The Board delegates other matters to Executive Directors and senior management.

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<sup>&</sup>lt;sup>5</sup> Appointed in October 2014 post-acquisition.

Board of Directors meeting follow a formal agenda, which includes strategy issues, financial and non-financial performance, clinical governance, operational performance and performance against quality indicators set by the Care Quality Commission (CQC), Monitor and by management. These include measures for patient access to the Trust emergency department, both at the Frimley Park and Wexham Park sites, length of stay, infection control targets, areas of quality for patients including complaints, and the results of the Friends and Family Test. The Board also regularly reviews performance against that of other Trusts.

### The Board of Directors and their Independence

At the end of the financial year 2014-2015, the Board of Directors comprised:

- Chairman of the Trust;
- Six further Non-Executive Directors;
- Chief Executive;
- Six further Executive Directors.

As at 31 March 2015, 36% of the members of the Board of Directors were female. The Board of Directors reviewed and confirmed the independence of all the Non-Executive Directors who served during the financial year 2014-2015.

The Board of Directors also considers that the balance of skills and experience of its members is complete and appropriate to address the operational and economic challenges the Trust expects to face over the next few years.

The Executive Directors did not hold any other Non-Executive Directorships or commitments disclosable under the Monitor Code of Governance.

### <u>Performance evaluations and extensions to terms in office</u>

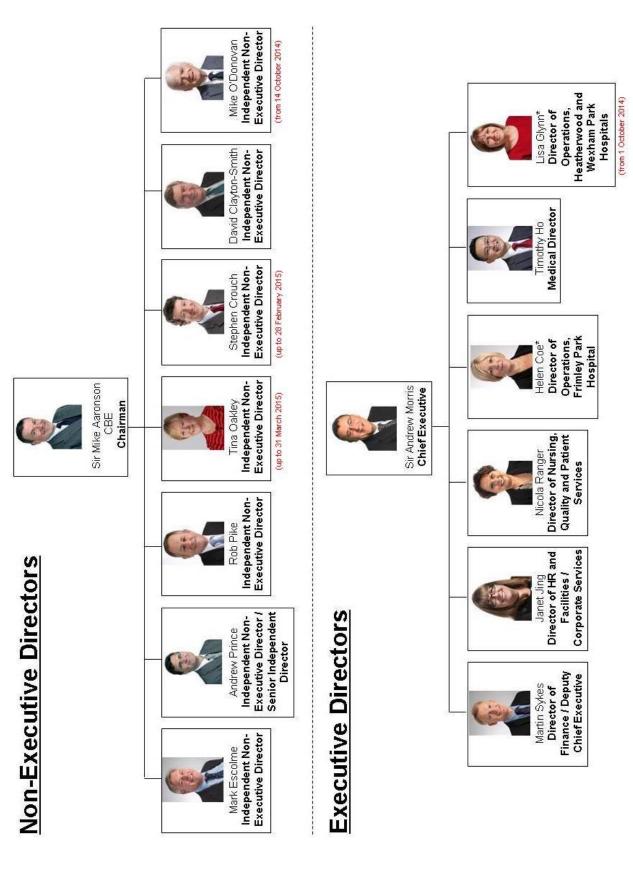
During the year ended 31 March 2015, the Performance and Remuneration Committee and the Nominations Committee reviewed:

- the composition of the Board of Directors;
- the performance of individual directors.

As at 31 March 2014, the term in office of the Chairman, Deputy Chairman and Senior Independent Director was due to expire on 31 March 2015. During the financial year 2014-2015, based on the recommendation of the Non-Executive Performance and Remuneration Committee with support of the Nominations Committee and Performance and Remuneration Committee, the Council of Governors agreed to extend the term in office of the Chairman, Senior Independent Director and Deputy Chairman to 31 March 2016. Details of the Council of Governors' meetings at which the extension was approved are disclosed later in this section under 'Changes to the Board of Directors'.

### **Introducing the Board of Directors**

The chart overleaf illustrates individuals who at any time during the financial year 2014-2015 were directors of Frimley Health NHS Foundation Trust.



Since 1 October 2014 there have been two directors of operations, one with the responsibility for Frimley Park Hospital and one with responsibility for Heatherwood and Wexham Park Hospitals.

## **Board of Directors: biographies**

Biographies for individuals who served as directors on the Board<sup>1</sup> at any time during the year ended 31 March 2015 are detailed below. As can be seen from the directors' biographies and from the Trust's compliance with the requirements of the Monitor NHS Foundation Trust Code of Governance (updated in July 2014), the Board of Directors has an appropriate composition of skills and depth of experience to lead the Trust.

#### Non-Executive Directors



Sir Mike Aaronson CBE

Chairman
Appointed to the Trust as Chairman of the Board of Directors and Council of Governors in April 2006
End of tenure: 31 March 2016<sup>2</sup>.

Mike's earlier career was half in HM Diplomatic Service and half at Save the Children, where he was overseas director and subsequently, from 1995-2005, its Chief Executive. From 2001-2008 he was Chairman of the Centre for Humanitarian Dialogue, a Geneva based private foundation working in conflict mediation, and from 2001-2007 a governor of the Westminster Foundation for Democracy. Since 2006 he has been a non-executive director of Oxford Policy Management Limited, a development consultancy providing policy advice in low and middle-income countries. At the end of March 2012 he stood down after five years as a civil service commissioner. He is an honorary fellow of Nuffield College, Oxford, and from 2008-2011 was a visiting professor in the politics department at the University of Surrey, where in May 2011 he became a professorial research fellow and executive director of the Centre for International Intervention. He has worked both with NATO and the UK Ministry of Defence on civil and military collaboration in conflict situations. In June 2006 Mike was knighted for services to children.



Mark Escolme BA Hons

Independent Non-Executive Director; Deputy Chairman (from 1 April 2013) Appointed April 2009

End of tenure: 31 March 2016

Mark has over 25 years of experience of working in large branded consumer companies in the UK, US, Australia and New Zealand. He has been involved in setting up businesses in emerging markets such as Russia, China, India and Africa, developing high profile brands within household and food categories. He has managed joint ventures and NGO and government partnerships. Working at board level, Mark chaired the SC Johnson East Africa board and currently sits as a non-executive director on the Standard Brands board. Most recently Mark built GÜ into a multinational brand leader in chilled foods. He is also

<sup>1</sup> For Frimley Park Hospital NHS Foundation Trust [months 1-6] or Frimley Health NHS Foundation Trust [months 7-12].

On the 31 March 2015, Sir Mike Aaronson would have served nine years in office. In light of the discussions that were taking place about the acquisition of Heatherwood and Wexham Park Hospitals, the Non-Executive Performance and Remuneration Committee highlighted the need for continuity of leadership of the Board of Directors and Council of Governors. The Non-Executive Performance and Remuneration Committee therefore agreed to recommend an extension of one year to the Chairman's term in office to the Council of Governors; this was unanimously approved to 31 March 2016.

a trustee for UK charity Gumboots Foundation, which raises money for social uplift initiatives in Southern Africa. Over the past 15 years Mark has had significant M&A experience in the UK and many international markets across multiple private, private equity-backed and public manufacturing businesses in executive and non-executive director roles. This includes Dow products (the Mr Muscle brand) in the UK and Bayer Pest Control (Baygon and Autan brands) in Africa.

Andrew Prince BSc, FCMA



Independent Non-Executive Director, Senior Independent Director Appointed April 2006

End of tenure: 31 March 2016<sup>1</sup>

Andrew is a specialist in large-scale organisational change, programme management and service integration in healthcare. As Development Director for Serco Health he is active within many parts of the NHS and in healthcare organisations overseas, particularly in Australia and the Middle East. He is responsible for the design of integrated non-clinical services for an advanced acute hospital in Perth, Western Australia, and for the Care Co-ordination solution now deployed at Suffolk Community Services in the UK. As Head of Strategy Consulting and Financial Services, Andrew led the HR strategy and merger of Arthur Young and Ernst & Whinney in 1990s. Andrew was elected as a governor of Frimley Park Hospital NHS Foundation Trust from April 2005 and retired as a governor on his successful appointment as a non-executive director of the Trust from April 2006.



**Rob Pike ACIB** Independent Non-Executive Director Appointed April 2011 End of tenure 31 March 2017<sup>2</sup>

Rob retired in 2009 after a 40 year career in financial services which culminated in a role as Director of Operations for Europe and Middle East for the Royal Bank of Scotland Group. He was previously Director of Operations in the UK where he had responsibility for more than 5,000 employees, running a network of operations centres. He was a Senior Executive at NatWest at the time of its acquisition by the Royal Bank of Scotland and subsequently led the successful integration of the two networks of operations centres. He was directly responsible for managing the IT and transformation integration activity of those operations and was heavily involved in the post-acquisition HR and systems integration. Having successfully undertaken several senior customer facing roles he was invited to join the board of the Customer Contact Association (CCA) in 2004, he chaired its Industry Council from 2006-2008 and was Chair of the CCA Standards Council until earlier this year.

<sup>1</sup> On the 31 March 2015, Andrew Prince would have served nine years in office. In light of the discussions that were taking place about the acquisition of Heatherwood and Wexham Park Hospitals, the Non-Executive Performance and Remuneration Committee highlighted the need for continuity of leadership of the Board of Directors and Council of Governors. The Non-Executive Performance and Remuneration Committee therefore agreed to recommend an extension of one year to the Senior Independent Directors' term in office to the Council of Governors: this was approved by majority vote to 31 March 2016 (there was one abstention to the vote).

In September 2013, following a recommendation from the Non-Executive Performance and Remuneration Committee, the Council of

Governors approved the extension of Rob Pike's term in office by three years to 31 March 2017.



Tina Oakley MA in Strategic Human Resource Management, CIPD

Independent Non-Executive Director
Appointed April 2011

Resigned with effect from: 31 March 2015 (End of tenure was 31 March 2017<sup>1</sup>)

Tina has over 30 years' experience of working in customer service organisations, including 26 years in British Airways where she ran large customer operations including check-in and contact centres as well as holding a number of senior HR roles. She also had responsibility for worldwide customer relations handling. More recently Tina was HR Director at Rank Hovis McDougall when it was acquired by Premier Foods. Tina led the people integration and organisational design, policy and cultural change and remuneration alignment. Tina was also HR Director for P&O Ferries based in Dover where she led a number of significant change programmes. She is currently HR Director for Gatwick Airport, which is transforming every part of the business with the ambition to become London's airport of choice.



Stephen Crouch MA Hons (Oxon), ACA

Independent Non-Executive Director Appointed 1 February 2013

Retired with effect from: 28 February 2015 (End of tenure was 31 March 2016)

Stephen is Group Finance Director and Bursar at Wellington College Group. Stephen's role encompasses Wellington College in Berkshire, a leading co-educational boarding school for 1,050 pupils, prep school Eagle House, a state secondary school – the Wellington Academy in Wiltshire, and Wellington College Tianjin in China. The group continues to grow with a further college opening in Shanghai in 2014 and more UK academies being planned. Before joining Wellington, Stephen was CFO and then Chief Executive of Steer Davies Gleave, a global employee owned economics consultancy working in public transport. Steer Davies Gleave had offices in the UK, Europe, Middle East and Americas, many of which Stephen was responsible for opening. Steer Davies Gleave was 18th in the Sunday Times '100 Best Companies To Work For' and a Sunday Times Private Companies 'Top 10 Ones To Recognise' in 2009. Stephen previously worked in corporate finance and in restructuring for PricewaterhouseCoopers LLP and Ernst & Young LLP. Stephen has ten years M&A experience at director or board level in a variety of industries including consumer products and professional services in the UK, Europe, the Americas and Asia.

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<sup>&</sup>lt;sup>1</sup> In September 2013, following a recommendation from the Non-Executive Performance and Remuneration Committee, the Council of Governors approved the extension of Tina Oakley's term in office by three years to 31 March 2017.



David Clayton-Smith BA Hons, CdipAF
Independent Non-Executive Director
Appointed 1 April 2013
End of tenure: 31 March 2016

David is Chairman of the Kent, Surrey & Sussex Academic Health Sciences Network and was previously the Chair of NHS Surrey for three years from 2010. He was also the Chair of NHS Sussex between 2012 and 2013. David is a Board member and Treasurer of Fairtade International. David is director and cofounder of Andrum Consulting which specialises in supporting entrepreneurial businesses. David has held board level positions in major blue-chip businesses, most recently as Commercial Director of Halfords Ltd and Marketing Director for Boots the Chemist Ltd. This included a number of Merger and Acquisition (M&A) transactions such as the sale of Do It All Ltd to Focus Ltd and the sale of the Halfords garage business to Centrica Plc. David has held non-executive director roles in a number of different market sectors.



Mike O'Donovan

Independent Non-Executive Director
Appointed 14 October 2014
End of tenure: 31 March 2017

Mike spent 30 years in the consumer healthcare industry holding managing director positions in the UK and overseas as well as global corporate roles. In 2002 he left industry to become chief executive of the Multiple Sclerosis Society, a position he held until 2006. Since then he has held several non-executive director and trustee positions including co-chair of National Voices, the leading patient service user advocacy group, member of the management board of the European Medicines Agency and chair of Central London Community Healthcare NHS Trust. In October 2012 he was appointed Chairman of Heatherwood and Wexham Park Hospitals NHS Foundation Trust and played a key role in its successful acquisition by neighbouring Frimley Park Hospital NHS Foundation Trust to form Frimley Health NHS Foundation Trust. He brings his experience and detailed understanding of the acquired organisation to the Trust Board.

## **Executive Directors**



Sir Andrew Morris OBE, MHSM, Dip HSM, CBE

Chief Executive Appointed 1989

Andrew has over 40 years of experience in NHS management and has held a range of senior NHS appointments. He became unit administrator of Hereford Hospitals and a board member of Herefordshire Health Authority in 1984. He was appointed General Manager of Frimley Park Hospital in 1989 and became Chief Executive in 1991. He managed the establishment of the Ministry of Defence Hospital Unit in 1996 and undertook one of the first successful NHS management franchise arrangements at Ashford and St Peter's Hospitals NHS Trust in 2003, which lifted its performance from zero to two stars. He successfully led Frimley Park's application to become a foundation trust in 2005. Andrew is a member of the Institute of Health Service Management. Andrew was named as one of the top 10 NHS provider chief executives in a panel convened by the Health Service Journal in March 2014.



Martin Sykes BSc, PhD, CPFA

Director of Finance / Deputy Chief Executive
Appointed 2004

Martin has been Director of Finance at the Trust since July 2004 and Deputy Chief Executive since April 2007. He joined the NHS in 1995 with the Northern and Yorkshire Health Authority, having previously been employed by the University of Newcastle upon Tyne. Martin also has responsibility for contracting and information, procurement, and business development functions within the Trust and, as the Senior Information Risk Officer (SIRO), leads on information governance matters on behalf of the Board.



Janet King MA Law, FIPD, CPP

Director of HR and Facilities / Corporate Services

Appointed 1991

Starting her career in the civil service, Janet joined Frimley Park Hospital in 1987 working for West Surrey and North East Hants Health Authority as personnel manager. She became a director of Frimley Park Hospital NHS Trust in 1991. Her portfolio includes human resources management, all non-clinical support services, estate and capital planning, company secretary, media and communications. She is project director for a number of large capital projects at Frimley and also chairs the Trust's Fundraising Committee. Janet sits on a number of national committees and is a lay panel member for employment tribunals.



Nicola Ranger RGN, BSc (Hons), MA Law and Medical Ethics

Director of Nursing, Quality and Patient Services Appointed 2 January 2013

Nicola joined the Trust from University College London Hospitals where she was Deputy Chief Nurse. She specialised in intensive care nursing and spent four years working in critical care units in New York and Washington DC. Nicola has held a number of senior nursing positions including nurse consultant for critical care and head of nursing for both surgery and medicine. Her key areas of responsibility are professional lead for nursing, midwifery and therapies, maintaining clinical standards, patient safety, governance and patient involvement.



**Helen Coe** MBE, MBA, RGN

Director of Operations, Frimley Park Hospital Appointed 5 July 2013

Helen has significant NHS expertise gained during her 30 years' experience in a number of senior clinical and managerial roles. She has a strong operational background, has held several senior nursing positions across specialties in both Surgery and Medicine and has been awarded an MBE for her outstanding contribution to nursing and quality. Helen is passionate about ensuring patients receive the highest quality services and that their experience at Frimley Park Hospital is first class. Helen has also worked at the Department of Health as part of the Cabinet Office team assessing public organisations for the Charter Mark Award. Prior to taking up the position of Acting Director of Operations, Helen was the Associate Director for Urgent Care Services focusing on delivering the Trust's hyper-acute strategy in cardiology and stroke. She has been responsible for leading innovation and change and led the Trust's successful transformation project reducing patients' length of stay at Frimley Park.



**Dr Timothy Ho** MB, BS, PhD, DIC, FRCP Medical Director

and is responsible for the Trust's quality and clinical governance framework.

Appointed 2 December 2013

Tim graduated in medicine from St. George's, University of London, and went on to undertake specialist training in respiratory and intensive care medicine in London. He carried out a period of basic science research in molecular microbiology at Imperial College, culminating in the award of a PhD. He has been a consultant chest physician at Frimley Park Hospital since 2004. During this time, he has developed a number of key services including a regional diagnostic service for lung cancer (EBUS), the medical acute dependency unit and a large obstructive sleep apnoea service. Most recently he has served as the clinical director for medicine and care of the elderly and as the centre director for the Frimley Park adult cystic fibrosis service. He is the professional lead for the doctors



Lisa Glynn

Director of Operations, Heatherwood and Wexham Park Appointed 1 October 2014

Lisa joined the NHS in 1994, after a period of time working in the private health sector, and has held a number of senior operational roles in the acute sector since that time, including Director of Operations at the Royal Berkshire NHS Foundation Trust. Lisa joined Heatherwood and Wexham Park Hospital NHS Foundation Trust in February 2013 as Chief Operating Officer from Royal Berkshire NHS Foundation Trust where she was the Director of Operations for Urgent Care. She was appointed to her current role when Frimley Health came into being on 1 October 2014.

### **Changes to the Board of Directors**

The Executive and Non-Executive Directors of the acquiring organisation in post immediately preacquisition transferred to the enlarged organisation and comprised:

- Seven Non-Executive Directors (including the Chairman)
- Six Executive Directors (including the Chief Executive).

### **Non-Executive Directors**

In October 2014, the Council of Governors approved the appointment of Mike O'Donovan as an independent Non-Executive Director for a term of two years and six months, ending 31 March 2017.

Sir Mike Aaronson was appointed in April 2006 as the Chairman of the Board of Directors and Council of Governors of Frimley Park Hospital NHS Foundation Trust for a term of three years to 31 March 2009. In January 2009, the Council of Governors unanimously approved to extend Sir Mike's term in office by three years to 31 March 2012. In May 2011, the Council of Governors unanimously approved the extension of Sir Mike's term in office by one year to 31 March 2013. In September 2012, the Council of Governors approved the extension of the existing Chairman's term in office by one year from to 31 March 2014. In September 2013, the Council of Governors approved the extension of Sir Mike's term in office by one year to 31 March 2015. The Non-Executive Performance and Remuneration Committee recommended an extension of one year to the existing Chairman's term in office to the Council of Governors which was unanimously approved to 31 March 2016.

Andrew Prince was appointed in April 2006 as a Non-Executive Director of Frimley Park Hospital NHS Foundation Trust for a term of three years to 31 March 2009. In January 2009 the Council of Governors approved the extension of Andrew Prince's term in office by two years to 31 March 2011. In May 2011 the Council of Governors unanimously approved the extension of his term in office by one year to 31 March 2013. In September 2012, the Council of Governors approved the extension of the term in office by one year to 31 March 2014. In September 2013 the Council of Governors approved the extension of Andrew's term in office by one year to 31 March 2015. In May 2014, a subsequent extension of one year to Andrew Prince's term in office to the Council of Governors was unanimously approved to 31 March 2016.

Mark Escolme was appointed to the Board in April 2009 as a Non-Executive Director for a term of three years to 31 March 2012. In May 2011 the Council of Governors approved the extension of Mark Escolme's term in office by three years to 31 March 2015. In July 2014, the Council of Governors approved the extension of Mark Escolme's term in office by a further year until 31 March 2016.

Stephen Crouch was appointed to the Board on 1 February 2013 as an independent Non-Executive Director for a term of three years and one month, ending 31 March 2016. During 2014-2015, Stephen retired from his post as a Non-Executive Director of the Trust with effect from 1 March 2015, serving a term of two years and one month in office.

Tina Oakley was appointed to the Board in April 2011 as an independent Non-Executive Director for a term of three years. The Council of Governors approved a three-year extension of Tina's term in office, ending 31 March 2017. During 2014-2015, Tina retired from her post as a Non-Executive Director of the Trust with effect from 1 April 2015, serving a term of four years in office.

As at 31 March 2015, the Trust had seven voting Executive Directors and eight voting Non-Executive Directors<sup>1</sup>. Frimley Health NHS Foundation Trust will appoint two Non-Executive Directors in 2015-2016 following the departure of Stephen Crouch and Tina Oakley. This is in recognition of the requirement that trust boards must have a majority of Non-Executive Directors in terms of voting directors on the Board. Until the appointments were made, in the event the Board needed to vote, the Board would meet the requirement by taking a collective decision to agree two Executive Directors<sup>2</sup> to become non-voting Directors.

## **Executive Directors**

Lisa Glynn was appointed to the Board on 1 October 2014 as the Director of Operations for Heatherwood and Wexham Park Hospitals.

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Of the seven voting Non-Executive Directors noted, one resigned on the 31 March 2015.

<sup>&</sup>lt;sup>2</sup> Four Executive Director positions were statutorily required and the power could not be removed from these posts: Chief Executive; Director of Finance; Medical Director; Director of Nursing.

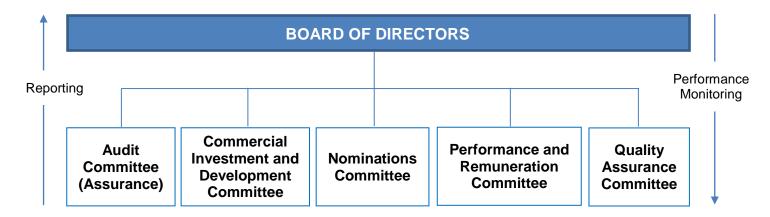
### **Board of Directors' Register of Interests**

The register of interests for the Executive and Non-Executive Directors that served as members of the Board during the year ended 31 March 2015 is detailed below:

	Name	Declared Interests
	Sir Mike Aaronson	<ul> <li>Oxford Policy Management Ltd (Non-Executive Director)</li> <li>Hibou Limited (Director and Company Secretary - vehicle for occasional consultancy work – non NHS related)</li> <li>University of Surrey Politics Department (Professorial Research Fellow and Director of the Centre for International Intervention)</li> </ul>
Ţ.	Mark Escolme	<ul> <li>Standard Brands Ltd, Director</li> <li>Gumboots (UK Charity), Trustee</li> <li>Bromsgrove School Foundation, Trustee</li> <li>Escolme Ltd, Director</li> <li>Oppo Brothers, Non-Executive Director</li> <li>Mallow and Marsh, Non-Executive Director</li> </ul>
Non-Executive Directors	Andrew Prince	Director, Serco Health Consulting, an operational unit of Serco Limited which provides non- clinical services and non-acute clinical services to the NHS and to healthcare organisations worldwide
utive	Rob Pike	<ul> <li>Customer Contact Association (CCA), Director</li> <li>Rob Pike Associates Ltd, Director</li> </ul>
Exect	Tina Oakley (up to 31 March 2014)	Gatwick Airport Ltd, HR Director
Non-	Stephen Crouch (up to 28 February 2015)	<ul> <li>Group Finance and Operations Director, The Wellington College</li> <li>Director, Wellington College Enterprises</li> <li>Director, Wellington College Multi-Academy Trust</li> <li>Non-Executive Director, Wellington College International, Tianjin</li> <li>Non-Executive Director, Wellington College International, Shanghai</li> </ul>
	David Clayton-Smith	<ul> <li>Chair of Kent Surrey &amp; Sussex Academic Health Science Network</li> <li>Chair of Thames Valley Housing Association</li> <li>Chair of Surrey Priorities Committee (a health advisory group</li> <li>Andrum Consulting - Director</li> <li>Advisor to the Board of Fairtrade International</li> </ul>
	Mike O'Donovan (from 14 October 2014)	None
	Sir Andrew Morris	None
ร	Martin Sykes	None
Directors	Janet King	None – lay panel member on Employment Tribunals
	Nicola Ranger	None
Executive	Helen Coe	None
Ä	Dr. Timothy Ho	None
	Lisa Glynn (from 1 October 2014)	None

#### Board of Directors and Board-level committees: membership, attendance record and structure

The Board and Board-level committee structure at Frimley Health NHS Foundation Trust as at 31 March 2015 is illustrated below:



The table below illustrates Board-level committee membership and a summary of attendances by Executive and Non-Executive Directors at Board and Board-level committee meetings throughout the year ended 31 March 2015. A breakdown of individual attendance is provided on the next page.

	Audit Committee	Commercial Development and Investment Committee	Nominations Committee	Performance and Remuneration Committee	Quality Assurance Committee (established 16 October 2014)
Chairperson of Committee: Non-Executive Director Members:	Rob Pike Mike O'Donovan (from 21 November 2014)	Mark Escolme Rob Pike	Sir Mike Aaronson David Clayton- Smith	Andrew Prince Sir Mike Aaronson	Sir Mike Aaronson Stephen Crouch (up to 28 February 2015)
	Mark Escolme	David Clayton- Smith	<b>Tina Oakley</b> (up to 31 March 2015)	David Clayton- Smith	<b>Tina Oakley</b> (up to 31 March 2015)
	Stephen Crouch (up to 28 February 2015)		Andrew Prince	<b>Tina Oakley</b> (up to 31 March 2015)	Mike O'Donovan (from 16 December 2014)
	Andrew Prince (from 1 March 2015)				
Executive Director Members:	Sir Andrew Morris	Sir Andrew Morris	Sir Andrew Morris	Sir Andrew Morris	Sir Andrew Morris
	Martin Sykes	Martin Sykes	Janet King		Nicola Ranger
		Janet King			Dr. Timothy Ho
		Helen Coe			
		Lisa Glynn (from 1 October 2014)			
Total Number of Executive and Non- Executive Directors (including Chairmanperson)	7 (5 Non-Executive Directors; 2 Executive Directors)	8 (3 Non-Executive Directors; 5 Executive Directors)	6 (4 Non-Executive Directors; 2 Executive Directors)	5 (4 Non-Executive Directors; 1 Executive Director)	7 (4 Non-Executive Directors; 3 Executive Directors)

Board members' attendance record for Board and Board-level committees for the year ended 31 March 2015

Total	54/55	45/49	46/49	44/50	39/48	27/41	44/52	24/24	52/64	49/53	42/51	35/38	38/42	34/38	16/20	589/ 674
Board of Directors/ Council of Governors Workshop	9/9	3/5	5/5	3/5	4/5	1/4	5/5	3/3	9/9	4/5	4/5	4/5	5/5	5/5	2/3	60/72
Charitable Funds Committee	4/4	n/a	3/4	n/a	n/a	n/a	n/a	2/2	n/a	2/4	2/4	n/a	n/a	n/a	n/a	13/18
Quality Assurance Committee (established 16 October 2014)	4/4	n/a	n/a	1/1 (non-member)	4/4	2/4	n/a	2/2	2/4	n/a	n/a	4/4	n/a	3/4	n/a	22/27
Performance and Remuneration Committee	9/9	n/a	9/9	n/a	9/9	n/a	9/9	n/a	9/9	n/a	n/a	n/a	n/a	n/a	n/a	29/30
Nominations Committee	4/4	n/a	4/4	n/a	3/4	n/a	2/4	n/a	3/4	n/a	2/4	n/a	n/a	n/a	n/a	18/24
Commercial Development and Investment Committee	n/a	8/8	n/a	8/2	n/a	n/a	8/9	3/3 (non-member)	2/8	8/8	2/8	n/a	5/8	n/a	3/4	52/63
Audit Committee	2/2 (non-member)	2/9	1/1	2/2	n/a	5/6	n/a	3/3	3/7	2/17	1/1 (non-member)	n/a	n/a	n/a	n/a	35/41
Board of Directors Meeting in Public	11/11	11/11	10/11	10/11	8/11	8/10	10/11	2/2	10/11	11/11	10/11	11/11	10/11	10/11	9/9	140/153
Board of Directors Meeting in Private	17/18	17/18	17/18	16/18	14/18	11/17	16/18	9/9	17/18	17/18	16/18	16/18	18/18	16/18	2/9	220/ 246
Position	Chairman	Independent Non- Executive Director (Deputy Chairman)	Independent Non- Executive Director, Senior Independent Director	Independent Non- Executive Director	Independent Non- Executive Director	Independent Non- Executive Director	Independent Non- Executive Director	Independent Non- Executive Director	Chief Executive	Director of Finance and Strategy (Deputy Chief Executive)	Director of HR and Corporate Services	Director of Nursing and Quality	Director of Operations, FPH	Medical Director	Director of Operations, H&WPH	Total:
Name	Sir Mike Aaronson	Mark Escolme	Andrew Prince	Live Rob Pike	C Tina Oakley (up to 31 March 2014)	Stephen Crouch (up to 28 February 2015)	David Clayton- Smith	Mike O'Donovan (from 14 October 2014)	Sir Andrew Morris	Martin Sykes	Janet King	ive Nicola Ranger	Helen Coe	Dr. Timothy Ho	Lisa Glynn (from 1 October 2014)	

#### Role of the Board of Directors

The Board of Directors has overall responsibility for the running and management of the Trust and its services. This includes the development of strategies and policies and monitoring of performance. Executive and Non-Executive Directors have timely access to all relevant management, financial and regulatory information.

The Trust's Board of Directors are individually and collectively aware of their responsibilities. Upon appointment to the Board of Directors, new directors are fully briefed on their responsibilities.

Regular contact between the Executive and Non-Executive Directors is maintained via formal meetings. There are two types of Board of Directors' meetings:

- Board of Directors meeting in private (monthly): at which confidential matters that cannot be disclosed to the public are discussed.
- Board of Directors meeting in public (monthly): at which members of the public are welcome to attend and observe the meetings, at which matters of a non-confidential nature are discussed.

As part of the corporate governance arrangements, Governors are provided with an agenda prior to any meeting of the Trust's Board of Directors, and a copy of the approved minutes as soon as is practicable afterwards. The Trust acknowledges that there is no legal basis on which the minutes of the private sessions of the Trust's Board of Directors' meetings should be exempted from being shared with the Governors. In practice, due to the nature of the items discussed at private sessions, it is at times necessary to redact some information for data protection or commercial reasons. When sharing such information, Governors are reminded of their commitment under the Frimley Health NHS Foundation Trust Code of Conduct for Governors which states that Governors will respect the confidentiality of information received in their role as a Governor.

#### Main activities of the Board of Directors during the year ended 31 March 2015

Leading up to the acquisition, the Board of Directors of Frimley Park Hospital NHS Foundation Trust received regular updates on progress in relation to the acquisition, including performance against various acquisition work streams. The transaction was successfully concluded on 1 October 2014.

#### Attendance

Individual attendance at the Board of Directors' meetings in private and in public by the Executive and Non-Executive Directors is on page 75.

During 2014-2015, in addition to the Executive and Non-Executive Directors, the Integration Director also attended Board of Directors' meetings in private and in public as required. Other senior managers also attended Board of Directors' meetings in private and in public for the purpose of presenting a paper/delivering a presentation.

#### **Audit Committee (assurance)**

#### Role of the Audit Committee

The Audit Committee is responsible to the Board of Directors for reviewing the adequacy of the governance, risk management and internal control processes within the Trust. In carrying out this work, the Audit Committee primarily utilises the work of internal and external audit. The Audit Committee also obtains assurance from the views of other external agencies about the Trust's procedures, such as from the Care Quality Commission. More specifically, the Audit Committee:

- reviews and discusses the Annual Report and Accounts with the external auditor before the Board of Directors approves and signs off the financial statements;
- ensures there is an effective internal audit function established by management that meets the mandatory NHS internal audit standards, produced by the Department of Health, and reviews the work and findings of the internal auditor;
- agrees the schedule of internal audit reviews, receives the relevant reports and follows up on issues raised. The Audit Committee also follows up on any issues relating to process identified at the Clinical Governance Committee and/or Quality Committees<sup>13</sup>;
- receives and monitors policies and procedures associated with countering fraud and corruption. An independent local counter fraud service is provided by Baker Tilly (formerly RSM Tenon) who produce a bi-monthly counter fraud progress report;
- · reviews arrangements by which staff may raise, in confidence, concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety and other matters;
- provides an annual overview of the Trust's systems for ensuring compliance with CQC standards.

#### Membership

Appointed as a Non-Executive Director in April 2011, Rob Pike was appointed as the Chair of the Audit Committee on the 1 January 2013. During 2014-2015, four further Non-Executive Directors 14 served as members of the Audit Committee as did two Executive Directors (including the Chief Executive).

Other relevant managers and senior managers from the Trust (including the Deputy Director of Nursing and Quality and the Associate Director of Technical Accounting) are also invited to attend Audit Committee meetings to provide a deeper level of insight into certain key issues and development in areas such as risk, quality and matters pertaining to financial performance.

In order to maintain independent channels of communication, the members of the Audit Committee meet in private twice a year with the internal and external auditors (both individually and collectively). This provides the internal and external auditors with an opportunity to raise any issues which may arise without the presence of management.

<sup>&</sup>lt;sup>13</sup> As at 31 March 2015, there were two Quality Committees – one for the Frimley Park Hospital site; one for the Heatherwood and Wexham Park Hospitals' sites - to ensure continuity in concentrated focus on matters relevant to each site.

One of whom retired on 28 February 2015.

#### **External auditor**

The Council of Governors together with the Audit Committee agree the criteria for appointing, reappointing and removing external auditors.

PricewaterhouseCoopers LLP was initially appointed as the Trust's external auditor for a term of five years from 1 April 2006 until the conclusion of the audit for the year ended 31 March 2011. Following a competitive tender process which was described in the 2010-2011 Annual Report, PricewaterhouseCoopers LLP was re-appointed by the Council of Governors as the Trust's external auditor for a three-year term from 1 April 2011 until the conclusion of the audit for the year ended 31 March 2014. In September 2013, the Council of Governors extended PricewaterhouseCoopers LLP's appointment for a further two-year term.

#### Internal auditor

Previously, Frimley Park Hospital NHS FT appointed Parkhill as its internal auditor with effect from 1 April 2012. Parkhill was established in the 1990s by combining a number of internal audit departments of various health providers which formed a specialist provider of healthcare audit and assurance services. Parkhill merged with private sector firm TIAA Ltd on 1 October 2013. The merged organisation was called TIAA Ltd.

During the year ended 31 March 2015, the Trust's internal audit function was carried out by TIAA Ltd, an independent business assurance provider delivering services to public and private sectors.

#### Auditor independence and non-audit services

As a minimum, the Audit Committee reviews and monitors the external auditor's independence and objectivity. The Audit Committee has a policy by which non-audit services and fees provided by the external auditor are approved. In addition to undertaking the external audit of financial statements and assurance work on the Quality Report, the Trust engaged PricewaterhouseCoopers LLP to provide the following additional services during the financial year:

- Services relating to due diligence of 18 week referral to treatment performance and cancer access targets at H&WPH.
- Services relating to the Trust's review of quality and performance of core services at H&WPH.
- Assisting the Trust in its preparation for the CQC inspection in July 2014.

PricewaterhouseCoopers LLP is also the external auditor of Frimley Park Hospital Charitable Funds of which the Trust Board of Directors is the Corporate Trustee. The fees in respect of this engagement were £10,000 (excluding VAT).

The Chair of the Audit Committee confirms the independence of the external auditors to the Council of Governors at its meeting where the Annual Report and Accounts were presented and also reports any exceptional issues to the Governors during the course of the year.

#### Disclosure of information to the auditor

The Executive and Non-Executive Directors who held office at the date of the approval of the Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which PricewaterhouseCoopers LLP is not aware. They also confirm that they each have taken all reasonable steps in order to make themselves aware of any relevant audit information and to establish that PricewaterhouseCoopers LLP knows about that information.

#### Main activities of the Audit Committee during the year ended 31 March 2015

The Audit Committee met on seven occasions during the year ended 31 March 2015. At its meeting in May 2014, the Audit Committee received the annual audit report from PricewaterhouseCoopers LLP and recommended the Annual Report and Accounts, Quality Report and the Annual Governance Statement for 2014-2015 to the Board of Directors for final approval. Later in the year, the Audit Committee reviewed and recommended the Charitable Funds Annual Report and Accounts 2013-2014 for approval to the Board of Directors.

During the course of the year the Audit Committee received a number of audit reports from the internal auditors, TIAA. These ranged from financial control audits (financial ledger, accounts payable, accounts receivable, payroll), to IT audits (informatics procurement and audits on aspects directly relating to patient care (medicines management, medical devices, World Health Organisation (WHO) Checklist, dementia/care for the elderly). Some other audits included system integration, transformation plan and estates capital project management.

Following the year end, the Audit Committee considered the draft Annual Report and Accounts 2014-2015 and received the ISA 260 Report from PricewaterhouseCoopers LLP.

During the year the Audit Committee considered the following risks identified by external audit:

- Risk of management override of controls
- Risk of fraud in revenue recognition
- Risk of fraud in expenditure recognition
- Risk of material misstatements from merger accounting
- Property plant and equipment valuation
- Intangible assets valuation
- Economy, efficiency and effectiveness.

During 2014-2015, in addition to the Executive and Non-Executive Directors, the Trust's internal and external auditors attended Audit Committee meetings. Additionally, other relevant managers and senior managers from the Trust (including the Deputy Director of Nursing and Quality and the Head of Financial Accounts) attended meetings to provide a deeper level of insight into certain key issues and development within their respective areas of expertise.

#### Policies on fraud and corruption

The Trust has a suite of policies available to all staff on the intranet. The Trust commissions Baker Tilly to provide regular fraud awareness training and staff communication tools and support investigation and policy reviews.

#### **Commercial Development and Investment Committee**

#### Role of the Commercial Development and Investment Committee

As a Board-level Committee reporting to the Board of Directors, the Commercial Development and Investment Committee has four main functions:

- To ensure that major capital investment schemes are in line with the Trust's overall agreed strategy;
- To offer the Board assurance on the rigour of the Transformation Plan;
- To ensure that systems for financial planning are robust and that the key assumptions and risks within the Trust's financial plans are appropriate;
- To review key commercial arrangements including long-term leases, and major service developments. The Commercial Development and Investment Committee will track the progress of such developments, as appropriate.

With regards to major capital investment schemes, the Commercial Development and Investment Committee has a duty to ensure that a business case contains: sufficient information on the business needs, benefits, risks, funding and affordability; available options; costs; clinical and quality outcome measures; project development milestones; project management; and regulatory requirements. These elements within a business case provide the Commercial Development and Investment Committee with adequate information for it to decide whether or not to approve a scheme or lease.

#### Membership

Appointed as a Non-Executive Director in April 2009, Mark Escolme was appointed as the Chair of the Commercial Development and Investment Committee from 1 April 2011. During 2014/15, three further Non-Executive Directors served as members of the Commercial Development and Investment Committee as did five Executive Directors (including the Chief Executive). Other relevant managers and senior managers from the Trust (including the Capital Projects Director, Assistant Director Capital Programme, and Director of Estates and Facilities) are also invited to attend Commercial Development and Investment Committee meetings to provide a deeper level of insight into certain key issues and development.

#### <u>Attendance</u>

During 2014-2015, in addition to the Executive and Non-Executive Directors, other relevant managers and senior managers from the Trust (including the Capital Projects Director, Assistant Director Capital Programme, and Director of Estates and Facilities) also attended Commercial Development and Investment Committee meetings to provide a deeper level of insight into certain key issues and development.

#### Nominations Committee: appointment and re-election

#### Role of the Nominations Committee

The Nominations Committee is responsible for identifying and nominating members of the Board for approval by the Council of Governors, and advising upon and overseeing their contractual arrangements, working closely with the Trust's Performance and Remuneration Committee. This is broken down further and involves:

- To liaise with the Trust's Performance and Remuneration Committee to identify any missing skills on the Board of Directors;
- To agree and recommend job descriptions and person specifications for vacancies on the Board of Directors;
- To agree and recommend arrangements for the recruitment and selection of Executive Directors<sup>15</sup>:
- To liaise with the Non-Executive Performance and Remuneration Committee concerning the Chairman and Non-Executive Director appointments and terms of office <sup>16</sup>;
- To agree any Appointment Panels<sup>17</sup> for director vacancies.

Through application of the self-assessment process, the Executive and Non-Executive Directors are responsible for assessing the size, structure and skill requirements of the Board of Directors and for considering any changes or new appointments necessary. If a need is identified, the Nominations Committee<sup>18</sup> will produce a job description and person specification, decide if external recruitment consultants are required to assist in the process and if so instruct the selected agency, shortlist and interview the candidates. If the vacancy is for a Non-Executive Director, the Nominations Committee is extraordinarily enlarged to include some of the Governors serving on the Non-Executive Performance and Remuneration Committee in the process. At the conclusion of the selection process, the Non-Executive Performance and Remuneration Committee then recommends the selected candidate to the Council of Governors for appointment.

Non-Executive Directors are appointed for a three-year term in office. A Non-Executive Director can be re-elected for a second three-year term in office on an uncontested basis, subject to the recommendation of the Chairman on behalf of the Nominations Committee and the Board, followed by the approval of the Council of Governors. A Non-Executive Director's term in office can be extended beyond the second term on an annual case-by-case basis by the Council of Governors, subject to a formal recommendation from the Chairman, satisfactory performance and the needs of the Board, without having to go through an open process. The removal of the Chairman or Non-Executive Director requires the approval of three-quarters of the members of the Council of Governors.

To avoid conflict in interest, the Chief Executive or other Executive Directors are asked to leave the meeting where matters of discussion relate to them.

To avoid conflict in interest, the Chairman or other Non-Executive Directors are asked to leave the meeting where matters of discussion relate directly to them (for instance in relation to their term in office).

To include Governors in the case of the recruitment of the Chairman and Non-Executive Directors.

The Nominations Committee comprises: the Chairman, two further Non-Executive Directors (excluding Tina Oakley who retired with effect from 1 April 2015), the Chief Executive and the Director of HR and Corporate Services.

The Chairman, other Non-Executive Directors, and the Chief Executive<sup>19</sup> are responsible for the appointment of Executive Directors. The Chairman and the other Non-Executive Directors are responsible for the appointment and removal of the Chief Executive, whose appointment requires the approval of the Council of Governors.

#### Membership

Sir Mike Aaronson has been the Chair of the Nominations Committee since April 2006 when he was appointed as the Chairman of the Board of Directors and Council of Governors at the Trust. During 2014-2015, three further Non-Executive Directors<sup>20</sup> served as members of the Nominations Committee as did two Executive Directors (including the Chief Executive). The membership also includes the Trust's Governors (including the Lead Governor).

#### Main activities of the Nominations Committee during the year ended 31 March 2015

During 2014-2015, the Nominations Committee agreed the recruitment process for two posts, the details for which are given below:

Position	Date Appointed	Appointed Person
Director of Operations, Heatherwood and Wexham Park Hospitals (Voting)	1 October 2014	Lisa Glynn
Non-Executive Director (Voting)	14 October 2014	Mike O'Donovan

The Nominations Committee agreed the recruitment process for the two Non-Executive Director vacancies, one which had been vacant since 1 March 2015, the other which would be vacant from 1 April 2015.

<sup>&</sup>lt;sup>19</sup> Except in the case of the appointment of a new Chief Executive

One of whom retired on 31 March 2015.

#### Board, Board-level Committee and Directors' performance appraisal

The Executive and Non-Executive Directors recognise the importance of evaluating the performance and effectiveness of the Board of Directors as a whole, sub-committees of the Board of Directors, and individual directors. The performance is assessed during the year in terms of:

- Attendance at the Board of Directors and committee meetings;
- The independence of individual directors;
- The ability of Executive and Non-Executive Directors to make an effective contribution to the Board and other committees through the range and diversity of skills and experience each director brings to the role;
- The Board of Director's ability to make strategic decision and to lead the Trust effectively.

The Board of Directors and its committees have opted to conduct performance evaluation through questionnaires and discussion. In respect of individual appraisals:

- The Chairman undertakes the appraisal of the Chief Executive and other Non-Executive Directors;
- The Chief Executive undertakes the appraisal of the other Executive Directors;
- The Senior Independent Director undertakes the appraisal of the Chairman, having sought feedback from the rest of the Board of Directors, the Company Secretary and from the Governors, through the Lead Governor of the Council of Governors.
- The Chief Executive discusses and reviews the Executive Directors" appraisals with the Chairman and the Performance and Remuneration Committee.

The process for the review of the Chairman and the Non-Executive Directors was approved by the Non-Executive Performance and Remuneration Committee, which confirms the completion of the process to the Council of Governors. Governors evaluate the performance of the Board of Directors as a whole in terms of meeting its targets and communicating with its staff, members and stakeholders. To assist the Trust in identifying any training needs, the Governors also evaluate the performance of the Council of Governors. The Council of Governors retains the power to hold the Board of Directors' to account for its performance in achieving the Trust's objectives, in accordance with Monitor's NHS Foundation Trust Code of Governance.

The result of the evaluation process of the Board of Directors' performance in respect of the year ended 31 March 2015 was that the Board collectively and the Directors individually were deemed to have performed well. There remains a need to continue to focus on external engagement and communication both internally and externally.

Evaluation of the committees also indicates that they are working well with a good level of debate and interaction between the Executive and Non-Executive Directors and others who attend meetings.

#### **Quality Assurance Committee**

#### Role of the Quality Assurance Committee

The purpose of the Quality Assurance is to provide assurance to the Board of Directors that there is an effective system of risk management and internal control across the clinical activities of the organisation that support the organisation's objectives and the Trust's ability to provide excellent quality care by excellent people. In order to achieve this, specific responsibilities of the Quality Assurance Committee include:

- Providing assurance that the risks associated with the Trust's provision of excellent care are identified, managed and mitigated appropriately.
- Providing assurance to the Board of Directors by:
  - Ensuring that the strategic priorities for quality assurance focus on those which best support delivery of the Trust's priority objectives in relation to patient experience, the safety of patients and service users and effective outcomes for patients and service users;
  - Reviewing the independent annual clinical programme and ensuring it provides a suitable level of coverage for assurance purposes;
  - Reviewing compliance with regulatory standards (for example those of the Care Quality Commission, NHS Litigation Authority, and Monitor).
  - Reviewing non-financial risks on the Risk Assurance Framework which has been drawn up by the Trust to satisfy itself as to the adequacy of assurances on the operation of the key controls and the adequacy of action plans to address weaknesses in controls and assurances;
- Overseeing 'deep dive reviews' of identified risks to quality identified by the Board of Directors;
- Analysing and tracking quality trends which had been flagged up through performance reporting to the Board of Directors;
- Generating its own work plan based on emerging trends.

#### Membership

The Quality Assurance Committee was formally established as a sub-committee of the Board of Directors in October 2014. Four Non-Executive Directors (including the Chairman) and three Executive Directors (including the Chief Executive) met in August 2014 to discuss and agree the establishment of the Quality Assurance Committee. As a result, Sir Mike Aaronson was appointed as Chair of the Quality Assurance Committee in October 2014. During 2014-2015, three further Non-Executive Directors<sup>21</sup> served as members of the Quality Assurance Committee as did three Executive Directors (including the Chief Executive).

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<sup>&</sup>lt;sup>21</sup> One of whom retired on 28 February 2015.

#### Directors' responsibilities statement and going concern

The Directors are required under the National Health Service Act 2006 to prepare financial statements for each financial year. The Secretary of State, with the approval of the Treasury, directs that these financial statements give a true and fair view of the state of affairs of the NHS Foundation Trust and of the income and expenditure of the NHS Foundation Trust for that period. In preparing those financial statements, the Directors are required to: apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury; make judgements and estimates which are reasonable and prudent; and state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors confirm to the best of their knowledge and belief that they have complied with the above requirements in preparing the financial statements.

The Directors are required under the Monitor NHS Foundation Trust Code of Governance to consider whether or not it is appropriate to adopt the going concern basis in preparing the Trust's financial statements (annual accounts). As part of its normal business practice, the Trust prepares annual financial plans. After making enquiries, the Board has reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Board continues to adopt a going concern basis in preparing the Annual Report and financial statements.

**Sir Andrew Morris** 

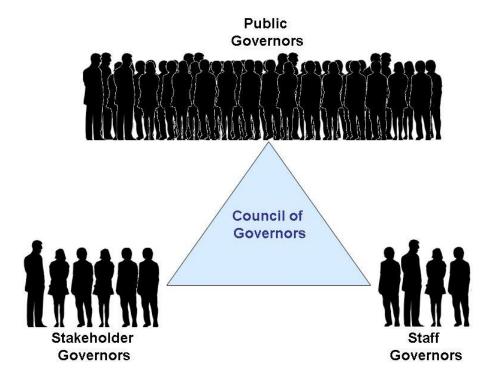
Chief Executive 29 May 2015

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#### **Council of Governors and Membership**

#### **Council of Governors**

The Trust has a Council of Governors which comprises elected and appointed Governors of the Trust.



The Board of Directors reports to the Council of Governors on the performance of the Trust and its progress against agreed strategic and corporate objectives, and consults on its future direction. Governors report matters of concern raised at their local health event constituency meetings to their counterparts and to the Directors. Members of the public are given the opportunity to ask questions addressed to the Governors, Directors or any other staff members in attendance at the local health events or Council of Governor meetings.

All Board Members (Executive Directors and Non-Executive Directors) are asked to attend the Council of Governors' meetings in order to gain an understanding of the views of the Trust's Governors and Members. Furthermore, other persons may attend for the purpose of providing assurance or to report on progress of any key matters of interest.

Additionally, the Trust hosts Board of Directors/Council of Governors Workshops, the purpose of which is to develop the relationship between the groups and brief/update the Governors on key issues, developments or other matters requiring the attention of the Council of Governors. This provides an opportunity for appointed and elected Governors to interact with the Executive and Non-Executive Directors in an informal setting and to discuss and challenge performance and the priorities for the organisation. The workshops include reference to the key risks the Trust faces and an explanation as to how they are being managed. The establishment of the Board of Directors/Council of Governors Workshops led to a decrease in the number of Council of Governors' meetings to a minimum of two meetings per year as outlined in its Constitution.

The Board of Directors receive feedback on the views of Governors by:

- Attending the Council of Governors meetings;
- An Executive and Non-Executive Director attending each of the local health event meetings;
- The Board of Directors meets informally with the Council of Governors at private workshops, which
  encourage more interaction and feedback between Executive and Non-Executive Directors and
  Governors;
- The Chairman and Chief Executive hosting 'drop-in' sessions for Governors in the months where there are no formal meetings or workshops scheduled.

#### Role of the Governors

In addition to their duty to 'hold the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors', the Council of Governors is responsible for:

- appointing or removing the Chairman and the other Non-Executive Directors;
- approving an appointment (by the non-executive Directors) of the Chief Executive;
- deciding on the remuneration and allowances, and the other terms and conditions of office, of the Chairman and the other Non-Executive Directors;
- appointing or removing the Trust's auditor;
- appointing or removing any auditor appointed to review and publish a report on any other aspect
  of the Trust's affairs;
- · approving significant transactions;
- Approving any changes to the Trust's Constitution.

To allow the Governors to exercise their statutory duties, the Board of Directors is responsible, among other things, for ensuring the Council of Governors:

- receives the Annual Report and Accounts;
- is consulted on the content of the Quality Accounts;
- is presented with other management reports detailing Trust performance in all areas: clinical, operational and financial performance;
- is able to provide its views to the Board of Directors when the Board of Directors is preparing the document containing information about the Trust's forward planning;
- is able to engage with each Governor's specific member constituents or, in the case of an appointed Governor, to do so with members of the representing organisation.

#### Membership

In 2014-2015 the membership of the Council of Governors comprised 50 Governors:

- Fifty Governors<sup>22</sup> served as members of the Council of Governors;
- Seven further Non-Executive Directors<sup>23</sup> and seven Executive Directors (including the Chief Executive) also attended the Council of Governors meetings.

<sup>&</sup>lt;sup>22</sup> Seven of whom reached the end of their term in office in accordance with the revised Constitution notwithstanding their terms of appointment; one further Stakeholder Governor position was vacant as at 31 March 2015.

#### Lead Governor

The publicly-elected Governors select amongst themselves one Public Governor to be the Lead Governor of the Council of Governors. The Lead Governor coordinates any communication that might in extreme circumstances be necessary between Monitor (the independent regulator) and the other Governors and acts as a main point of contact for the Chairman and the Senior Independent Director. Throughout the year ended 31 March 2015, the Lead Governor, both pre-and post-acquisition, was Nicola Dodsworth, Public Governor for Hart.

#### Local Constituencies: Pre- and Post-Acquisition

Prior to the acquisition, local constituency areas for the two NHS Foundation Trusts were as follows:

Frimley Park Hospital (up to 31 December 2014)	Heatherwood and Wexham Park Hospital (up to 30 September 2014) <sup>24</sup>
Bracknell Forest and Wokingham	Bracknell Forest
Guildford	Slough
Hart	South Buckinghamshire
Rushmoor	Windsor and Maidenhead
Surrey Heath	Patient, Carer or Service User (Outer Catchment Area)
Waverley	· ·
Patient, Carer or Service User (Outer Catchment Area)	

There were appointed Governors at both former NHS Foundation Trusts representing stakeholder organisations from several local councils and a partnership organisation.

#### Composition of the Council of Governors

As required under the NHS Act 2006, the majority of the Trust's Governors are publicly elected. Public Governors nominate themselves for election within their local constituencies which are based on local authority boundaries. As at 31 March 2015, there were 33 elected Public Governors (31 March 2014: 16 in post with two posts vacant<sup>25</sup>). There was also one Governor who lived outside of Frimley Health's catchment area (Patient, Carer of service User: Outer Catchment Area) who was re-elected as a Rest of England Governor (Outer Catchment Area) (31 March 2014: one in post and one vacancy).

Staff Governors are elected by way of self-nomination and constituency voting. As at 31 March 2015, there were four Staff Governors (31 March 2014: three Governors in post with one post vacant<sup>26</sup>).

Stakeholder Governors are appointed by partnership or stakeholder organisations. As at 31 March 2015, there were five Stakeholder Governors in post (31 March 2014: six in post with three posts vacant<sup>27</sup>) with a further one post that was vacant.

The number of Governor positions within the various constituencies for Frimley Health NHS Foundation Trust as at 31 March 2015 is detailed below.

 $<sup>^{23}</sup>$  One of whom retired on 28 February 2015 and a further whom retired on 31 March 2015.

Although Heatherwood and Wexham Park Hospital's Governors who held office immediately prior to the 1 October 2014 ceased to be Governors from the 1 October 2014, they were given the opportunity to attend Public Board Meetings and Council of Governor meetings, and/or contact the Chairman, Executive Directors or appropriate staff with any issues or concerns.

As at 31 March 2014, the vacant posts related to the following three constituencies: Guildford; Patient, Carer or Service User (Outer Catchment Area); Surrey Heath.

As at 31 March 2014, the vacant post related to: Medicine, Elderly Care, Pharmacy and A&E.

<sup>&</sup>lt;sup>27</sup> Three vacant Stakeholder Governor posts relate to: Local Council: Blackwater Valley Group of Councils; Ministry of Defence; Surrey Healthwatch: Frimley Park Hospital.

Constituency	Number of Governors
•	(as at 31 March 2015)
Bracknell Forest and Wokingham	4
Chiltern, South Buckinghamshire and Wycombe	2
Guildford	1
Hart	4
Outer Catchment Area (Rest of England)	1
Rushmoor	6
Slough	5
Surrey Heath	5
Waverley	2
Windsor and Maidenhead	4
Adult Safeguarding	1
Medicine, Elderly Care, Pharmacy and A&E	1
Resuscitation	1
Surgery and Surgical Services	1
Hampshire County Council	1
Ministry of Defence	1
Surrey County Council	1
Buckinghamshire County Council	1
Jointly appointed by Slough Borough Council and Windsor and Maidenhead Borough Council	1
Jointly appointed by Bracknell Forest Council and Wokingham Borough Council (Vacant)	1
Total:	44

#### Changes to the Constitution 2014-2015

With a view to encompass appropriate representation from all of the catchment areas served, the Council of Governors approved amendments to the Trust's Constitution in July 2014, taking effect on the acquisition date.

In accordance with its Constitution, both pre- and post-acquisition, the Trust used the method of single transferable voting for all elections. The election process is overseen by an external electoral agent appointed by the Trust.

#### Reshaping composition of Council of Governors

Post-acquisition, the Council of Governors for Frimley Park Hospital NHS Foundation Trust continued in their respective roles as Governors of the enlarged organisation. However, in accordance with its revised constitution following the acquisition, the following changes occurred affecting some of Frimley Park Hospital NHS Foundation Trust's existing Governors:

- Staff Governors who held office immediately prior to the 1 October 2014 may, notwithstanding the terms of their appointment, only hold office up until 11:59pm on 31 December 2014;
- Public Governors who held office immediately prior to the 1 October 2014 may, notwithstanding the terms of their appointment, only hold office up until 11:59pm on 31 October 2015;
- Appointed Governors who held office immediately prior to the 1 October 2014 may, notwithstanding the terms of their appointment, only hold office up until 11:59pm on 31 December 2014<sup>28</sup>.

<sup>&</sup>lt;sup>28</sup> The terms of the appointed Governors of the Trust who held office immediately prior to 1 October 2014 and were appointed by Surrey County Council, Hampshire County Council and the Ministry of Defence did not cease at 11:59pm on 31 December 2014 but continued until the end of their term in office or until their appointment with the organisation, whichever comes sooner.

Throughout Quarter 3 2014-2015, Frimley Health NHS Foundation Trust held Governor elections in accordance with its Constitution. The elections marked 'Phase 1' of the overall approach to reshape the composition of the Council of Governors post-acquisition. To this end, the majority of the elections took place within the public constituencies previously served by Heatherwood and Wexham Park Hospitals NHS Foundation Trust. Elections also took place with regard to four staff Governor positions, replacing Frimley Park Hospital NHS Foundation Staff Governors who held office immediately prior to the 1 October 2014. The Council of Governors was expanded with effect from 1 January 2015.

#### Future changes to Council of Governors

'Phase 2' elections will take place during Summer 2015 and cover the constituency areas relating to the Frimley Park Hospital local constituencies. From 1 November 2015, newly elected Phase 2 Governors will commence in post. The overall number of Public Governors for Rushmoor, Surrey Heath and Runnymede, Hart and East Hampshire, Guildford, Waverley and Woking, and Bracknell Forest and Wokingham will reduce as detailed below:

Constituency	Current Number of Governors as at 31 March 2015	Number of Governors Post Phase 2 Elections from 1 November 2015
Rushmoor	6	3
Surrey Heath and Runnymede	5	3
Hart and East Hampshire	4	3
Guildford, Waverley and Woking	3	2
Bracknell Forest and Wokingham	4	4
	(3 of 4 were elected at Phase 1)	(of which 1 Governor will be elected at Phase 2 elections)
Tot	al: 22	15

From November 2015 onwards, the size of the Council of Governors will remain static (subject to any Constitutional changes), as the allocation of Governor seats will be proportionate to the population of each individual constituency across the Frimley Health NHS Foundation Trust area. To allow for the commencement of the Phase 2 elections, the 19 initial Public Governors currently in post (that is the former Frimley Park Hospital Governors) will only be able to hold office until 31 October 2015, notwithstanding the terms of their appointment.

#### Changes to the Council of Governors

- Elections held during Quarter 4 2013-2014 resulted in the election of 11 new Governors to commence in post from 1 April 2014, of whom seven were Public Governors, two Patient, Carer or Service User Governors (Outer Catchment Area) and two Staff Governors.
- During the course of the year ended 31 March 2015, there were nine<sup>29</sup> existing Governors<sup>30</sup> who reached the end of their term in office<sup>31</sup> at 11:59pm on 31 December 2014.
- During Quarter 3 2014-2015, 19 Governors<sup>32</sup> were elected to commence in post with effect from 1 January 2015 to ensure representation from:
  - Public constituencies previously served by Heatherwood and Wexham Park Hospitals NHS Foundation Trust;

Two of the nine Governors reached the end of their term in office but were subsequently re-elected to commence their respective posts on 1 January 2015 (one was a Staff Governor, one was a Patient Carer or Service User Governor (Outer Catchment Area))

The end of term in office for each of these seven Governors was brought forward in accordance with the updated Constitution in light of the acquisition of Heatherwood and Wexham Park Hospitals NHS Foundation Trust.

32 Of which the updated Constitution Constitution Constitution of Heatherwood and Wexham Park Hospitals NHS Foundation Trust.

January 2015 (one was a Staff Governor; one was a Patient, Carer or Service User Governor (Outer Catchment Area)).

30 Of these seven remaining Governors, three were Staff Governors, three were Stakeholder Governors and one was a Patient, Carer or Service User Governor (Outer Catchment Area).

Of which two were existing Governors of Frimley Park Hospital NHS Foundation Trust (one Staff Governor for Medicine, Elderly Care, Pharmacy and A&E; one (Outer Catchment Area (Rest of England) Governor).

- Staff at Heatherwood and Wexham Park Hospitals.
- The Rest of England Constituency
- Additionally, two Stakeholder Governors were appointed from the local councils<sup>33</sup>.

The Trust appointed UK Engage – an external electoral agent – to oversee the election.

Contested elections were held in each of the constituencies subject to an election, with 70 candidates standing for 19 vacancies.

The successful candidates received a term of either two years and 10 months (until 31 October 2017) or one year and 10 months (until 31 October 2016) depending on their overall share of the votes they received under the single transferable vote calculation.

A full list of Governors in post on 31 March 2015, and changes during the year, is set out on the pages that follow.

#### Frimley Health's elected public Governors as at 31 March 2015

		Date	End of	Term of	Changes to Term in Office (in response to constitutional
Constituency	Governor Name	Elected <sup>34</sup>	Tenure	Office	changes post-acquisition)
Bracknell Forest and Wokingham	John Lindsay	01-Apr-14	31-Oct-15	1st	End of tenure was 31 Mar 2017
Bracknell Forest and Wokingham	Jan Burnett	01-Jan-15	31-Oct-16	1st	
Bracknell Forest and Wokingham	Richard Lloyd	01-Jan-15	31-Oct-17	1st	
Bracknell Forest and Wokingham	Victoria Browne	01-Jan-15	31-Oct-17	1st	
Chiltern, South Buckinghamshire and Wycombe	John Ager	01-Jan-15	31-Oct-16	1st	
Chiltern, South Bucksinghamshire and Wycombe	Paul Henry	01-Jan-15	31-Oct-17	1st	
Guildford	John Ferns	01-Apr-14	31-Oct-15	1st	End of tenure was 31 Mar 2017
Hart	Nicola Dodsworth	01-Apr-07	31-Oct-15	3rd	End of tenure was 31 Mar 2016
Hart	Caroline Copley	01-Apr-13	31-Oct-15	1st	End of tenure was 31 Mar 2016
Hart	<b>Edward Sherwell</b>	01-Apr-08	31-Oct-15	3rd	End of tenure was 31 Mar 2017
Hart	Mel Williams	01-Apr-14	31-Oct-15	1st	End of tenure was 31 Mar 2017
Outer Catchment Area (Rest of England)	Chris Waller	01-Apr-14	31-Oct-15	2nd	Re-elected on 01 Jan 2015; end of tenure was 31 Mar 2017
Rushmoor	Patricia Crowley	01-Apr-08	31-Oct-15	3rd	End of tenure was 31 Mar 2017
Rushmoor	Joan Gittins	01-Apr-11	31-Oct-15	2nd	End of tenure was 31 Mar 2017
Rushmoor	Henry Wood	01-Apr-10	31-Oct-15	2nd	End of tenure was 31 Mar 2016
Rushmoor	Stuart Dodwell	01-Apr-13	31-Oct-15	1st	End of tenure was 31 Mar 2016
Rushmoor	Paul Turrell	01-Apr-14	31-Oct-15	1st	End of tenure was 31 Mar 2017
Rushmoor	Michele White	01-Apr-14	31-Oct-15	1st	End of tenure was 31 Mar 2017
Slough	Margaret Woodley	01-Jan-15	31-Oct-17	1st	
Slough	Julia Long	01-Jan-15	31-Oct-17	1st	
Slough	Sharon O'Reilly	01-Jan-15	31-Oct-17	1st	
Slough	Tamoor Ali	01-Jan-15	31-Oct-16	1st	
Slough	Graham Leaver	01-Jan-15	31-Oct-16	1st	
Surrey Heath	Anusha Everson	01-Apr-13	31-Oct-15	1st	End of tenure was 31 Mar 2016
Surrey Heath	Carole Farrelly	01-Apr-13	31-Oct-15	1st	End of tenure was 31 Mar 2016
Surrey Heath	Mary Probert	01-Apr-14	31-Oct-15	1st	End of tenure was 31 Mar 2017
Surrey Heath	Keith Dingle	01-Apr-11	31-Oct-15	2nd	End of tenure was 31 Mar 2017
Surrey Heath	Robert Bown	01-Apr-11	31-Oct-15	2nd	End of tenure was 31 Mar 2017
Waverley	Michael Maher	01-Apr-13	31-Oct-15	1st	End of tenure was 31 Mar 2016
Waverley	John Pownall	01-Apr-14	31-Oct-15	1st	End of tenure was 31 Mar 2017
Windsor and Maidenhead	Karen Saunders	01-Jan-15	31-Oct-17	1st	
Windsor and Maidenhead	Fiona Dent	01-Jan-15	31-Oct-17	1st	
Windsor and Maidenhead	Tony Monk	01-Jan-15	31-Oct-16	1st	
Windsor and Maidenhead	Rod Broad	01-Jan-15	31-Oct-16	1st	

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<sup>&</sup>lt;sup>33</sup> One of the two Governors was jointly appointed by Slough Borough Council and Windsor and Maidenhead Borough Council.

<sup>&</sup>lt;sup>34</sup> Where a Governor has been re-elected, this column will show the date of the original appointment.

In total there are 34 Public Governors including one Governor from the Rest of England category (Outer Catchment Area). These 34 Governors are elected across 11 constituencies.

#### Frimley Health's elected staff Governors as at 31 March 2015

Constituency	Governor Name	Date Elected <sup>34</sup>	End of Tenure	Term of Office	Changes to Term in Office (in response to constitutional changes post-acquisition)
Frimley Park: Medicine, Elderly Care, Pharmacy and Accident and Emergency	Udesh Naidoo	01-Apr-14	31-Oct-17	1st	Re-elected on 01 Jan 2015; end of tenure was 31 Mar 2017
Frimley Park: Adult Safeguarding	Mel Fish	01-Jan-15	31-Oct-17	1st	
Heatherwood and Wexham Park: Surgical	Bob Soin	01-Jan-15	31-Oct-17	1st	
Heatherwood and Wexham Park: Resuscitation	Alex Saunders	01-Jan-15	31-Oct-17	1st	

In total there are four staff Governors, two belonging to each of the former organisations' sites (Heatherwood and Wexham Park Hospitals; Frimley Park Hospital).

#### Stakeholder Governors Appointed as at 31 March 2015

Constituency	Governor Name	Date Appointed	Term of Office	Changes to Term in Office (in response to constitutional changes postacquisition)
Stakeholder: Hampshire County Council	John Wall	10-Dec-09	2nd	In accordance with the Frimley Health Constitution, the initially appointed
Stakeholder: Ministry of Defence	Fleur Marshall	01-Sep-13	1st	Governors from Hampshire County
Stakeholder: Surrey County Council	Chris Pitt	01-Apr-05	3rd	Council, the Ministry of Defence and Surrey County Council will continue until their term in office ceases
Stakeholder: Buckinghamshire County Council	Trevor Egleton	01-Jan-15	1st	
Stakeholder: Jointly appointed by Slough Borough Council and Windsor and Maidenhead Borough Council	Sabia Hussain	01-Jan-15	1st	
Stakeholder: Jointly appointed by Bracknell Forest Council and Wokingham Borough Council	Vacant	n/a		

In total there are five stakeholder Governors in post and one vacant post. Four of the five stakeholder Governors in post represent local councils, one of whom is jointly appointed by Slough Borough Council and Windsor and Maidenhead Borough Council. The vacant stakeholder Governor post will be jointly appointed to represent Bracknell Forest Council and Wokingham Borough Council. Existing stakeholder Governors who were in post immediately prior to the acquisition from the following constituencies were, in accordance with the revised constitution that was approved by the Council of Governors in July 2014 and subsequently came into effect on the date of the acquisition, to continue until the end of their term of office or employment with the stakeholder organisation, whichever came first: Hampshire County Council; Ministry of Defence; Surrey County Council.

#### Changes to the Council of Governors during the year ended 31 March 2015

Constituency	Governor Name	Date Elected/ Appointed <sup>34</sup>	End of Tenure	Term of Office	Method of Appointment	Changes to Term in Office (in response to constitutional changes post- acquisition)
Staff: Administration, Management, Estates, Hotel Services, Parkside and Others	Steve Rose	01-Apr-13	31-Dec-14	1st	Elected	End of tenure was 31 Mar 2016
Staff: Surgery and Surgical Services	Jane Miles	01-Apr-13	31-Dec-14	1st	Elected	End of tenure was 31 Mar 2016
Staff: Women's and Children's and Diagnostics and Therapeutics	Karen Plews	01-Apr-14	31-Dec-14	1st	Elected	End of tenure was 31 Mar 2017
Patient, Carer or Service User: Outer Catchment Area	Rod McKeag	01-Apr-14	31-Dec-14	1st	Elected	End of tenure was 31 Mar 2017
Stakeholder: Adult Education Provider	Wendy Finlay	01-Apr-11	31-Dec-14	1st	Appointed	
Stakeholder: Local Authority: Blackwater Valley Group of Councils	David Welch	01-Apr-05	31-Dec-14	3rd	Appointed	
Stakeholder: Rushmoor Voluntary Services	John Evans	23-Jul-12	31-Dec-14	1st	Appointed	End of tenure was 31 Mar 2015

In addition to the seven Governors detailed above, two further Governors were to reach the end of their term in office in accordance with the revised Constitution in light of the acquisition but were subsequently re-elected.

#### Attendance at Council of Governors' meetings

Individual attendance at the Council of Governors' meetings, which are held in public, and the Board of Directors/Council of Governors Workshops by Governors and the Executive and Non-Executive Directors is detailed in the table below. Of the three meetings held in 20142015, one was an extraordinary meeting convened to consider the recommendation of the Non-Executive Performance and Remuneration Committee to approve the appointment of an additional Non-Executive Director to the Board of Directors of Frimley Health NHS Foundation Trust.

In addition to Governors and Executive and Non-Executive Directors, other persons attended at least one meeting including the Integration Director, Assistant Director of HR, Membership Development Manager and Head of Media and Communications.

### Governors' attendance at the Council of Governors' meetings in the year ended 31 March 2015\*

Constituency	Governor Name	Total
Public: Bracknell Forest and Wokingham	John Lindsay	3/3
Public: Bracknell Forest and Wokingham (elected 1 January 2015)	Jan Burnett	n/a
Public: Bracknell Forest and Wokingham (elected 1 January 2015)	Richard Lloyd	n/a
Public: Bracknell Forest and Wokingham (elected 1 January 2015)	Victoria Browne	n/a
Public: Chiltern, South Buckinghamshire and Wycombe (elected 1 January 2015)	John Ager	n/a
Public: Chiltern, South Buckinghamshire and Wycombe (elected 1 January 2015)	Paul Henry	n/a
Public: Guildford	John Ferns	3/3
Public: Hart (Lead Governor)	Nicola Dodsworth	2/3
Public: Hart	Caroline Copley	0/3
Public: Hart	Edward Sherwell	3/3
Public: Hart	Mel Williams	2/3
Public: Outer Catchment Area (Rest of England) (re-elected 1 January 2015)	Chris Waller	3/3
Public: Rushmoor	Patricia Crowley	3/3
Public: Rushmoor	Joan Gittins	3/3
Public: Rushmoor	Henry Wood	3/3
Public: Rushmoor	Stuart Dodwell	3/3
Public: Rushmoor	Paul Turrell	3/3
Public: Rushmoor	Michele White	1/3
Public: Slough (elected 1 January 2015)	Margaret Woodley	n/a
Public: Slough (elected 1 January 2015)	Julia Long	n/a
Public: Slough (elected 1 January 2015)	Sharon O'Reilly	n/a
Public: Slough (elected 1 January 2015)	Tamoor Ali	n/a
Public: Slough (elected 1 January 2015)	Graham Leaver	n/a
Public: Surrey Heath	Anusha Everson	3/3
Public: Surrey Heath	Carole Farrelly	1/3
Public: Surrey Heath	Mary Probert	3/3
Public: Surrey Heath	Keith Dingle	3/3
Public: Surrey Heath	Robert Bown	3/3
Public: Waverley	Michael Maher	1/3
Public: Waverley	John Pownall	3/3
Public: Windsor and Maidenhead (elected 1 January 2015)	Karen Saunders	n/a
Public: Windsor and Maidenhead (elected 1 January 2015)	Fiona Dent	n/a
Public: Windsor and Maidenhead (elected 1 January 2015)	Tony Monk	n/a
Public: Windsor and Maidenhead (elected 1 January 2015)	Rod Broad	n/a
Staff: Frimley Park: Medicine, Elderly Care, Pharmacy and Accident and	Udesh Naidoo	II/a
mergency (re-elected 1 January 2015)	Ouesii Naluoo	2/3
Staff: Frimley Park: Adult Safeguarding (elected 1 January 2015)	Mel Fish	n/a
Staff: Heatherwood and Wexham Park: Surgical (elected 1 January 2015)	Bob Soin	n/a
Staff: Heatherwood and Wexham Park: Resuscitation (elected 1 January 2015)	Alex Saunders	n/a
Stakeholder: Hampshire County Council	John Wall	3/3
Stakeholder: Ministry of Defence	Fleur Marshall	3/3
Stakeholder: Surrey County Council	Chris Pitt	0/3
Stakeholder: Buckinghamshire County Council (appointed 1 January 2015)	Trevor Egleton	n/a
stakeholder: Jointly appointed by Slough Borough Council and Windsor and Maidenhead Borough Council (appointed 1 January 2015)	Sabia Hussain	n/a
Staff: Administration, Management, Estates, Hotel Services, Parkside and Others (end of term in office 31 December 2014)	Steve Rose	2/3
Staff: Surgery and Surgical Services (end of term in office 31 December 2014)	Jane Miles	2/3
Staff: Women's and Children's and Diagnostics and Therapeutics (end of term of office 31 December 2014)	Karen Plews	2/3
latient, Carer or Service User: Outer Catchment Area (end of term in office 31 ecember 2014)	Rod McKeag	2/3
takeholder: Adult Education Provider (end of term in office 31 December 2014)	Wendy Finlay	2/3
Stakeholder: Local Authority: Blackwater Valley Group of Councils (end of earth in office 31 December 2014)	David Welch	1/3
Stakeholder: Rushmoor Voluntary Services (end of term in office 31 December 2014)	John Evans	3/3
vij	Total:	71/93

<sup>\*</sup>Executive and Non-Executive Director attendance at the Council of Governors Workshops is recorded separately overleaf.

## <u>Attendance by Executive and Non-Executive Directors' at the Council of Governors meetings for the year ended 31 March 2015</u>

Name	Position	Total
Sir Mike Aaronson	Chairman	3/3
	Chair of Council of Governors	3/3
Mark Escolme	Independent Non-Executive Director;	2/3
	Deputy Chairman	_, 0
Andrew Prince	Independent Non-Executive Director;	2/3
	Senior Independent Director	
Rob Pike	Independent Non-Executive Director	2/3
Tina Oakley	Independent Non-Executive Director	3/3
(up to 31 March 2015)		3/3
Stephen Crouch	Independent Non-Executive Director	0/3
(up to 28 February 2015)		
David Clayton-Smith	Independent Non-Executive Director	3/3
Mike O'Donovan (from 14 October 2014)	Independent Non-Executive Director	n/a
Sir Andrew Morris	Chief Executive	3/3
Mortin Cykos	Director of Finance and Strategy	
Martin Sykes	Director of Finance and Strategy; Deputy Chief Executive	3/3
Janet King	Director of HR and Corporate Services	
ounce raing	Billiotici of this and corporate cervices	2/3
Nicola Ranger	Director of Nursing and Quality	1/3
Helen Coe	Director of Operations, Frimley Park Hospital	0.10
	· · · · · · · · · · · · · · · · · · ·	2/3
Dr. Timothy Ho	Medical Director	1/3
Lisa Glynn	Director of Operations, Heatherwood and Wexham Park Hospitals	0/1
(from 1 October 2014)	Total	27/40

## Board of Directors' attendance at Board of Directors / Council of Governors workshops for the year ended 31 March 2015\*

Name	Position	Total
Sir Mike Aaronson	Chairman Chair of Board of Directors	6/6
Mark Escolme	Independent Non-Executive Director (Deputy Chairman)	3/5
Andrew Prince	Independent Non-Executive Director; Senior Independent Director	5/5
Rob Pike	Independent Non-Executive Director	3/5
Tina Oakley (up to 31 March 2015)	Independent Non-Executive Director	4/5
Stephen Crouch (up to 28 February 2015)	Independent Non-Executive Director	1/4
David Clayton-Smith	Independent Non-Executive Director	5/5
Mike O'Donovan (from 14 October 2014)	Independent Non-Executive Director	3/3
Sir Andrew Morris	Chief Executive	6/6
Martin Sykes	Director of Finance and Strategy; Deputy Chief Executive	4/5
Janet King	Director of HR and Corporate Services	4/5
Nicola Ranger	Director of Nursing and Quality	4/5
Helen Coe	Director of Operations, Frimley Park Hospital	5/5
Dr. Timothy Ho	Medical Director	5/5
Lisa Glynn (from 1 October 2014)	Director of Operations, Heatherwood and Wexham Park Hospitals	2/3
	Total:	60/72

<sup>\*</sup>Governor attendance at the Council of Governors workshops is recorded separately overleaf.

# Council of Governors' attendance at Board of Directors / Council of Governors workshops for the year ended 31 March 2015\*

Mana	O-markitana and a same and a same	Total
Name	Constituency	Total
John Lindsay	Public: Bracknell Forest and Wokingham	5/5
Jan Burnett	Public: Bracknell Forest and Wokingham (elected 1 January 2015)	2/2
Richard Lloyd	Public: Bracknell Forest and Wokingham (elected 1 January 2015)	1/2 2/2
Victoria Browne	Public: Bracknell Forest and Wokingham (elected 1 January 2015)  Public: Chiltern, South Buckinghamshire and Wycombe (elected 1 January 2015)	1/2
John Ager Paul Henry		2/2
John Ferns	Public: Chiltern, South Buckinghamshire and Wycombe (elected 1 January 2015)  Public: Guildford	4/5
Nicola Dodsworth	Public: Hart (Lead Governor)	3/5
Caroline Copley	Public: Hart	3/5
Edward Sherwell	Public: Hart	3/5
Mel Williams	Public: Hart	4/5
Chris Waller	Public: Outer Catchment Area (Rest of England) (re-elected 1 January 2015)	5/5
Patricia Crowley	Public: Rushmoor	4/5
Joan Gittins	Public: Rushmoor	5/5
Henry Wood	Public: Rushmoor	4/5
Stuart Dodwell	Public: Rushmoor	3/5
Paul Turrell	Public: Rushmoor	5/5
Michele White	Public: Rushmoor	4/5
<b>Margaret Woodley</b>	Public: Slough (elected 1 January 2015)	2/2
Julia Long	Public: Slough (elected 1 January 2015)	2/2
Sharon O'Reilly	Public: Slough (elected 1 January 2015)	2/2
Tamoor Ali	Public: Slough (elected 1 January 2015)	2/2
Graham Leaver	Public: Slough (elected 1 January 2015)	2/2
<b>Anusha Everson</b>	Public: Surrey Heath	5/5
Carole Farrelly	Public: Surrey Heath	3/5
Mary Probert	Public: Surrey Heath	5/5
Keith Dingle	Public: Surrey Heath	5/5
Robert Bown	Public: Surrey Heath	4/5
Michael Maher	Public: Waverley	5/5
John Pownall	Public: Waverley	5/5
Karen Saunders	Public: Windsor and Maidenhead (elected 1 January 2015)	2/2
Fiona Dent	Public: Windsor and Maidenhead (elected 1 January 2015)	2/2
Tony Monk	Public: Windsor and Maidenhead (elected 1 January 2015)	2/2
Rod Broad	Public: Windsor and Maidenhead (elected 1 January 2015)	2/2
Udesh Naidoo	Staff: Frimley Park: Medicine, Elderly Care, Pharmacy and Accident and Emergency (re-elected 1 January 2015)	4/5
Mel Fish	Staff: Frimley Park: Adult Safeguarding (elected 1 January 2015)	2/2
<b>Bob Soin</b>	Staff: Heatherwood and Wexham Park: Surgical (elected 1 January 2015)	2/2
Alex Saunders	Staff: Heatherwood and Wexham Park: Resuscitation (elected 1 January 2015)	2/2
John Wall	Stakeholder: Hampshire County Council	4/5
Fleur Marshall	Stakeholder: Ministry of Defence	4/5
Chris Pitt	Stakeholder: Surrey County Council	5/5
Trevor Egleton	Stakeholder: Buckinghamshire County Council (appointed 1 January 2015)	1/2
Sabia Hussain	Stakeholder: Jointly appointed by Slough Borough Council and Windsor and Maidenhead Borough	2/2
Ctove Date	Council (appointed 1 January 2015)	212
Steve Rose	Staff: Administration, Management, Estates, Hotel Services, Parkside and Others (end of term in office 31 December 2014)	2/3
Jane Miles	Staff: Surgery and Surgical Services (end of term in office 31 December 2014)	2/3
Karen Plews	Staff: Women's and Children's and Diagnostics and Therapeutics (end of term in office 31 December	
	2014)	2/3
Rod McKeag	Patient, Carer or Service User: Outer Catchment Area (end of term in office 31 December 2014)	3/3
Wendy Finlay	Stakeholder: Adult Education Provider (end of term in office 31 December 2014)	2/3
David Welch	Stakeholder: Local Authority: Blackwater Valley Group of Councils (end of term in office 31 December 2014)	3/3
John Evans	Stakeholder: Rushmoor Voluntary Services (end of term in office 31 December 2014)	3/3
Elizabeth	(H&WPH) Public: Windsor, Ascot and Maidenhead (end of term in office 30 September 2014 as H&WPH	
Chambers	Governor)	1/1
John Glasson	(H&WPH) Public: South Buckinghamshire (end of term in office 30 September 2014 as H&WPH Governor)	1/1
Paul Henry	(H&WPH) Public: South Buckinghamshire(end of term in office 30 September 2014 as H&WPH Governor)	1/1
James White	(H&WPH) Public: Bracknell Forest (end of term in office 30 September 2014 as H&WPH Governor)	1/1
Peter Blackshire	(H&WPH) Staff Governor: Chaplaincy (end of term in office 30 September 2014 as H&WPH Governor)	1/1
David Hilton	(H&WPH) Stakeholder Governor: Royal Borough of Windsor and Maidenhead (end of term in office 30 September 2014 as H&WPH Governor)	1/1
Trevor Egleton	(H&WPH) Stakeholder Governor: Buckinghamshire County Council (end of term in office 30 September 2014 as H&WPH Governor)	1/1
	Total:	160/186

#### **Training**

Frimley Park Hospitals NHS Foundation Trust's held a joint training day with Governors from neighbouring NHS organisations in April 2014 which included presentations from the Foundation Trust Network, GovernWell.

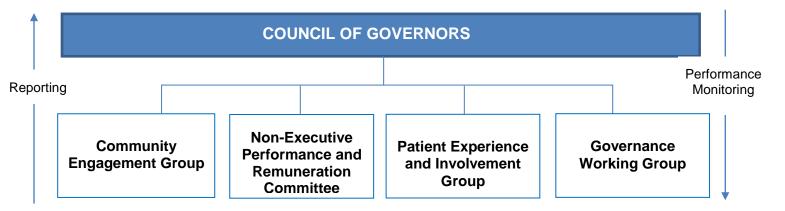
The Council of Governors regularly received updates from the Board of Directors of Frimley Park Hospitals NHS Foundation Trust (months 1-6) and Frimley Health NHS Foundation Trust (months 7-12) on the performance of the organisation. Additionally, post-acquisition, Frimley Health NHS Foundation Trust delivered a series of in-house sessions at the Board of Directors/Council of Governors Workshop in March 2015 on information governance, complaints handling, the Trust's income model and operational key performance indicators.

#### **Register of Governors' Interests**

A register of governors' interests is maintained by Frimley Health NHS Foundation Trust. A copy of the latest version submitted to the Council of Governors is available on the Trust's website or it may be inspected during normal office hours at the Chief Executive's office.

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

The structure for Committees of the Council of Governors at Frimley Health NHS Foundation Trust as at 31 March 2015 is illustrated below:



#### **Community Engagement Group**

The purpose of the Community Engagement Group is, on behalf of and alongside the Council of Governors, to maximise the use of the Trust's Foundation Trust Membership and the wider public to elicit and gain support for the Trust and its services within the community. This involves consideration and discussion of ways in which the Trust can effectively engage/link with members and the public, maintaining and enhancing the Trust's reputation. In addition to Governor members, the Group membership comprises key Trust staff who are involved in, or responsible for, membership, engagement and community involvement.

#### Patient Experience and Involvement Group

The purpose of the Patient Experience and Involvement Group is, on behalf of and alongside the Council of Governors, to ensure that patients' and carers' views are sought and acted on to improve the quality

of care provided by the Trust, both for inpatients and outpatients. The principal responsibilities of the Group are to:

- Ensure patient/parent/carer involvement and engagement is sought in any service development;
- Provide external monitoring as requested (e.g. Quality Walkabouts) and to provide feedback to the Group;
- Review relevant strategy, policies and procedures of the Trust with regard to their impact on the patient/parent/carer experience;
- Ensure equity, equality and diversity are maintained throughout the patient/parent/carer experience in the Trust;
- Assist, when requested, in providing Governor and public feedback on the Quality Report.

In addition to Governor and co-opted members, membership for the Patient Experience and Involvement Group comprises key Trust staff who are involved in, or responsible for, patient care, quality and experience.

#### **Governance Working Group**

The role of the Governance Working Group is to assist the Chairman in making recommendations to the Board of Directors and Council of Governors on any changes to the constitution.

#### Non-Executive Performance and Remuneration Committee

The role of this committee is described in the Remuneration Report below.

#### **Further disclosures**

The following information is available on request from the Company Secretary's office at meg.stevens@fhft.nhs.uk.

- The main role and responsibilities of the Nominations Committee.
- The terms and conditions of appointment of Non-Executive Directors.
- The main role and responsibilities of the Audit Committee
- The Remuneration Committee's terms of reference including information on appointment of remuneration consultants
- The Trust's Membership Policy.

#### **Disabled staff**

Frimley Park was assessed in May 2014 as compliant with its commitments as a 'Positive About Disabled People' symbol user, which includes the following:

- Interviewing disabled applicants who meet the minimum job criteria
- Consulting annually with individual disabled staff through the appraisal process about how they can develop and how the Trust can support them
- Making every effort to redeploy staff who become disabled
- Raising awareness of disability amongst staff
- Monitoring and communicating annually achievements in relation to the commitments.

In the year to 31 March 2015, Frimley Park received 262 applications for jobs from disabled applicants. Of these, 102 disabled applicants were shortlisted and 17 disabled interviewees were appointed.

In the year to 31 March 2015, Heatherwood and Wexham Park received 284 applications for jobs from disabled applicants. Of these, 112 disabled applicants were shortlisted and 10 disabled interviewees were appointed.

To encourage disabled applicants to apply for jobs, Frimley Health will continue to take positive action to target disabled applicants through Job Centre Plus and other bodies who support placements for disabled staff in the workplace.

#### Staff absence rate

The absence rate for Frimley Health for 2014-2015 was 3.2%, which compares well against other large acute trusts in the NHS. Although national end of year figures are not yet available, the national absence rate for large acute trusts in January 2015 was 4.97% (the Frimley Health result for that particular month was 3.5%). The Trust runs a number of initiatives to help reduce absence rate.

#### Significant events post 1 April 2015

There have been no significant events since 1 April 2015 affecting the Trust's strategy and key objectives.

#### <u>Likely future developments</u>

We have developed a number of quality goals for the Trust as part of our ambition to be recognised locally and nationally as leaders in quality healthcare delivering safe, clinically effective services focused on the patients and their relatives and carers.

We will also develop a number of service improvements, including:

- Repatriating vascular services from Oxford to Wexham (from 1 April 2015)
- Extending seven-day consultant-delivered services in acute medicine at Frimley Park and Wexham Park
- Beginning work on the development of a £25m new Emergency Department and £10m Maternity upgrade at Wexham Park
- Reviewing the stroke service at Wexham in light of the recent decision not to pursue hyper-acute status at present
- Develop ophthalmology services at Wexham Park and Heatherwood
- Increase the number of medical beds in preparation for winter 2015-2016, given the unprecedented pressures on capacity last winter (2014-2015)
- A&E minors at Frimley Park will be refurbished to create additional capacity. Improved booking systems and theatre management will also be introduced to effectively manage waiting lists.

We will also be focussing on workforce planning, particularly recruitment and retention to reduce the Trust's costly over-reliance on locum and agency staff. This includes overseas recruitment of nursing staff where it is proving impossible to recruit nationally. A review of nurse training for the Wexham Park site and a more sustainable midwife to birth ration will be addressed with a view to encouraging retention of nurses and midwives.

In addition the Trust has a longer term clinical strategy. There have been no significant events since 1 April 2015 affecting the Trust's strategy and key objectives.

#### Governance framework

As part of the acquisition Due Diligence, Monitor requested that the FPH undertake a self-assessment against the Quality Governance framework as at Day 1 of the acquisition for the new combined organisation. The level of risk was been determined based on a number of sources of information including H&WPH CQC Report, performance against Monitor targets, external reports including the joint 'In Practice' and Royal College of Obstetricians & Gynaecologists review of Maternity Service and the KPMG review of the governance arrangements at H&WPH.

Taking into account the changes in size, structure and location of the new organisation, the key challenges identified that could impact on the quality structure and the immediate actions taken included:

- Governance: The quality governance framework at Frimley Park Hospital has been adopted across
   Frimley Health (see attached framework at appendix 2) with a strong focus on developing Morbidity
   & Mortality and serious incident review process. During the first 12 months, there will be two Quality
   Committees to ensure that the agendas and priorities of Frimley Park Hospital and Wexham Park
   Hospital are all managed. Over time, the two committees will be integrated into a single
   organisational committee.
- Clinical Leadership: Tier 1, 2 & 3 clinical leadership roles have been appointed specifically at Chief of Service, Associate Director and Head of Nursing levels
- **Culture:** An extensive culture change programme has been implemented to develop a stronger safety culture at Wexham Park and Heatherwood Hospitals including the launch of the Trust values in October 2014. The most recent Staff Survey has shown an improvement in many key areas
- Patient Safety: New Serious Incident Requiring Investigation panel process has been established at H&WP with reports submitted to the Board of Directors. A new Patient Safety Committee has been established at H&WP with the Heads of Patient Safety attending Patient Safety forums on both sites to facilitate cross organisation learning. This needs to be fully embedded at all levels throughout the organisation including frontline staff to build confidence and reinforce the principles of a 'learning organisation' which uses incident reporting to improve standards and quality of care.
- **Patient Experience**: The Complaints process has been centralised, a new Complaints Forum established and a Complaints Management Improvement Plan developed by the Head of Patient Experience H&WP in conjunction with Director of Nursing.

The Corporate and Local Risk Registers are reviewed monthly at the Trust Corporate Governance Group, Hospital Executive Board and Associate Directors/Heads of Service meetings. At acquisition, the Corporate Risk Register and Corporate Assurance Framework were amalgamated to form a Corporate Risk Assurance Framework which continues to be reviewed monthly by the same committees. The minutes of the Corporate Governance Group outlining these discussions are presented to the Board of Directors on a monthly basis together with the full Risk Assurance Framework. All risks identified have clear actions to reduce or mitigate them and this information is presented and shared with the Board.

The key financial and non-financial risks faced by Frimley Health moving forward into 2015-2016 include:

- Risk of failure to deliver on Monitor targets, i.e. A&E 4-hour target / 18 weeks
- Risk of failure to achieve savings / income plans
- Potential risk to patient care due to nursing staffing capacity
- Risk of lack of staff and clinical engagement
- Risk of potential poor patient experience through the delivery of a patient transport service that does not fully meet the requirements

#### Consultations

The Trust consulted widely with staff representatives, Governors and the local healthcare community throughout the process leading up to acquisition. Since the decision was made by Frimley Park Hospital and Heatherwood and Wexham Park Hospital NHS FTs to explore the possibility of the acquisition, the Trust was in regular communication with commissioners, patients groups, local authorities and others while seeking support and guidance from Monitor and NHS England to ensure that any decision would be in the best interests of patients.

The Trust carried out no further significant consultations during 2014-2015.

#### Staff engagement

As a major employer, Frimley Health NHS Foundation Trust is committed to the principles of partnership working and staff engagement. The Trust has been working on adopting the best of both staff engagement approaches from Frimley Health and the former Heatherwood and Wexham Park NHS FT.

The Trust strongly believes that involving its staff in decision making processes draws upon their knowledge and experience from their work environment to generate ideas that will help develop and modernise NHS services.

The Trust has a range of standing and project groups and committees that seek to involve staff in making decisions about future developments. For example, the Trust has a Staff Council which meets regularly. It provides an effective method of regular consultation between managers and staff representatives and is intended to form the basis of a constructive and co-operative approach towards achieving corporate goals. The Staff Council also reviews and approves staff bids for funds from the Improving Working Lives lottery fund. This fund uses the proceeds of a monthly staff lottery to pay for a range of items to improve the working environment, from a new kettle for a staff rest room to funding for a new cycle pathway for staff.

The Trust also has other consultative bodies to discuss specific areas of joint interest with staff representatives such as the Local Communications Networks, the Health and Safety Committee, and the Equality and Diversity Steering Group.

Mechanisms in place to monitor and learn from staff feedback include:

- Business planning within directorates, involving managers and staff
- The clinical governance infrastructure, which enables multidisciplinary discussion of clinical issues and service improvement

- The Listening into Action Programme which involved a pulse check survey and several staff conversations about barriers to achieving Trust priorities and ways of engaging staff at the front-line
- Regular face-to-face update briefings from the Chief Executive, Executive Director question and answer sessions and team briefings through which key points are cascaded to teams and departments, with the opportunity for staff to ask questions and raise concerns
- A fortnightly newsletter to which all staff are encouraged to contribute
- Well-used intranets, which include departmental mini-sites and a live news feed incorporating a comments section allowing staff to feedback on items of staff news
- Staff following the Trust on its official Facebook and Twitter sites and contributing to exchanges as appropriate
- The annual NHS Staff Survey and action planning and the staff Friends and Family Test
- Investors in People reviews
- Annual appraisal for all staff.

#### Involvement of public stakeholders

The Trust serves a dispersed community, which straddles the boundaries of four counties and two local health authorities. It also works with local authorities, overview and scrutiny committees, Healthwatch groups, Clinical Commissioning Groups and others. Given these complexities, there is a strong desire to work closely with the local community to provide coherent and effective services.

The Trust provides information and assurance to the public on its performance against its principal risks and objectives in a number of different ways including:

- Frimley Park Hospital NHS had been a Foundation Trust since 1 April 2005 and has established a patient and public involvement framework which reflects current guidance. The Trust had 16,269 members as at the end of September 2014. Following the acquisition of Heatherwood & Wexham Park Hospitals, the renamed organisation, Frimley Health NHS Foundation Trust has approximately 24,528 members as at the end of March 2015. These are represented by a Council of Governors that comprises public, staff and stakeholders.
- The Council of Governors receives regular updates on the status of the Board objectives and uses this, along with the ratings by Monitor and the CQC, to hold the Board to account for its performance. Also, the Council of Governors is invited to input to the Annual Plan for Monitor.
- In addition to the formal meetings of the Council of Governors, joint workshops are held with the Board when there is an opportunity to discuss and challenge performance and the priorities for the organisation. The workshops include reference to the key risks the Trust faces and an explanation as to how they are being managed.
- Regular constituency meetings are held with members of the public and key stakeholders and attended by members of the Board of Directors. Consultation with the public is undertaken in developing new services and where key changes are proposed to existing services which may impact upon them.

#### **Remuneration report**

The narrative elements of the Remuneration Report are not subject to audit. The salary and pension information contained on pages 108 to 112 has been audited along with details on the median salary as a ratio of the highest paid director's remuneration on page 113. The Remuneration Report includes details of the remuneration paid to the Chairman and Directors of the Trust (the 'senior managers<sup>35</sup>, who influence the decisions of the Trust as a whole).

There are two committees within the Trust's governance arrangements with responsibility for remuneration of the Board of Directors:

- Non-Executive Performance and Remuneration Committee (a committee of the Council of Governors
- Performance and Remuneration Committee (a committee of the Board of Directors)

It has been the policy of the Finance Department to ensure that all off payroll engagements are identified. A sample check has been conducted to ensure that for any engagements that tax arrangements are sufficient by contacting the employee directly by email or phone conversation.

#### Non-Executive Performance and Remuneration Committee

The purpose of the Non-Executive Performance and Remuneration Committee is to:

- Satisfy itself that proper procedures are in place for the appraisal of Non-Executive Directors (including the Chairman) in accordance with Monitor's NHS Foundation Trust Code of Governance and current best practice.;
- Participate in the recruitment of Non-Executive Directors (including the Chairman) with the Board of Directors' Nominations Committee;
- Recommend to the Council of Governors the appointment of the Chairman and Non-Executive
  Directors; Recommend to the Council of Governors the terms of appointment and appropriate
  remuneration of the Chairman and Non-Executive Directors taking into account the Trust's
  performance, the fees paid by other foundation trust hospitals, the economic environment and any
  national guidance relating to senior managers and other staff in the NHS.

Elected as a Trust Governor on 1 April 2007 for the Hart constituency, Nicola Dodsworth was elected as Lead Governor with effect from 1 February 2011 and the Chair of the Non-Executive Performance and Remuneration Committee. The Non-Executive Performance and Remuneration Committee comprised:

- Five other Public Governors;
- One Staff Governor;
- One Stakeholder Governor;

<sup>&</sup>lt;sup>35</sup> "those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS Foundation Trust"

In March 2015, the membership was expanded to capture balanced representation from local constituencies previously served by Heatherwood and Wexham Park Hospitals NHS Foundation Trust. In summary, four Governors were added to the membership of which three were Public Governors and one was a Staff Governor.

The Chairman, Senior Independent Director, Chief Executive, Director of HR and Corporate Services and other advisors may be invited to attend all or part of the Non-Executive Performance and Remuneration Committee meeting.

In the year ended 31 March 2015, the Non-Executive Performance and Remuneration Committee met four times.

Constituency	Governor Name		Total
Public: Hart	Nicola Dodsworth		4/4
Public: Bracknell Forest and Wokingham	John Lindsay		3/4
Public: Waverley	John Pownall		2/4
Public: Rushmoor	Michele White (member from 6 May 2014)		3/4
Public: Surrey Heath	Anusha Everson		4/4
Public: Waverley	Michael Maher		4/4
Stakeholder: Hampshire County Council	John Wall		4/4
Staff: Frimley Park: Medicine, Elderly Care, Pharmacy and Accident and Emergency (re- elected 1 January 2015)	Udesh Naidoo		3/4
Public: Bracknell Forest and Wokingham	Richard Lloyd (member from 17 March 2015)		n/a
Public: Slough	Graham Leaver (member from 17 March 2015)		n/a
Public: Windsor and Maidenhead	Rod Broad (member from 17 March 2015)		n/a
Staff: Heatherwood and Wexham Park: Surgery and Surgical Services	Bob Soin (member from 17 March 2015)		n/a
		Total:	27/31

During 2014-2015, in addition to the aforementioned, other persons attended at least one meeting including the Chairman, Deputy Chairman, Senior Independent Director and other Non-Executive Directors, Chief Executive, Director of HR and Corporate Services, and Hay Group at the request of the Committee.

#### Non-Executive Directors' Remuneration 2014-2015

Following a review of fees in May 2014, on the recommendation of the Non-Executive Remuneration Committee, in July 2014 the Council of Governors approved a one per cent increase for fees payable to Non-Executive Directors in July 2014, with effect from 1 April 2014. In addition the Committee commissioned a more fundamental review of the Non-Executive remuneration to take place during 2014-2015.

Accordingly Hay Group was commissioned to examine the roles of the Chairman and the Non-Executive Directors at Frimley Health, involving a study of benchmarking information for the sector and from the wider market, factoring in the experience of non-executive roles and remuneration in the public and private sectors. The review acknowledged the multi-site operations and increased time commitments.

An increase to the fees payable to the Chairman and Non-Executive Directors was approved by the Council of Governors in May 2015, effective from February 2015.

As part of this exercise the committee assured itself of the impartiality of this advice by cross referencing Director and Governor register of interests. The fee paid for the report was £3,000.

#### **Performance and Remuneration Committee**

#### Role of the Performance and Remuneration Committee

As a Board-level Committee reporting through to the Board of Directors, the Performance and Remuneration Committee has the responsibility to:

- To act on behalf of the Board of Directors in making decisions upon the performance and remuneration and terms of service for the Chief Executive and other Executive Directors. These decisions will cover all aspects of salary, including the approval of arrangements for termination of employment and other major contractual terms;
- To recommend and monitor the level and structure of remuneration for senior management;
- To operate in accordance with the principles outlined in 'The NHS Foundation Trust Code of Governance' produced by Monitor.

Additionally, termination periods are set by the Performance and Remuneration Committee which will range from 6-12 months' notice for new appointments. Termination payments are considered on a case-by-case basis in line with guidance issued by the Department of Health. Contracts are in accordance with best practice and employment law.

Since 2013-2014, Performance and Remuneration Committee has focused on growing a performance culture by adopting external best practice, which has included redesigned appraisal processes to reflect the desired behaviours associated with the Trust's organisation values (committed to excellence; working together; facing the future). In 2014-2015, the Trust extended this to Heatherwood and Wexham Park Hospitals post-acquisition.

#### Executive Directors' Remuneration 2014-2015

The Performance and Remuneration Committee agreed a base 1% pay award for Executive Directors at its meeting in April 2014.

The Chairman and Chief Executive engaged the services of the Hay Group on behalf of the Board of Directors to assist with the organisational design of the enlarged Trust, relating to the acquisition of Heatherwood and Wexham Park Hospitals NHS Foundation Trust. The report was presented to the Performance and Remuneration Committee at its meeting in April 2014. An increase in the base salary in light of the enlarged organisation was agreed at the Performance and Remuneration Committee meeting in August 2014.

Bonuses are based on performance levels reviewed as part of the appraisal process. Bonuses relate to performance in the year in which they become payable to the individual. The bonuses reported in the remuneration report relate to the performance in 2013-2014. No bonuses are payable in respect of the year 2014-2015. Full details of the salaries, bonuses and pension entitlements of the Executive and Non-

Executive Directors of the Trust are detailed in the remuneration report which has been audited. Details of the Trust's staff costs are set out in note 4.1 of the notes to the accounts.

#### Membership

Appointed as a Non-Executive Director in April 2006, Andrew Prince was appointed as Chair of the Performance and Remuneration Committee in May 2009. During 2014-2015, three further Non-Executive Directors (including the Chairman) served as members of the Performance and Remuneration Committee as did one Executive Director (Chief Executive).

#### **Governor expenses**

In the year ended 31 March 2015, seven Governors claimed a total of £496.75 in expenses.

#### **Governance - Directors' responsibilities statement and going concern**

The Directors are required under the National Health Service Act 2006 to prepare financial statements for each financial year. The Secretary of State, with the approval of the Treasury, directs that these financial statements give a true and fair view of the state of affairs of the NHS Foundation Trust and of the income and expenditure of the NHS Foundation Trust for that period. In preparing those financial statements, the Directors are required to: apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury; make judgements and estimates which are reasonable and prudent; and state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors confirm to the best of their knowledge and belief that they have complied with the above requirements in preparing the financial statements. The Directors are required under the Monitor NHS Foundation Trust Code of Governance to consider whether or not it is appropriate to adopt the going concern basis in preparing the Trust's financial statements (annual accounts). As part of its normal business practice, the Trust prepares annual financial plans. After making enquiries, the Board of Directors has reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Board continues to adopt a going concern basis in preparing the Annual Report and financial statements.

<u>Table 1: For all off-payroll engagements as of 31 March 2015, for more than £220 per day and that last for longer than six months</u>

Number of existing engagements as of 31 March 2015	2014-2015 Number of Engagements
Of which:	16
Number that have existed for less than one year at the time of reporting	5
Number that have existed for between one and two years at the time of reporting	4
Number that have existed for between two and three years at the time of reporting	1
Number that have existed for between three and four years at the time of reporting	3
Number that have existed for four or more years at the time of reporting	3
Confirmation: All existing off-payroll engagements, outlined above, have at some point been some based assessment as to whether assurance is required that the individual is pay amount of tax and, where necessary, that assurance has been sought.	

<u>Table 2: For all new off-payroll engagements, or those that reached six months in duration,</u>
<u>between 1 April 2014 and 31 March 2015, for more than £220 per day and that last for longer than six months</u>

	2014-2015 Number of Engagements
Number of new engagements, or those that reached six months in duration between 01 April 2014 and 31 March 2015	12
Number of the above which include contractual clauses giving the Trust the right to request assurance in relation to income tax and national insurance obligations	9
Number for whom assurance has been requested	2
Of which:	
Number for whom assurance has been received	2
Number for whom assurance has not been received*	
Number that have been terminated as a result of assurance not being received	

# <u>Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2014 and 31 March 2015</u>

	2014-2015 Number of Engagements
Number of off-payroll engagements of Board Members, and/or senior officials with significant financial responsibility, during the financial year	nil
Number of individuals that have been deemed 'Board Members and/or senior officials with significant financial responsibility' during the financial year. The figure should include both off-payroll and on-payroll engagements	7

### Information subject to audit

### Salary entitlements of senior managers 2014-2015

		Salary and fees (bands of £5000) £000	Taxable benefits nearest £100	Annual performance related bonus (bands of £5000) (£,000)	Long-term performance related bonus (bands of £5000) (£,000)	Pension related benefits (bands of £2,500) (£,000)	Total remuneration (bands of £5,000)	Expenses (£)
EXECUTIVE DIREC	CTORS							
Sir Andrew Morris	Chief Executive	200 - 205	0	15 - 20	0	0	220 - 225	2,159.20
Martin Sykes	Director of Finance	145 - 150	0	10 - 15	0	90 – 92.5	245 – 250	1,207.05
Janet King	Director of HR Corporate Services	135- 140	0	10- 15	0	100–102.5	250 – 255	1,801.65
Nicola Ranger	Director of Nursing and Quality	125 - 130	0	10 -15	0	85 – 87.5	220 – 225	1,209.45
Helen Coe	Director of Operations - FPH	115 - 120	0	10 - 15	0	60 – 62.5	190 – 195	954.30
Tim Ho	Medical Director	210 - 215	0	0 - 5	0	45 – 47.5	260 – 265	-
Lisa Glynn	Director of Operations – H&WPH	60 - 65	0	0	0	0	60 - 65	695.21
NON-EXECUTIVE	DIRECTORS							
Sir Michael Aaronson	Chair	50-55	0	0	0	0	50-55	1,169.40
Andrew Prince	Non Executive	10-15	0	0	0	0	10-15	-
Mark Escolme	Non Executive	10-15	0	0	0	0	10-15	205.80
Stephen Crouch	Non Executive	10-15	0	0	0	0	10-15	417.00
Tina Oakley	Non Executive	10-15	0	0	0	0	10-15	-
Rob Pike	Non Executive	10-15	0	0	0	0	10-15	-
David Clayton- Smith	Non Executive	10-15	0	0	0	0	10-15	1,133.85
Michael O'Donovan	Non Executive	5 - 10	0	0	0	0	5-10	

Salary entitlements of senior managers 2013-2014

Name	Title	Salary & fees	Taxable	Annual	Long term	(4)Pension-	Total	Expenses
		(bands of	benefits	performance	performance	related	remuneration	claimed
		£2,000)	_	related bonus related bonus	related bonus	benefits	(bands of	during the
				(bands of	(bands of	(bands of	£2,000)	year
				£2,000)	£2,000)	£2,500)		
		£,000	nearest £100	£,000	£,000	£,000	£,000	f-p
Sir Andrew Morris	Chief Executive	175-180	0	5-10	0	0	185-190	1,332.00
Helen Coe <sup>(1)</sup>	Acting Director of	80-82	0	0	0	240-242.5	320-325	295.10
	Operations							
Tim Ho <sup>(2)(</sup>	Medical Director	02-29	0	0	0	112.5-115	175-180	0
Janet King	Director of HR	120-125	0	5-10	0	45-47.5	175-180	478.40
Edward Palfrey <sup>(3)(</sup>	Medical Director	115-120	0	5-10	0		120-125	1,600.10
Nicola Ranger	Director of Nursing	110-115	0	0	0	112.5-115	225-230	611.00
Martin Sykes	Director of Finance	125 - 130	0	5-10	0	27.5-30	160-165	607.90
Sir Michael Aaronson	Chairman	20-22	0	0	0		20-22	1079.68
David Clayton-Smith	Non Executive	10-15	0	0	0		10-15	833.88
Stephen Crouch	Non Executive	10-15	0	0	0		10-15	170.80
Mark Escolme	Non Executive	10-15	0	0	0		10-15	0
Tina Oakley	Non Executive	10-15	0	0	0		10-15	0
Rob Pike	Non Executive	10-15	0	0	0		10-15	0
Andrew Prince	Senior Independent Director	10-15	0	0	0		10-15	0

Appointed on 1 July 2013 (2) Appointed 2 December 2013 (3) Retired from the Board 1 December 2013 (4) This represents 20 times the year on year increase in pension plus the cash lump sum that would be payable to the Director if they became entitled to it at 31 March 2014. This is calculated in accordance with the Monitor Annual Reporting manual. It is not cash remuneration.

In addition to the above, Paula Head, who left the Trust on 31 March 2013, was paid the sum of £402.40 in April 2013 relating to an expense claim.

Pension benefits of senior managers 2014-2015

Name	Title	Real increase in pension and related lump sum at age 60 (bands of £2,500)	Total accrued pension and related lump sum at age 60 at 31 March 2015	Cash equivalent transfer value at 31 March 2015	Cash equivalent transfer value at 31 March 2014	Real increase in cash equivalent transfer value
Executive Directors	S	£,000	£,000	£,000	£,000	£,000
Martin Sykes	Director of Finance	17.5 - 20	145 - 150	929	557	104
Janet King	Director of Personnel	20 - 22.5	190 - 195	965	812	131
Nicola Ranger	Director of Nursing	17.5 - 20	125 - 130	549	447	06
Helen Coe	Director of Operations - FPH	12.5 - 15	185 - 190	837	734	83
Tim Ho	Medical Director	12.5 - 15	195 - 200	789	695	75
Lisa Glynn	Director of Operations H&WPH	2.5 - 5	120 - 125	457	446	0

The Chief Executive opted out of the pension scheme with effect 1 April 2012

As Non-Executive Directors do not receive pensionable remuneration, there are no entries in respect of pensions for Non-Executive Directors.

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 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.

Pension benefits of senior managers 2013-2014

Name	Title	Real increase in pension and	Total accrued pension and	Cash equivalent transfer value at	Cash equivalent transfer value at	Real increase in cash equivalent
		related lump sum at age 60 (bands of £2,500)	related lump sum at age 60 at 31 March 2014	31 March 2014	31 March 2013	transfer value
		£,000	(bands of £5,000) £,000	£,000	£,000	£,000
<b>Executive Directors</b>						
Helen Coe <sup>(2)</sup>	Acting Director of Operations	40-42.5	165-170	734	523	199
Tim Ho	Medical Director	17.5-20	175-180	695	288	94
Janet King	Director of HR & Facilities	7.5-10	165-170	812	733	63
Edward Palfrey <sup>(1)(4)</sup>	Medical Director	n/a	n/a	n/a	n/a	n/a
Nicola Ranger	Director of Nursing	17.5-20	105-110	447	348	95
Martin Sykes	Director of Finance	5-7.5	125-130	557	208	38

(1) Opted out of the pension scheme wef 1 April 2012 (2) Appointed on 1 July 2013 (4) Retired from the Board 1 December 2013

The Chief Executive opted out of the pension scheme with effect from 1 April 2012. As Non-Executive Directors do not receive pensionable remuneration, there are no entries in respect of pensions for Non-Executive Directors. 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 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.

### Median salary / highest paid Director

The HM Treasury Financial Reporting Manual 2011-2012 (FReM) introduced the requirement to disclose the median remuneration of all staff employed by the reporting entity and the ratio between this figure and the mid-point of the banded remuneration of the highest paid Director. The calculation is based on full time equivalent staff of the reporting entity at the reporting period end date on an annualised basis.

The following data represents the ratio of median annual salary to the highest paid Director's remuneration.

	31 March 2015	31 March 2014
Highest paid Director's remuneration	£222,500	£197,500
Median salary:		
Annualised WTE basis	£22,636	£24,048
Represented as a ratio	9.8	8.2

### Explanatory note for above:

- The median pay calculation is based on the payments made to staff in post on 31 March 2015.
- The reported salary used to estimate the median pay is the gross cost to the Trust, less employer's pension and employer's Social Security costs.
- The reported annual salary for each whole time equivalent has been estimated by multiplying the March 2015 payment by 12 months.
- Payments made in March 2015 to staff who were part-time were pro-rated to a whole time equivalent salary.
- Included in the calculation is an estimated average cost for agency staff All agency staff expenditure is processed
  through dedicated account codes on the financial system. The total March 2015 expenditure on these codes also
  includes an estimate of whole time equivalents based on equivalent NHS staff To estimate the whole time
  equivalent an adjustment is made to allow for agency staff premium and fees. An annual salary was allocated to
  the agency whole time equivalent based on the average annualised salary for the equivalent NHS staff and
  included in the median calculation.
- The highest paid Director is excluded from the median pay calculation.
- The highest paid Director's remuneration is based on their total remuneration which includes all salaries and allowances (including fees), bonus payments and other remuneration.
- The salary of the highest paid Director has been taken as the midpoint of their £5,000 total remuneration banding.
- The Trust performs all of its services in house with the exception of laundry. This may contribute to a higher ratio than in other organisations where significant support services are outsourced and therefore the median salary may be higher.

**Sir Andrew Morris** 

Chief Executive 29 May 2014

**Andrew Prince** 

Chair, Performance and Remuneration Committee 29 May 2014

### STATEMENT OF THE ACCOUNTING OFFICER'S RESPONSIBILITIES

Statement of the chief executive's responsibilities as the accounting officer of Frimley Health 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 Frimley Health 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 Frimley Health NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

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

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

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable him/her to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. 162 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.

**Sir Andrew Morris** 

Chief Executive Date: 29 May 2015

### **ANNUAL GOVERNANCE STATEMENT 2014-2015**

### 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 to provide services of a high quality. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

The Trust's Standing Orders and Scheme of Delegated Authority outline the accountability arrangements and scope of responsibility of the Board of Directors ('the Board'), Executive Directors and the organisation's officers. The Board has been fully involved in agreeing the strategic priorities of the Trust, with the most important priorities being those set out in the Trust's Annual Plan and Board objectives, against which the Board submits regular reports to the Council of Governors.

The Board receives regular minutes and reports from each of the nominated committees that report into it. The terms of reference of the committees of the Board have been reviewed to ensure that governance arrangements continue to be fit for purpose.

All Executive Directors report to me and the performance of the executive team is held to account through team and individual objectives, which reflect the Board objectives referred to above.

The Trust's Corporate Assurance Framework has been in place all year. In line with national guidance it is structured around the high level risks that were deemed to be the most significant risks in delivering the corporate objectives as set out in the Trust Annual Plan. The Corporate Assurance Framework is reviewed on a monthly basis by the corporate governance group, which is an executive group chaired by the Chief Executive, and by the Board.

### 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 Frimley Health NHS Foundation Trust.
- 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 was in place at Frimley Park Hospital NHS Foundation Trust from 1 April 2014 to 30 September 2014 and has continued to be in place in Frimley Health NHS Foundation Trust (the new name of the organisation following the acquisition of Heatherwood & Wexham Park NHS Foundation Trust on 1 October 2014) and throughout the remainder of the financial year ended 31 March 2014, and up to the date of approval of the annual report and accounts.

### Capacity to handle risk

### **Directors**

The Board of Directors has overall accountability for the Trust's Risk Management Strategy. All Executive Directors, Chiefs of Service, and Associate Directors and heads of service of the Trust have a key role to play in developing a strong risk management approach in all aspects of the Trust's activities, both clinical and non-clinical. Business priorities and decisions made by the Hospital Executive Board and Board of Directors must reflect risk management assessments and consideration of high risk factors.

### Non-executive directors

The Audit Committee is chaired by a nominated Non-Executive Director. All Non-Executive Directors have a responsibility to challenge robustly the effective management of risk and to seek reasonable assurance of adequate control.

### Director of Finance

The Director of Finance oversees the adoption and operation of the Trust's Standing Financial Instructions including the rules relating to budgetary control, procurement, banking, staff appointments, losses and controls over income and expenditure transactions, and is the lead for counter fraud. The Director of Finance is the chair of the Information Governance Committee and Senior Information Risk Owner (SIRO) at Board level.

The Director of Finance attends the Trust's Audit Committee but is not a member, and liaises with internal and external audit, who undertake programmes of audit with a risk based approach.

### **Director of Nursing and Quality**

The Director of Nursing is the executive lead with responsibility for the development, management and implementation of the Trust's Corporate Assurance and Quality Frameworks and is accountable for ensuring there is a robust system in place for monitoring compliance with standards and the Care Quality Commission (CQC) Registration legal requirements. The Director of Nursing is responsible for managing patients' risk, complaints, patient information and medical negligence claims and, with the input of the Medical Director, setting the quality standards.

### **Medical Director**

The Medical Director is responsible for clinical governance, quality improvement, speciality dashboards, and the Trust Morbidity & Mortality process. He is responsible for the development of clinical quality standards within the Trust and, in conjunction with the Director of Nursing, ensuring effective integrated clinical governance is developed and monitored. The Medical Director is the Caldicott Guardian.

As the Responsible Officer, the Medical Director has delegated responsibility for the Trust as a senior clinician whose role is to evaluate doctors' fitness to practise, based on supporting information presented to him, including through the appraisal process; the Responsible Officer will make recommendations to the General Medical Council on the revalidation of doctors (normally at five-yearly intervals).

Both the Medical and Nursing Directors are responsible for ensuring that cost improvement plans are risk assessed and will not impact on the quality of care.

### Director of Human Resources and Corporate Services

The Director of Human Resources and Corporate Services has overall responsibility for workforce planning, ensuring the right staff are in the right jobs, and for the management of the Occupational Health and Safety Department.

The Director of Human Resources and Corporate Services ensures that the estate is developed to support Trust strategic direction and that the condition of the estate is maintained and is fit for purpose and that hotel services are effective and efficient.

The Director of Human Resources and Corporate Services is the co-executive lead for the local implementation of the Climate Change Act 2008 and the development and implementation of the Trust's Carbon Reduction Strategy.

The Director of Human Resources and Corporate Services develops the Trust's public and staff engagement strategy.

### **Directors of Operations**

The Trust has two Directors of Operations, one based at Frimley Park Hospital (FPH) and one at Wexham Park Hospital (WPH), who is also responsible for Heatherwood Hospital. They are responsible for the day-to-day management of the hospitals. They co-ordinate plans and strategies to ensure that the organisation develops services in an efficient and effective manner in response to the changing economic climate. The roles involve ensuring that the Trust meets national and local performance objectives.

The Director of Operations for FPH is the lead for delivering the Innovation & Change programmes which transform services within the Trust and Health Economy. The Director of Operations for WPH is the lead for Emergency Planning and Business Continuity across the Trust.

### **Deputy Director of Nursing & Quality**

The role of the Deputy Director of Nursing & Quality is to promote risk management activity awareness and training throughout the Trust. The post holder is directly accountable to the Director of Nursing, with a key function of providing central support and advice to the Board regarding the establishment of an effective system of internal control and developing the Corporate Assurance Framework.

The Risk Manager has an overarching responsibility for ensuring there is an effective incident reporting process and effective management of all risk data and information, producing the Trust's risk register and providing reports and trend analysis information to support the prioritisation of risk, as well as ensuring risk registers are maintained within directorates.

The Risk Manager ensures that all serious risk incidents are reported to the Board of Directors, Foundation Trust regulator Monitor, the CQC and the Clinical Commissioning Groups, and are managed in line with the Serious Incident Policy.

### Embedding and managing risk at all levels of the organisation

The Trust's Risk Management Strategy, endorsed by the Board, is reviewed annually and sets out the organisation's approach to risk management and future objectives. Appendix 1 sets out the key risk management functions and internal control responsibilities of the Board and committees that relate to it.

All Executive Directors, Chiefs of Service, Associate Directors and Heads of Service have a responsibility to lead with a strong risk management approach in all aspects of the Trust's activities. Business priorities and decisions made by the Hospital Executive Board and Board of Directors reflect risk management assessments and consideration of high risk factors.

Managers at all levels of the organisation have a responsibility to manage risks at a local level and to develop an environment where staff are encouraged to identify and report risk issues proactively. Each directorate maintains a risk register and key risks are assessed and reflected in the Corporate Risk Register, which is reviewed monthly for consideration by the Board of Directors.

Managers are expected to ensure that their staff report immediately any near miss incidents, adverse incidents and serious incidents, using the Trust's incident reporting procedure to provide appropriate feedback regarding specific incidents reported, and implementing recommendations following investigations to reduce the likelihood of the incident happening again.

All members of staff have an important role to play in identifying and minimising risks and hazards as part of their everyday work within the Trust. Each individual has a responsibility for their own personal safety and for the safety of their colleagues, patients and all visitors to the Trust. All staff are expected to have an understanding of

the incident reporting procedure and knowledge of the corporate categories of incident, which must be reported.

A Trust-wide training needs analysis for risk management and patient safety has been undertaken and a range of training programmes have been integrated into the Corporate Training Plan. All staff receive mandatory annual updates in risk management and patient safety and attendance is monitored through the quarterly training statistics.

The Trust's Risk Management Strategy clearly defines the levels of authority for the management of identified levels of risk and describes the Trust's interpretation and definition of 'acceptable risk'.

### The risk and control framework

The Risk Management Strategy sets out the framework and systems for implementation of risk and governance in the Trust. The existing FPH Governance Structure had been in place since September 2013 and has been retained and strengthened following acquisition with the addition of a new Quality Assurance Committee to provide the Board with assurance on performance and quality across the enlarged organisation. In addition, an external Quality Oversight Committee has been put in place to allow Commissioners to oversee the integration of the enlarged organisation and its role in helping to transform the wider health economy.

The strategy includes the following key elements:

- It describes what is meant by 'risk management'
- It identifies the roles and responsibilities of all staff within the Trust
- It clearly describes the roles and responsibilities of the key accountable officers
- It sets out the process of risk management as follows:
  - i. Annual risk assessments and Trust risk grading matrix
  - ii. Incident reporting procedure and root cause analysis
  - iii. Management of Trust's Risk Register
  - iv. Levels of authority for the management of identified risks
  - v. Definition of 'acceptable risk'
  - vi. Corporate Assurance Framework
  - vii. Risk management training and education
  - viii. National standards and external assessments
  - ix. Compliance with legislation

Quality is embedded in the Trust's overall strategy. The Trust's Quality Report includes national and local priorities with measurable quality improvement targets and deadlines. Quality targets are linked to directorates and included in local clinical speciality dashboards and pathway compliance monitoring. The Trust's performance against the quality priorities is included in the Trust-wide Quality and Performance report which is

reviewed on a monthly basis by various committees and ultimately by the Board. The Board of the enlarged organisation continues to receive a monthly Performance Report which provides up to date information of key quality indicators including patient safety, patient experience and clinical effectiveness.

Frimley Park Hospital self-assessment against Monitor's Quality Governance Framework has been reviewed by the Corporate Governance Group and by the Board and has demonstrated overall compliance with the requirements of the lines of enquiry.

As part of the acquisition Due Diligence, Monitor requested that FHFT undertakes a self-assessment against the Quality Governance framework as at Day 1 of the acquisition for the new combined organisation. The level of risk was been determined based on a number of sources of information including H&WPH CQC Report, performance against Monitor targets, external reports including the joint 'In Practice' and Royal College of Obstetricians & Gynaecologists review of Maternity Service and the KPMG review of the governance arrangements at H&WPH.

Taking into account the changes in size, structure and location of the new organisation, the key challenges identified that could impact on the quality structure and the immediate actions taken included:

- Governance: The quality governance framework at Frimley Park Hospital has been adopted across Frimley Health (see attached framework at appendix 2) with a strong focus on developing Morbidity & Mortality and serious incident review process.
   During the first 12 months, there will be two Quality Committees to ensure that the agendas and priorities of Frimley Park Hospital and Wexham Park Hospital are all managed. Over time, the two committees will be integrated into a single organisational committee.
- Clinical Leadership: Tier 1, 2 & 3 clinical leadership roles have been appointed specifically at Chief of Service, Associate Director and Head of Nursing levels
- **Culture:** An extensive culture change programme has been implemented to develop a stronger safety culture at Wexham Park and Heatherwood Hospitals including the launch of the Trust values in October 2014. The most recent Staff Survey has shown an improvement in many key areas
- Patient Safety: New Serious Incident Requiring Investigation panel process has been established at H&WP with reports submitted to the Board of Directors. A new Patient Safety Committee has been established at H&WP with the Heads of Patient Safety attending Patient Safety forums on both sites to facilitate cross organisation learning. This needs to be fully embedded at all levels throughout the organisation including frontline staff to build confidence and reinforce the principles of a 'learning organisation' which uses incident reporting to improve standards and quality of care.
- **Patient Experience**: The Complaints process has been centralised, a new Complaints Forum established and a Complaints Management Improvement Plan developed by the Head of Patient Experience H&WP in conjunction with Director of Nursing.

The Corporate and Local Risk Registers are reviewed monthly at the Trust Corporate Governance Group, Hospital Executive Board and Associate Directors/Heads of Service meetings. At acquisition, the Corporate Risk Register and Corporate Assurance Framework were amalgamated to form a Corporate Risk Assurance Framework which continues to be reviewed monthly by the same committees. The minutes of the Corporate Governance Group outlining these discussions are presented to the Board of Directors on a monthly basis together with the full Risk Assurance Framework. All risks identified have clear actions to reduce or mitigate them and this information is presented and shared with the Board.

The key financial and non-financial risks faced by Frimley Health moving forward into 2015-2016 include:

- Risk of failure to deliver on Monitor targets, i.e. A&E 4-hour target / 18 weeks
- Risk of failure to achieve savings / income plans
- Potential risk to patient care due to nursing staffing capacity
- Risk of lack of staff and clinical engagement
- Risk of potential poor patient experience through the delivery of a patient transport service that does not fully meet the requirements

### Involvement of public stakeholders

The Trust serves a dispersed community, which straddles the boundaries of four counties and two local health authorities. It also works with local authorities and Clinical Commissioning Groups. Given these complexities, there is a strong desire to work closely with the local community to provide coherent and effective services.

The Trust provides information and assurance to the public on its performance against its principal risks and objectives in a number of different ways including:

- Frimley Park Hospital NHS had been a Foundation Trust since 1 April 2005 and has established a patient and public involvement framework which reflects current guidance. The Trust had 16,269 members as at the end of September 2014.
   Following the acquisition of Heatherwood & Wexham Park Hospitals, the renamed organisation, Frimley Health NHS Foundation Trust has approximately 24,528 members as at the end of March 2015. These are represented by a Council of Governors that comprises public, staff and stakeholders.
- The Council of Governors receives regular updates on the status of the Board objectives and uses this, along with the ratings by Monitor and the CQC, to hold the Board to account for its performance. Also, the Council of Governors is invited to input to the Annual Plan for Monitor.
- In addition to the formal meetings of the Council of Governors, joint workshops are held with the Board when there is an opportunity to discuss and challenge performance and the priorities for the organisation. The workshops include

- reference to the key risks the Trust faces and an explanation as to how they are being managed.
- Regular constituency meetings are held with members of the public and key stakeholders and attended by members of the Board of Directors. Consultation with the public is undertaken in developing new services and where key changes are proposed to existing services which may impact upon them.

### **Compliance with CQC**

Frimley Park Hospital NHS Foundation Trust received two inspections from the CQC during 2014-2015. In September 2014, FPH was awarded an overall 'outstanding' rating, the first Trust in the country to achieve this.

Heatherwood & Wexham Park Hospital NHS Foundation Trust received an inspection in February 2014 following which the Trust received an overall rating of 'inadequate' and the Trust was placed in special measures. The CQC identified 18 areas for improvement including a requirement:

- To improve staff engagement across clinical & managerial disciplines to promote a learning & safety culture where patient experience is paramount
- To ensure patients are appropriately risk assessed, particularly for falls & pressure ulcers including those patients who are in the A&E department for a prolonged period
- To ensure that patient flow is addressed as a priority (& escalation procedures adhered to) to improve the poor performance in the 4-hour A&E target, high number of surgical cancellations & delayed discharges from the critical care unit.
- To ensure the Trust has a robust system to assess the numbers and skills mix of nursing and medical staff
- To ensure the Trust has robust Recruitment and Retention plans to reduce dependency on locum and agency staff
- To ensure relevant background and competency checks are undertaken when agency and locum are employed
- To encourage and support an incident reporting culture at all levels of the organisation which is seen as a mechanism to learn rather than attribute blame
- To ensure the Trust has a radiology service that meets the needs of patients in a timely way
- To improve booking and appointments system, waiting times and cancellation of clinics to prevent delays and improve access to treatment
- To ensure all staff are able to respond to the needs of vulnerable groups such as people with dementia or a learning disability

A Quality Summit was held in March 2014 with the key stakeholders including representation from the Care Quality Commission, NHS England and Monitor, and an action plan submitted by Heatherwoood & Wexham Park Hospitals in response to the final report.

Following acquisition of Heatherwood & Wexham Park Hospitals in October 2014, the Trust (Frimley Health) developed an overarching Quality Improvement Action Plan to

focus on the key areas of concern/requirement notices identified following the CQC inspection of Wexham Park Hospital in February 2014.

Progress against the action plan is monitored through the Wexham Park Hospital Quality Committee, the Trust Board of Directors and the external Quality Oversight Committee. This Committee has an Independent Chair and representation from the key stakeholders including the CQC, NHS England and Monitor. 'Deep dive' reports are presented to the Quality Oversight Committee outlining in detail and providing assurance on the progress that has been made against specific areas of risk, the most recent of which was in relation to Cancer Services. Significant progress has been made in relation to achieving the A&E 4-hour target and improvements in the Cancer Pathways.

Frimley Health NHS Foundation Trust is fully compliant with the registration requirements of the CQC.

### 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.

Equality impact assessments are required for all new Trust business cases and all policy development and review, including those related to employment.

### **Compliance with NHS Pension Scheme regulations**

As an employer with staff entitled to membership of the NHS Pension Scheme, the Trust has control measures 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.

## Compliance with climate change adaptation reporting to meet the requirements under the Climate Change Act 2008

The Trust has undertaken risk assessments, and carbon reduction delivery plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the adaptation reporting requirements are complied with.

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

The Trust ensures economy, efficiency and effectiveness through a variety of means, including:

- A robust pay and non-pay budgetary control system
- A suite of effective and consistently applied financial controls

- Effective tendering procedures
- Robust establishment controls
- Continuous service and cost improvement and modernisation.

The Trust benchmarks efficiency in a variety of ways, including through the national reference costs index and by comparison with key indices such as length of stay and day case percentages.

The Board of Directors performs an integral role in maintaining the system of internal control supported by the Audit Committee, internal and external audit, and other key bodies.

### **Compliance with Information Governance and Data Security**

Frimley Park delivers annual information governance training for all staff to raise awareness of the importance of protecting patient information. This annual training programme is being rolled across Frimley Health to the Heatherwood & Wexham sites.

Information Governance training encourages staff to report personal data related incidents. All reported incidents are investigated by the Trust's Information Governance (IG) Team and where applicable Trust policies and procedures are revised to prevent incidents re-occurring as well as incorporating lessons learnt into the Trust's Information Governance training.

Frimley Park has had a network of IG champions and Information Asset Owners (IAOs) who work together to implement the Trust's Annual Information Governance Work Programme to ensure the security and management of the Trust's information. The network of IG champions is being rolled out across Frimley Health to the Heatherwood & Wexham sites.

The Trust score in the Information Governance Toolkit was 73% at the end of March 2015. A work programme has been developed to increase the Trust's Information Governance Toolkit score in 2015-2016.

The Trust reported no serious untoward incidents involving personal data in 2014-2015. A summary of data-related incidents reported during the year is shown below:

Code	Description	Frimley Park	Frimley Health
		1 April – 30	1 October 2014 – 31
		September 2014	March 2015
Α	Corruption or inability to recover electronic data	0	0
В	Disclosed in Error	26	35
С	Lost in Transit	0	2
D	Lost or stolen hardware	0	0
E	Lost or stolen paperwork	0	0
F	Non-secure Disposal – hardware	0	1
G	Non-secure Disposal – paperwork	0	0
Н	Uploaded to website in error	0	0
- 1	Technical security failing (including hacking)	0	1
J	Unauthorised access/disclosure	2	5
K	Other	3	2
	Tota	l 31	46

### **Annual Quality Report**

The Directors are required under the Health Act 2009 and the National Health Service (Quality Account) 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 incorporates the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

The Annual Quality Report 2014-2015 has been developed in line with relevant national guidance and is supported internally through the Board Assurance Framework.

As in previous years the report sets out the priorities for the coming year and it includes patient safety, patient experience and clinical effectiveness indicators. The data owner for each indicator submits the required data to the quality team following an agreed timeframe. The data validity is the responsibility of the data owner and on an 'as required basis' the quality team will undertake a review of the data provided as well as challenge data that appears inconsistent.

The Trust has a Hospital Executive Board which is attended by all Executive Directors. All data and information within the Quality Report is reviewed through this committee and is supported through the three year Quality Improvement Strategy.

The Hospital Executive Board and the Board of Directors review performance against the quality indicators on a monthly basis. This is monitored through the Quality Performance Dashboard and the Hospital Executive Board receives progress updates against any improvement projects.

The Quality Report has been reviewed through both internal and external audit processes. Comments have been provided by local stakeholders including

commissioners, patient representatives, the local authority and the Patient Experience and Involvement Group of the Council of Governors.

The Trust reports monthly to Monitor on the Incomplete 18 Weeks indicator, based on the waiting time of each patient who has been referred to a consultant but whose treatment is yet to start. Due to the live nature of the information system, the Trust was not able to provide a complete set of data for the year 1 April 2014 to 31 March 2015 for the auditors to test. PricewaterhouseCoopers LLP have therefore issued a disclaimed conclusion in their limited assurance report in relation to this indicator.

### **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 results of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and the Corporate Governance Group and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Corporate Risk Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.

My review is also informed by:

### **Frimley Park Hospital**

- CQC Inspection August 2014, Trust rated 'outstanding'
- Dr Foster NHS Hospital Trust of the Year for South of England
- National NHS Leadership Board/Governing Body of the Year 2014
- NHSLA Risk Management Standards achieved level 3 compliance in October 2012
- CNST Maternity Services achieved level 3 compliance in October 2012
- Clinical Pathology Accreditation
- NHS England National Reporting & Learning System Report September 2014
- Picker National Patient Survey and patient feedback questionnaires
- Environmental Health inspection
- MHRA GCP Inspection
- Deanery & College Inspections
- JAG Inspection Endoscopy

- The work of the Clinical Audit & Effectiveness Committee
- Programme of work undertaken by internal and external audit and Audit Committee
- Responses from Monitor to the quarterly Frimley Park Hospital Board declaration process

### **Wexham Park Hospital**

- CQC Inspection February 2014
- NHS England National Reporting & Learning System Report September 2014
- JAG Inspection Endoscopy

### **Frimley Health NHS Foundation Trust**

- Frimley Health NHS Foundation Trust assurance process for monitoring levels of compliance against CQC registration
- Frimley Health Staff Survey
- Programme of work undertaken by internal and external audit and Audit Committee including Internal Audit review of the governance processes in place during 2014-2015 both for Frimley Park Hospital and Frimley Health NHS Foundation Trust when 'reasonable assurance' was given
- The work of the Clinical Audit and Effectiveness Committee
- NPSA national reporting and learning system incident report, March 2015
- Responses from Monitor to the quarterly Frimley Health Board declaration process

In assessing and managing risk, the Board and related committees have a substantial role to play in reviewing the effectiveness of the system of internal control, as follows:

### **Board of Directors**

Through the review and approval of the Trust Risk Register, Corporate Assurance Framework, and key performance indicators, and approval of the Trust's Governance / Risk Management Strategy and commitment to the action plan for implementing the strategy.

### **Audit Committee**

Through the risk based programme of internal audit.

### **Corporate Governance Group**

Through the review and management of the Trust's Risk Assurance Framework and the key performance indicators for risk management, and the development of the Trust's Governance/Risk Management Strategy.

### Clinical Governance Committee

Through the specialty clinical risk assessments and approval of the Trust-wide clinical risk assessment and directorate presentations under the CQC Standards of Quality and

Safety framework. The Clinical Governance Committee, which is attended by Executive Directors, a Non-Executive Director and a Governor, reviews the clinical governance framework of the Trust and provides assurance to the Board through the Medical Director that the policies and practices recommended by the CQC and others are being followed.

### **Quality Committee**

Through the monitoring and review of the quality of services provided by the Trust including the review of internal core and speciality dashboards, morbidity and mortality reviews and external quality improvement targets.

### **Quality Assurance Committee**

Providing assurance that the risks associated with the Trust's provision of excellent care are identified, managed and mitigated appropriately. In doing so, the Quality Assurance Committee may take any that is sees fit to ensure that this can be achieved

A more detailed description of the risk management functions and internal control responsibilities of the Board and related Committees are set out in Appendix 1.

### Overall control

Reasonable assurance has been given by the Head of Internal Audit that there is a generally sound system of control designed to meet Frimley Health's objectives and that controls have been generally applied consistently throughout 2014-2015. However, it is noted that there has been no Internal Audit undertaken at HWP since April 2014.

### Conclusion

There were no control issues of major consequence in 2014-2015.

**Sir Andrew Morris** 

Andrew Monis

Chief Executive

March 2015

### Appendix 1

The following sets out the roles of the key bodies with responsibility for managing and reviewing the process and effectiveness of the systems of internal control within the Trust.

### **Board of Directors**

- Set and monitor progress to the achievement of the Trust's objectives, both strategic and operational
- Identify the significant risks that may threaten the achievement of the Trust's objectives
- Identify and evaluate the key controls in place to manage the significant risks identified in the Corporate Assurance Framework
- Identify positive assurances and areas where there are gaps in controls and assurances
- Put in place plans to take corrective action where gaps have been identified in relation to significant risks
- Maintain dynamic risk management arrangements including, crucially, a well-founded Risk Register and Corporate Assurance Framework, reviewed quarterly by the Board

### **Commercial Development and Investment Committee**

- Consider controls on business cases and significant investments
- Assess and evaluate benefits realisation

### **Audit Committee**

- Review the adequacy of the processes supporting all risk and control related disclosure statements (in particular the Statement on Internal Control), together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances
- Review the adequacy of the underlying assurance processes that indicate the degree of the achievement of
  corporate objectives, the effectiveness of the management of principal risks, and the appropriateness of the
  above disclosure statements
- Review the policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements
- Set the policies and procedures for all work related to fraud and corruption as set out in Secretary of State Directions and as required by the Counter Fraud and Security Management Service

### **Corporate Governance Group**

- Assess, prioritise, and monitor the Trust's performance in managing risk and ensuring progressive improvement against the Trust's 'live' Corporate Risk Register
- Prioritise the top risks to inform the Audit Committee and for review by the Board
- Ensure the Trust has a Corporate Assurance Framework that is robust and fit for purpose and complies with best practice
- Review the Corporate Assurance Framework identifying any gaps in assurance, to inform the Audit Committee and for review by the Board
- Compile, in conjunction with the Chief Executive, the Annual Governance Statement which will be passed to the Audit Committee to review its adequacy
- Advise the Trust in respect of the development and use of key performance and risk indicators
- Support the Audit Committee by undertaking risk based work programmes where gaps in assurance are identified. Respond to findings of the Audit Committee, ensuring action is taken

### **Quality Assurance Committee**

- Provide assurance that the risks associated with the Trust's provision of excellent care are identified, managed
  and mitigated appropriately. In doing so, the Quality Assurance Committee may take any steps that is sees fit
  to ensure that this can be achieved.
- Provide assurance to the Board by:
  - Ensuring that the strategic priorities for quality assurance are focused on those which best support delivery of the Trust priority objectives in relation to patient experience, the safety of patients and service users and effective outcomes for patients and service users;
  - Reviewing the independent annual clinical audit programme, ensuring it provides a suitable level of coverage for assurance purposes, and receiving reports as appropriate;
  - Reviewing compliance with regulatory standards, for example those of the CQC (confirm and challenge process), NHSLA, and Monitor (Quality Governance Framework);
  - Reviewing non-financial risks on the Risk Assurance Framework which has been assigned by the Trust to satisfy itself as to the adequacy of assurances on the operation of the key controls and the adequacy of action plans to address weaknesses in controls and assurances;
- Oversee 'Deep Dive Reviews' of identified risks to quality identified by the Board
- The Committee may also initiate such reviews based on its own tracking and analysis of quality trends flagged up through the regular performance reporting to the Board.

### **Quality Committee**

- Ensure the Trust is providing a high quality service
- Be responsive to significant patient safety risks
- Oversee, monitor, and review the quality of services provided by the Trust. This will include review of:
  - Corporate/Governance and Directorate Level, risk management and internal control systems to ensure that the Trust's services deliver safe, high quality, patient-centred care
  - Performance against internal core and specialty dashboards and external quality improvement targets:
    - Clinical outcomes
    - Patient safety
    - Patient experience
  - Key quality and patient safety risks identified from reviewing mortality data and undertaking mortality and morbidity review at both speciality and Trust level
  - Progress in implementing action plans to address shortcomings in the quality of services, should they be identified
- Advise the Board on the priorities for clinical standards set by National bodies e.g., Department of health, CQC and National Institute of Clinical Effectiveness
- Provide assurance to the Board of Directors that the most efficient and effective systems are in place and the associated assurance processes are optimal
- Be responsible for setting, monitoring and reviewing, on behalf of the Board of Directors, the quality improvement targets set in the quality account. Monitor National guidance (e.g. NICE guidance, NCEPOD, CEMACH) ensuring compliance

### **Clinical Governance Committee**

- Set, agree, and review strategic direction for the Clinical Governance Framework
- Set and agree a Clinical Governance reporting schedule, agree action programmes for sub committees, and assess directorate clinical risk registers
- Agree and monitor performance of individual directorate clinical governance action plans with particular reference to directorate risk registers and assess compliance with the CQC Standards of Quality and Safety
- Receive reports from the relevant sub committees and recommend actions
- Harmonise corporate and directorate clinical audit programmes

### **Hospital Executive Board**

- Review financial and contractual performance on a monthly basis
- Discuss and agree recommendations relating to policy and strategy
- Ensure that the hospital is patient-focused and has improving patient experience at the heart of all it does
- With advice from the Clinical Governance Committee, ensure that the hospital has sound clinical governance and risk management arrangements, complies with key quality standards and undertakes a quarterly review of the Corporate Risk Register

### **Health, Safety and Environment Committee**

- Ensure compliance with Health and Safety Executive legislation
- Address occupational health and safety risk issues
- Monitor non-clinical incidents
- Respond to Health and Safety Executive inspections and reports

### **Information Governance Committee**

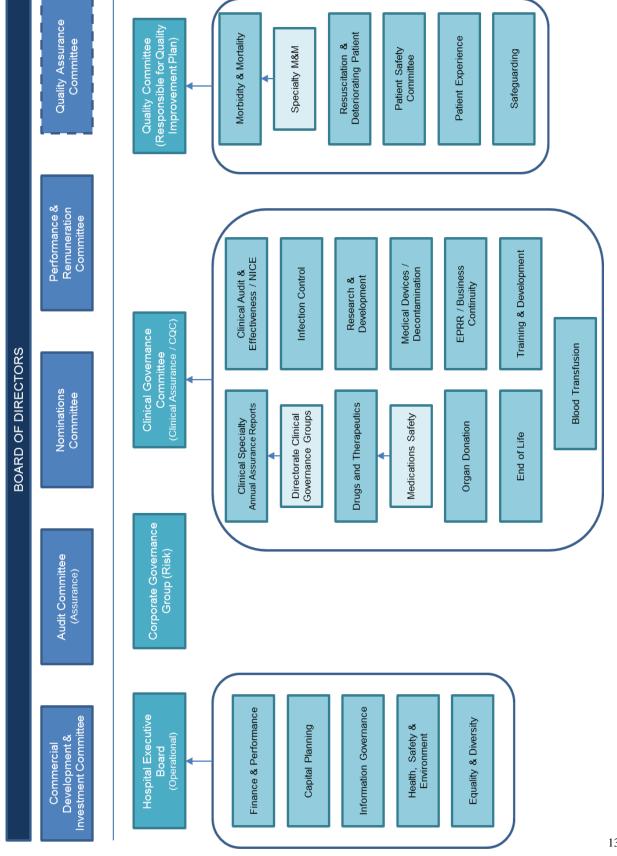
- Ensure compliance with Data Protection Act 1998 and Freedom of Information Act 2000
- Address and reduce information governance risks/issues
- Monitor all reported data losses and implement policies, procedures, and technical solutions to reduce data losses across the Trust

**Sir Andrew Morris** 

indrew Morris

Chief Executive

# Frimley Health Quality Governance Framework











# Quality Report

2014-2015

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What is a Quality Report? Introduction

### Part 1: Statement on Quality from the Chief Executive

Statement on quality from the Chairman and Chief Executive of the Frimley Health NHS Foundation Trust

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

### 2.1 Priorities for improvement

Areas for improvement in the quality of relevant health services that Frimley Health Foundation Trust intends to provide (or sub-contract) in 2015-2016.

### 2.2 Statements of assurance from the Board

Statements of assurance as specified by the Quality Accounts Regulations.

### 2.3 Reporting against core indicators 2014-2015

Performance against a core set of indicators using data made available to the Trust by the Health and Social Care Information Centre (HSCIC).

### Part 3: Other Information

Performance data relevant to the quality of health services provided or sub-contracted by the Trust during 2014-2015.

- 3.1 Overview of the quality of care offered by the Trust based on performance against indicators selected by the Board.
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### Annexes

- i. Statements from commissioners, the Council of Governors, commissioners and Overview and Scrutiny Committees (OSC)/Healthwatch.
- ii. Statement of Directors' responsibilities for the quality report.
- iii. Heatherwood & Wexham Park 2014-2015 performance.
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- v. External audit data quality standards
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### What is a Quality Report?

Since 2010, all NHS foundation trusts have been required to publish an annual report on the quality of services they provide. The content is set by the National Health Service (Quality Report) *Regulations 2012* and Monitor's *Detailed requirements for quality reports 2014-2015*.

### Introduction

2014-2015 was a momentous year for health services in Berkshire, Hampshire, Surrey and south Buckinghamshire with the formation of Frimley Health NHS Foundation Trust (FHFT). After many months of planning, collaboration and negotiation, Frimley Park Hospital NHS Foundation Trust (FPH) acquired Heatherwood and Wexham Park NHS Foundation Trust and FPH became FHFT on the 1 October 2014. It was the first merger of its kind in the NHS and its success is a testament to the commitment throughout the local healthcare community, to provide world class services for patients. FHFT comprises three separate hospitals, Frimley Park, Wexham Park and Heatherwood.

Frimley Park Hospital NHS Foundation Trust (acquiring Trust): Serves a population in excess of 400,000 across north-east Hampshire, west Surrey and east Berkshire, providing acute and planned healthcare including emergency and hyper acute stroke, cardiology, trauma and vascular services.

The first acute Trust to be awarded an *Outstanding* rating from the Care Quality Commission (CQC) and recognised nationally for the strength of leadership at all levels of the Trust and for the quality of its services.

Heatherwood and Wexham Park NHS Foundation Trust, (acquired Trust) comprised:

- Wexham Park Hospital (WPH): serves a population of 450,000 (including Heatherwood) across
  Berkshire and southern Buckinghamshire, providing acute and planned healthcare including
  emergency and hyper-acute cardiology services.
- Heatherwood Hospital (HWD) serves the people of Berkshire and southern Buckinghamshire, providing planned healthcare in specialties such as orthopaedics and ophthalmology.

Heatherwood and Wexham Park Hospital NHS Foundation Trust had challenging CQC inspection reports and received an 'inadequate' rating prior to the acquisition in October 2014. Since the acquisition staff at all three hospitals have been working hard to embrace new common FHFT values; Committed To Excellence, Working Together and Facing The Future. These values will underpin the changes being made to the structure and governance of the enlarged organisation, which in turn will lead to improved performance and services for patients.

### Performance

In this first quality report for Frimley Health NHS Foundation Trust, in order to provide clarity on the performance and quality of services provided by each of our hospitals, Monitor have agreed that we will report against the following reporting periods wherever possible:

- Frimley Park Hospital NHS Foundation Trust: April 2014 September 2014.
- Frimley Health NHS Foundation Trust: October 2014 March 2015.
- Heatherwood and Wexham Park: Full year performance (2014-2015) against priorities in their 2013-2014 quality report. Performance is included as appendix iii as agreed with Monitor.

### Part 1

### Statement on quality from the Chairman and the Chief Executive

We are delighted that Frimley Park Hospital NHS Foundation Trust and Heatherwood and Wexham Park Hospitals NHS Foundation Trust have joined together to form Frimley Health NHS Foundation Trust. This has only been possible with the support from our patients, staff, commissioners, Monitor, and the Department of Health, who joined with us in our vision to provide world class healthcare for our local communities.

The acquisition of HWP by FPH, and the resulting increased catchment area of between 800,000 and 1,000,000 people has created the organisational scale necessary to establish robust, sustainable, services for the people of Berkshire, southern Buckinghamshire, north east Hampshire and Surrey. The enlarged organisation has enabled a platform for change, driving forward clinical service improvements and providing the opportunity to create new services to serve the growing and ageing population. Hyper-acute services will be strengthened and maintained locally and elective surgical services enhanced. There are greater opportunities for sub specialisation in areas such as cardiology and orthopaedics, and by addressing the recent poor performance at HWPH, overall outcomes for patients will be improved. Back-office and operational consolidation will help release resources for front-line services, and will help create a sustainable Trust in the local health economy.

Improvements in staff involvement and culture will bring benefits to staff and patients on the Wexham Park (WP) and Heatherwood Hospital (HH) sites, improving patient experience and overall effectiveness of the services. The acquisition has secured additional capital investment for these sites, which will also enhance the patients' experience. Frimley Health NHS Foundation Trust is also committed to encouraging partnership working with the community and primary care to find new and transformational ways of delivering care to patients, and has a formal agreement with the commissioners across the WP and HH system to support this process.

The enlarged Trust has adopted a leadership and governance structure to support making these improvements while preserving and improving performance and quality on the Frimley Park Hospital site, and this remains a priority for the Board of Directors. The major risks for the success of the venture are in delivering the cultural change and financial stability across the enlarged organisation while preserving the high quality of care and commitment on the Frimley Park site.

The benefits of bringing together two Trusts are clear: providing healthcare for a larger population creates the opportunity to provide world class hyper-acute services locally. Now we are working to achieve that vision.

So what has the enlarged Trust achieved in the first six months (October 2014 to March 2015)?

• The launch of staff values. Following acquisition, hundreds of staff, clinicians and managers, from the Heatherwood and Wexham sites attended a series of events to understand and embrace common organisational values.

The values, modified to apply across Frimley Health, were also re-launched at Frimley Park. These values set out what is expected from every member of staff in the way they treat patients, visitors, service users, and colleagues and reflect the Trust's qualities and its strategy.

- Governance arrangements and committee structure. The Board of Directors and its committees are
  established. Governance arrangements have been reviewed and a new coordinated and comprehensive
  approach to assurance and risk management processes has been put in place, including improved
  committee structures. The new structure enables the Board to provide appropriate oversight, assurance,
  and leadership in the pursuit of its vision and long term strategies as well as ensuring the provision of a
  high quality service across the enlarged Trust.
- Introduction of the new management structure. The acquisition provided an opportunity to create single appointments to senior leadership roles working across all sites as well as securing stronger clinical involvement and capability in leading the clinical integration and transformation agenda through the appointments of a Chief of Service for each of 10 directorates.
- Operational standards. Improving the achievement of operational standards at the Wexham and
  Heatherwood sites was a key aim of the executive team. Performance against the four hour A&E standard
  significantly improved on the Wexham Park site, and was achieved in three out of the six months; the
  target was only narrowly missed on one other occasion, see part 3 Monitor indicators. Frimley Health A&E
  performance for January March was ranked 25<sup>th</sup> nationally out of 250 hospitals with A&E services.
- Quality. The Trust undertook a comprehensive review of a diverse range of areas impacting on the quality of patients' experience including clinical and corporate risk, patient safety, infection control, safeguarding, and complaints management. A Patient Safety Committee has been established at Wexham and the Board has established a Quality Committee chaired by the Medical Director.
- Estate programme. The ambitious capital programme is underway and includes improvements to the estate on the Wexham Park site, both in identifying a much-needed backlog maintenance programme and targeted areas for redevelopment.

### **Future developments**

The Board has developed an ambitious programme of improvements which will be described in a single fiveyear strategy document. The Trust also has significant plans to improve the facilities and specialty services at Wexham, redesign and rebuild Heatherwood Hospital, and to continue with improvements at Frimley.

Some of the improvement areas are:

- Repatriating vascular services from Oxford to Wexham from 1 April 2015.
- Developing seven-day inpatient renal services for Wexham and for Frimley Park.
- Extending seven-day consultant delivered services in acute medicine at Frimley Park and Wexham.
- A £25m new accident and emergency department and £10m maternity upgrade at Wexham.
- Creating better services for the frail and elderly at both acute hospitals (with input from social services and commissioners).
- Improving liver services at Wexham.
- Developing a stroke service (non hyper-acute) at Wexham
- Increasing car parking (approximately 570 extra spaces at Wexham and 170 at Frimley).
- Developing ophthalmology services at Wexham and Heatherwood.
- Increasing the number of medical beds for next winter, in response to the unprecedented pressures on capacity this year.
- Building a new Breast Unit at Frimley Park.
- Redeveloping the Heatherwood site; likely to include new theatres, elective surgery, endoscopy, scanning, administration and outpatients. This will be the single biggest investment by the Trust with work possibly starting in 2016-2017.

Nationally, activity and pressure on accident and emergency departments has been unprecedented. Emergency activity increased by 18% in medicine and 4% in surgical services. This increase in demand featured prominently in the national and local media with many trusts having to implement their major incident plans.

Although both FPH and WPH experienced similar pressures, due to the magnificent response of all our staff, the understanding of our patients and the support of the wider healthcare community, we were able to continue to provide emergency services without declaring a major incident.

However, we recognise that healthcare services will need to change in order to meet this ever increasing demand and we are working with commissioners, social services and GPs to transform the way services are delivered for frail and elderly patients and people with chronic health conditions. With our healthcare partners, the Trust is developing a different model of care for community services, primary, and secondary care, in order to reduce the number of delays in the system.

However, against this backdrop of increased activity, staff on all hospital sites have continued to review and improve services for patients.

### Frimley Park Hospital:

### **CQC** Outstanding rating

Frimley Park Hospital NHS Foundation Trust was delighted to have been awarded an Outstanding rating by the Care Quality Commission (CQC).

Frimley Park Hospital participated in rigorous inspections by teams of CQC inspectors in July and August 2014. The teams were led by Professor Sir Mike Richards, Chief Inspector of Hospitals at the CQC, and comprised doctors, nurses, pharmacists, patients and public representatives together with the most senior NHS and CQC Managers. Outcomes for our services for each of the five inspection domains are shown below.

Overall rating for this trust	Outstanding	☆
Are services at this trust safe?	Good	
Are services at this trust effective?	Good	
Are services at this trust caring?	Outstanding	$\stackrel{\wedge}{\Box}$
Are services at this trust responsive?	Outstanding	$\Diamond$
Are services at this trust well-led?	Outstanding	$\Diamond$

Professor Sir Mike Richards said, "when we inspected Frimley Park Hospital, we found the vast majority of care to be outstanding. Even where we rated services as good, these were found to be towards the upper end of that scale. One of the most striking things about this Trust (FPH) is the way that teams work together across the hospital, and with other providers, to make sure that people get the best possible treatment and care. This is something that other trusts could learn from and we hope that they will take a note of our findings here.

Staff engagement and culture at this trust is impressive, and we saw that it had a clear vision and set of values which had been developed with staff. These were well embedded and the sense that staff felt empowered and part of a Frimley family was felt throughout the inspection.

The Trust also has a strong patient centred culture and sees public engagement as essential in developing services for the communities they serve. The strength and depth of leadership at both Board and ward level was outstanding here, the benefits of which were clearly demonstrated by the consistency of high-quality care provided across the vast majority of services".

The Board is particularly pleased that the report highlights the positive, open and transparent culture we have at FPH as well as examples of what was described as exemplary care throughout many wards and services.

The full CQC report is available at: <a href="http://www.cqc.org.uk/location/RDU01">http://www.cqc.org.uk/location/RDU01</a>

The CQC report highlighted a number of areas of *outstanding* practice including:

- A&E has been redesigned, taking patient views into account, to create an environment where exceptional patient care was provided, including special dementia-friendly areas.
- The four hour target in A&E had consistently been met with other core services taking joint responsibility for meeting the target.
- Joint working between elderly care doctors in A&E had led to improved patient experience.
- A high standard of care was provided for patients at the end of their life.
- The ophthalmology service had received a clinical service of the year award from the macular society.
- Joint working with specialist providers has allowed patients to attend outpatient clinics as close to home as possible.

The report suggested that limited improvements could be made in paediatrics by enhancing staffing levels and skill mix. Patients can be assured that we are addressing the issues highlighted and have already boosted the paediatric team with the appointment of a new ward sister and two new consultants.

The Director of Nursing has also reviewed nursing levels across the Trust to ensure patients receive the highest standard of care. It is recognised that nurse and midwife staffing levels cannot always be absolute. The experience and seniority of staff on duty, together with the support available to those staff, will ensure that patients feel safe and well cared for. Work is underway to align staffing levels, recruitment, and development programmes on the Wexham and Heatherwood sites to those at Frimley Park.

### First mobile macular unit

In June 2014, Health Secretary Jeremy Hunt opened a pioneering new mobile macular unit, the first of its kind in England, to bring treatment closer to patients in Berkshire, Hampshire, and Surrey.



treatment for patients."

Frimley Park Hospital, in partnership with locally based pharmaceutical leaders Novartis, launched a mobile service that will assess, diagnose and treat patients with age related macular degeneration (AMD). AMD is the commonest cause of sight loss for people over 50 in the UK.

Mr Hunt said: "I was delighted to be able to open this new service today at Frimley Park Hospital. It is an excellent example of how innovative services lead to better access and improved

The mobile unit, comprising two large trailers 'zipped' together side by side, will replicate the treatment patients receive at the hospital site.

It is believed to be the only mobile unit in the country offering one stop diagnosis and treatment for AMD. Up to 50 patients per day will be assessed and treated in a single visit by the same team who work at the main hospital site. Typically, patients undergoing treatment for AMD will need injections every few weeks, so the unit will be stationed for a week at a time in different locations in Hampshire, Surrey and Berkshire.

Frimley Park Hospital has one of the best and busiest eye treatment centres in the region. Nearly a third of the hospital's 350,000 outpatient appointments every year take place there. The macular service at Frimley has been at the forefront of innovative care and more and more patients are choosing Frimley for treatment.

### Maternity Unit refurbishment and Midwife Led Unit.



A new midwife-led birth unit, the Mulberry Birth Centre, welcomed its first baby in February 2014.

The baby's parents had recently moved to the area and chose Frimley Park to have their first baby (a boy) because it had been recommended by friends.

The Mulberry Birth Centre offers a choice for women with low risk pregnancies. The unit has four fully fitted rooms, each with an en suite bathroom. There is also a birthing pool and a second pool room in another part of the ward can be used if the unit is busy. Rooms are designed to encourage active birthing, with slings and exercise balls available to assist women in labour. The completion of the Mulberry Birth Centre marks the end of a 19 month project to upgrade the entire labour ward.

The comments from women regarding their experience of the new Unit are outstanding; one example reads; "Well what can I say! Absolutely fabulous experience from start to finish. Felt in very good hands the midwives are brilliant and calming. I've never experienced such a good birth. The surroundings are amazing (doesn't feel like a hospital) double beds, Gucci Swings and a birthing pool with changing mood lights and surround sound music. I've had a really good experience and my little baby couldn't be happier too. 5 star rating".

### Support for dementia patients

Last year saw some innovative schemes to support our patients with dementia and their carers.

In September 2014, 'D-Caff' Dementia Café opened in a new venue to provide a welcoming and supportive environment for people with a diagnosis of dementia and their carers. The new venue was selected in consultation with users of the service and the Dementia Steering Group.

'D-Caff' is a collaboration between Frimley Park Hospital, the Alzheimer's Society, the Princess Royal Trust for Carers in Hampshire, and Surrey Social Services. 'D-Caff' aims to:

- Provide carers with information on relevant resources in the hospital and their local community.
- Provide information and support from professionals.
- Enable carers to meet other people in similar circumstances.

As part of the Trust's on-going commitment to improve the quality of care for patients diagnosed with dementia, digital (DAB) radios have been introduced for patients nursed in side rooms.

Hospital side rooms can sometimes make patients feel isolated and lonely. A 'music box' group singing session has been introduced for ward patients twice a week. Stimulating sound or background music is known to alleviate boredom, improve the mood and even the memory, of people with all forms of dementia. Many people who have Alzheimer's disease will remember song lyrics and enjoy singing them long after other communication skills and memories are gone.

Rummage boxes have been introduced for patients who require an activity to occupy and engage them while in hospital. These boxes aim to stimulate thinking and memory generally. The boxes can stimulate discussions of past and present events and topics of interest.

### National recognition for the liver team



A team from Frimley Park Hospital is celebrating becoming one of only 15 national centres for the management of complicated hepatitis. The team, led by Consultant Gastroenterologists and Hepatologists Professor Aftab Ala and Dr Philip Berry, has achieved recognition from NHS England based on its background of hepatology (treatment of liver disease) expertise and the availability of important services such as Surrey Pathology

Services. Their clinical recognition was underpinned by the Trust leading regional research in this field and using complex treatments within the context of clinical trials. It means that patients no longer have to travel further afield to centres in London, Southampton, and Oxford for treatment.

### New Surrey Heart, Stroke and Vascular Centre



A new service at Frimley Park, the Surrey Heart, Stroke and Vascular Centre, aims to provide excellent cardiovascular services to patients in Surrey, Hampshire and Berkshire. The centre brings together a number of specialties at the hospital to improve coordination of patient care. Consultant cardiologist Dr Peter Clarkson said that the creation of the centre will improve patient outcomes even further across the hyperacute specialties. Consultants at Frimley Park Hospital carry out about

300 primary angioplasty procedures a year, which is more than some tertiary centres in London.

Stroke Consultant Dr Tilly Speirs said: "The new centre will help us to care for the whole patient rather than treating a set of separate set of conditions". Vascular surgeon David Gerrard added that the new services will enable them to continue with the endovascular treatment of complex aortic disease which will, ultimately, only be provided by a few centres in the country.

### Nepalese interpreters

In June 2014, Frimley Park Hospital trained a team of Nepalese staff and volunteers to help staff and patients communicate clearly in both clinical and non-clinical situations. Our community is multi-lingual and there are some patients who have a limited grasp of spoken English and who rely on others to help them overcome linguistic barriers in everyday situations.

19 staff and volunteers underwent a very intensive training course in partnership with Southampton University to qualify as Level 4 interpreters. They are now an invaluable support for patients who can be assured that translation services at Frimley Park Hospital are of the highest quality.

### **Heatherwood and Wexham Park Hospitals**

### State of the art drugs robot

Wexham Park launched a state of the art automated drugs robot to improve dispensing at the hospital.

### New Dementia Garden

A new sensory garden for patients with dementia was opened in July by local resident and TV presenter, Nick Knowles. He talked about his own personal family experience when his mother was diagnosed with dementia. The garden, which was funded by local donations, complements the dementia lounge that is already well used by patients and their families. Later on the same day the Trust hosted a staff education session by Dementia Carer Voices, during which staff heard about a carer's personal experience caring for his mother.

### New surgical, plastics and Ear Nose and Throat (ENT) ward

Two new wards for surgical plastics and ENT patients were officially opened at Wexham Park by the MP for Maidenhead, Theresa May.

### **ENT Surgeon elected President of the British Society of Otology**



Consultant ENT Surgeon, Chris Aldren has been elected President of the British Society of Otology (BSO). The BSO is the professional body for ear surgeons in the UK and arranges education events as well as overseeing quality standards for the profession.

Chris is an internationally recognised surgeon and is already President of Live International Otolaryngology Network which is a group of the world's

leading ear surgeons who teach operating procedures to other surgeons via live internet broadcasts. His new three year post for the BSO commences in 2015.

### **New ablution facilities at Wexham Park**

Representatives from the local community came together in December 2014 to watch local MP Fiona Mactaggart formally open Wexham Park's new ablution facilities. The new facility, which leads directly into the hospital chapel, has been warmly welcomed by patients, families, and staff of our Muslim community.

### Macmillan Cancer Information Centre quality assessment award

Staff and volunteers at the Macmillian Cancer Information and Support Centre at Wexham Park were delighted to have achieved top marks in an assessment of services and facilities in October 2014. The service was awarded the Macmillian Quality and Environment Mark (MQEM).

The MQEM is the first award in the UK that specifically assesses how well services provide support and care to people affected by cancer.

### **Quality & Safety**

Quality and safety is the number one priority for the Board. In January 2015, nurse leaders from across Frimley Health NHS Foundation Trust (FHFT) joined forces at a nursing conference attended by over 100 midwives, heads of nursing, matrons, lead nurses and senior sisters. Director of Nursing, Nicola Ranger, explained that the aim of the day was to give FHFT's nurse leadership some time to define the ambitions and behaviours required to provide excellent patient care.

Colleagues heard from Chief Executive Sir Andrew Morris and two guest speakers, the CEO of the Royal College of Nursing and a patient with considerable experience of both good and poor hospitals who gave an inspiring and moving account of how the smallest things make the biggest difference. His talk aimed to inspire staff to respect the independence and dignity of patients as individuals and to perform their role to the best of their ability with drive and passion for excellence in patient care. As a result, nursing staff have developed a set of behaviour pledges, for example:

- To always introduce ourselves.
- To always ensure people are welcomed to the ward or department.
- To always care for people in the same way that we would expect for ourselves, family and friends.

The Trust intends to build on our existing patient safety programme by participating in the national Sign Up to Safety campaign. This campaign aims to reduce avoidable harm to patients by 50% nationally over the next five years. FPH was chosen as one of 12 hospitals to pilot the programme and the Board has subsequently decided that this should be extended to all trust sites.

The Trust will reinforce our current patient safety programme with the following Safety Pledges:

- Safety first
- Continual learning
- Honesty
- Collaborate
- Empowered & supported staff

The Director of Nursing, Deputy Directors of Nursing, and the Patient Safety Team have identified a series of actions which are intended to support these pledges focussing on three key areas; informed consent, clinical handover and reducing the instances of perineal damage. The Trust is committed to working with patients and patient advocate groups engaging with them on the ambitions of the programmes and sharing with them progress and outcomes.

We are pleased to announce that we are one of a small number of trusts nationally to have been recognised as having ambitious safety programmes in place intended to push the boundaries of safe care. We have been awarded £600,000 by the NHS Litigation Authority to enable us to fund several initiatives to reduce harm to patients in the following areas:

- Ensuring patients understand the risks and benefits associated with treatment/care.
- Improving communication between clinicians during handover, particularly between day and night management.
- Reducing the incidence of perineal damage during birth.

Safety first. Aim: Every patient will feel safe during their hospital admission.

- To work with patients to understand what actions or behaviours make them feel safe during an admission or whilst undergoing treatment or a procedure.
- Improve patient's understanding of the consent process and undertake a patient satisfaction survey.
- Improve the patient information leaflets used as part of the consent process.
- Improve compliance with the World Health Organisation (WHO) surgical checklist.
- Develop guidance for clinicians when patients express concerns about continuing on their day of their procedure.
- Review existing consultant to consultant referral processes and develop a robust, timely, and auditable handover process.
- Reduce the overall rate of third and fourth degree perineal tears.

Continual learning. Aim: Staff will ensure that they review their practice in line with best practice and patient feedback.

- Work with the Trust Patient Experience Groups and external stakeholder organisations, to identify key areas of concern for patients, families and carers.
- Develop robust, timely procedures to ensure existing procedures are reviewed, and changes in practice are embedded.
- Substantial additional investment in clinical education, practice development and leadership programmes as part of the development of a combined clinical education strategy for FHFT.
- Realign clinical audit and effectiveness teams and processes to support learning and changes to practice.
- Continued with ward quality assurance visits based on the principles of the NHS Institute for Innovation and Improvement programme 15 Steps. This programme helps to ensure the Board understands how patients and service users feel about the care provided and helps to identify the key components of high quality care that matter to patients, services users, and carers.
- Ensure feedback from patients and staff at ward level are understood and acted upon. Learning points and actions taken are monitored by the Patient Experience Forum.

Honesty. Aim: The Trust will work to ensure an open and honest environment where staff and patients are supported to raise concerns.

- Following the report *Freedom 2 Speak Up, Francis February 2014*, the Trust continues to build upon the commitment made in last year's report to encourage staff to raise their concerns and ensure that staff feel supported to do so.
- Work to further embed the open and honest culture across the organisation and ensure compliance with our statutory Duty of Candour. Review and align process on all sites.

Collaborate. Aim: The Trust will work with patients, carers and health partners to improve patient safety across whole systems and pathways of care:

- Work with the Trust Patient Experience Groups to identify key areas of concern for patients, families and carers.
- Work with NE Hampshire and Farnham Clinical Commissioning Groups on:
  - An integrated care model that will provide seamless care to patients being discharged from hospital and reduce the likelihood of readmission
  - o Redesign of ambulatory care pathways.
- Local Commissioning for Quality and Innovation (CQUIN) programme aligned with concerns raised by patients to explore innovative ways to involve patients and carers more closely in discharge planning.
- Hold regular patient engagement events to understand behaviours which make patients feel unsafe. Empowered and supported staff. Aim: The Trust will work to empower staff and patients to embrace the safety culture and push the boundaries of safe care.
  - Bring the level of satisfaction by HWP staff with the enlarged Trust to the level reported by FPH staff, by extending existing good practices. The Trust believes that a happy and engaged workforce is a cornerstone of good patient care.
  - Substantial additional investment in clinical education, practice development, and leadership programmes as part of the development of a combined clinical education strategy for FHFT.

## Staff engagement

At the end of 2014, a national staff survey was carried out among all NHS trusts in England and FPH had the best score for any non-specialist acute trust in the country for staff who would recommend their hospital as a good place to work or to receive treatment.

Staff also gave FPH the top score in the country for good communication with senior managers and it was once again among the top for staff engagement, job satisfaction and fair and effective incident reporting.

Human resources director Janet King said: "Frimley Park staff have consistently rated their place of work very highly in the national staff surveys. Our latest set of results is probably the best yet in the 12 years that the surveys have been conducted."

In total, of the 29 key findings reported in the national survey results this week, FPH had 17 scores in the very best (top 20%) of the country, six scores above average, five average and one below average. There were no scores in the bottom 20%.

Frimley Park Hospital NHS Foundation Trust acquired Heatherwood and Wexham Park NHS Foundation Trust on 1 October 2014, just before the 2014 survey was conducted.

The results for Heatherwood and Wexham Park were similar to the previous year, although there were signs of improvement. For example staff at those hospitals rated their motivation among the best 20% in the country and the overall staff engagement score was slightly higher than last year.

The Trust has the ambition and the aspiration to be a trailblazing organisation both locally and nationally for patient safety. In order to achieve this ambition the Trust will align the safety programmes in a combined quality strategy for 2016 to 2018.

#### Conclusion

We were delighted that Frimley Park Hospital was rated as *Outstanding* by the Care Quality Commission (CQC) in October 2014. We were particularly pleased to read the feedback given by our patients and their relatives and carers to the CQC inspectors regarding the high level of compassion and care that our staff exhibit every day as part of the Frimley family. We are now working hard to embed our Trust Values across the enlarged organisation, and to create an open and honest environment in which our staff feel supported and enabled to provide excellent care for all our patients.

Following the acquisition, the enlarged trust is facing significant challenges as it balances the need to sustain overall operational performance and achieve financial balance whilst finding the headroom to progress with the integration and transformational agenda. Whilst good progress has been made in the early months, the next twelve months will require increased focus on improving staff development, engagement, and commitment to delivering high quality care across all areas of the Trust.

It is important to recognise that our hospitals are at differing stages in their development and the Board, together with our commissioners, has set targets that will stretch each of our hospitals and services individually for the benefit of our patients.

The Trust has been pleased to work with local Healthwatch organisations over the past year and has hosted a number of visits looking at the patient experience across adult inpatient, paediatric and Emergency Department (A&E) areas. The feedback gathered has led to a number of positive changes, enhancing the quality of services for our communities.

The year ahead will have many exciting challenges and we look forward to continuing our journey in 2015.

The Trust has a mechanism in place to identify any guidance issued by the Secretary of State (relating to chapter 2 of the Health Act 2009) and act upon it appropriately.

Sir Mike Aaronson

Mine Aarmyon

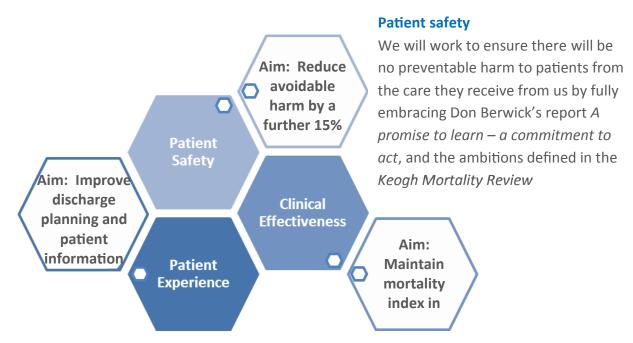
Chairman 29 May 2015 Sir Andrew Morris Chief Executive 29 May 2015

Andrew Morris

#### Part 2:

## 2.1 Priorities for Improvement

This section of our quality report identifies the priorities we have chosen for 2015-2016. These have been agreed following discussions with patients, clinicians, governors and commissioners, and are based on the framework developed by Lord Darzi.



## Patient experience

We aim to improve patient experience when leaving hospital by improving the discharge planning process and the quality of patient information.

We will aim to ensure that we deliver first class care by staff who continually demonstrate kindness, compassion, professionalism and skill, together with an ambition to do even better for our patients, families and carers.

We believe that care should be delivered in partnership and we will work to ensure communication is effective

## Clinical effectiveness

The most appropriate care and treatment will be provided at the right time, in the right place by the right staff.

The data reported against the indicators in part 2 of this report, is the latest available.

# 2014-2015 priority areas for improvement: Sepsis

Sepsis is a life-threatening illness caused by the body overreacting to an infection. The body's immune system goes into overdrive, setting off a series of reactions that can lead to widespread inflammation (swelling) and blood clotting in the body.

Neutropenic sepsis is caused by a condition known as neutropenia, in which the number of white blood cells (called neutrophils) in the blood is low. Neutrophils help the body to fight infection. People having anticancer treatment, particularly chemotherapy and more rarely radiotherapy, can be at risk of neutropenic sepsis.

The Head of Patient Safety has led the sepsis improvement programme. A number of key actions have been taken with the aim of improving the recognition and management of sepsis.

- Sepsis working group membership widened to ensure representation from clinicians, senior nurses from key clinical areas and specialties, together with pharmacy and infection control expertise.
- Implementation and launch of the of sepsis care bundle for the recognition and treatment of sepsis.
- Developed sepsis awareness and training DVD with participation at all levels of the organisation including the Chief Executive and Medical Director. To enhance awareness, promotional and education tools such as posters and prompt hand held cards have also been developed alongside ward based training 'road-show' type events.

Indicator	2012-2013	2013-2014	2014-2015	Target 2014-2015	Trend over time*
Sepsis FPH	33%	64%	45% (Apr – Sept 2014)	80%	
Sepsis FHFT	n/a	n/a	FPH: 79% HWP: ** (Oct 2014 – Mar 2015)	80%	n/a
Neutropenic Sepsis FPH	n/a	76%	94% (Apr – Sept 2014)	95%	
Neutropenic Sepsis FHFT	n/a	n/a	FPH: 95% HWP: ** (Oct 2014 – Feb 2015)	95%	n/a

Source: FPH Trust data 2015

\*Trend over time relates to FPH performance against FPH baseline or first year data.

\*\* Data not collected in this format.

 $Thumbs\ horizontal-performance\ maintained.\ Thumbs\ up-performance\ improved.\ Thumbs\ down-performance\ worsened.$ 

We are taking the following actions to improve our performance against this priority:

- Monthly Audit will be undertaken to monitor compliance against the bundle and sepsis six.
   Frimley Park Hospital (FPH) performance has significantly improved in quarters three and four. FPH has met the *neutropenic sepsis* target since November 2014 and the *all sepsis* target in quarter four.
- Continued training programme with targeted training sessions to relevant wards.
- Skills blitz days open to all staff.
- At H&WPH we have developed an improvement programme and tool to aid the recognition of sepsis.

Progress to achieve this priority (for all FHFT sites) will be monitored and measured by:

Quarterly audit report monitored by the Sepsis Committee, Patient Safety Committee and Quality
 Committee. Reporting aligned to national CQUIN scheme requirements.

•	Monthly Board performance and quality report which is reviewed by relevant committees on a regular basis and ultimately by the Board and the Governors.

# Catheter associated urinary tract infection

A catheter-associated urinary tract infection (CAUTI) is an infection that occurs in someone who has a tube (called a catheter) in place to drain urine from the body. There is no national definition available, however at this Trust a decision has been made to use the following definition 'an infection that occurs in the urinary system after a patient has had a catheter inserted'.

In Frimley Park Hospital, a total of 677 patients were reported as having a urinary catheter during the period April – September 2014, six of whom developed a urinary tract infection.

The following patients were reported as having a urinary catheter during October 2014 – March 2015.

- Frimley Park Hospital (FPH): 1135
- Heatherwood and Wexham Park Hospitals (HWPH): 688.

Of those patients, five patients at FPH and 23 patients at H&WPH developed a urinary tract infection.

Indicator	2013-2014 Full year	2014-2015 Part year	Trend over time*
The number of patients with a urinary catheter. FPH	1,794	677 (Apr – Sept 2014)	
The number of patients with a urinary catheter. FHFT	N/A	FPH: 769 HWP: 688 (Oct 2014 – Mar 2015)	N/A
The number of patients who have the catheter inserted appropriately.  FPH	1,694	661 (Apr – Sept 2014)	N1/A
The number of patients who have the catheter inserted appropriately.  FHFT	N/A	FPH: 748 HWP: ** (Oct 2014 – Mar 2015)	N/A
Patients with a new urinary tract infection (catheter associated – lower = better) FPH	34	6 (Apr – Sept 2014)	2
Patients with a new urinary tract infection (catheter associated) FHFT	n/a	FPH: 5 HWP: 23 (Oct 2014 – Mar 2015)	

Source: National Safety Thermometer Tool data. Data collected on a single day every month.

\*Trend over time relates to FPH baseline data.

\*\* Data not collected.

We are taking the following actions to improve our performance against this priority.

- Training on reducing CAUTIs included in patient safety training 'harm free care'.
- Alignment of data collection methodologies and validation processes to monitor the instances CAUTI across FHFT.

Progress to achieve this priority will be monitored and measured by:

- Data collection is collected using the Safety Thermometer national tool:
- Performance against these indicators will be reported by the Trust's Quality Committees and reported in the Board Trust Performance and Quality Report which is reviewed by relevant committees on a regular basis and ultimately by the Board and the Governors.

# **Acute Kidney Injury (AKI)**

AKI is the rapid loss of kidney function.

In our last report, we recognised that we had further work to do to embed the AKI pathway into practice. Compliance is measure annually against the AKI pathway. The last audit (2014) demonstrates that we have made significant improvement to the recognition and management of AKI this year. Action to address the downwards trend in hyperkalaemia management has already been taken centred on reinforcing education and awareness of the bundle.

Compliance with AKI pathway	2013 Baseline	2014	Trend over time*
U&Es measured within 2 hours of admission. FPH	88%	100%	
Urine output monitored FPH	80%	100%	
Medication review – stopping nephrotoxic medications	86%	93%	
Monitoring of bloods  FPH	28%	63%	
Documented causes of AKI FPH	51%	77%	
Fluid therapy FPH	46%	93%	
Hyperkalaemia management (low patient numbers)  FPH	89%	67%	
Renal tract USS for patients at risk of obstruction.	57%	83%	
Average percentage compliance FPH	65.6%	84.5%	Source: EDH data

Source: FPH data.

\*Trend over time relates to FPH baseline data. Data is not presented for HWP as the bundle differs from FPH and therefore data is not comparable.

We are taking the following actions to improve our performance against this priority:

- Signed up to the national Health Foundation AKI project. A new management bundle is being developed and will replace the existing Trust bundle. Monitoring in 2015-2016 will be defined by the national programme.
- In line with the Patient Safety Alert (published in June 2014) the Laboratory Information Management System (LIMS) is currently being progressed with Surrey Pathology Services (SPS).
- Continued education and raising awareness rolling programme managed by the AKI Steering Group.

- Development of medical staff training: A training programme for the junior doctors has been
  progressed, facilitated by one of the lead patient safety clinicians. An AKI scenario has been
  incorporated into simulation training for junior doctors. It is a top 20 teaching subject (twice yearly)
  and has been the subject of the bi-monthly Medical Director's briefing to trainees on two occasions. ID
  badge identification reminder/prompt cards have been developed for junior doctors and poster
  reminders about the AKI management checklists are displayed on every ward.
- Continued nurse training on the recognition of AKI and appropriate monitoring.
- Continue to include the management and treatment of the AKI patient in patient safety training for all registered nurses, developed around a patient scenario. AKI training has also been incorporated into Alert training. The Preceptorship Programme for nurses includes a session on AKI and the student nurses also undertake an AKI training session.
- Training for unregistered staff delivered via the care assistant induction and training programmes.
- A programme of work on the recognition and management of AKI has been completed by Heatherwood and Wexham Park Hospital sites during 2014-2015, which includes a system for flagging results to clinicians.

Progress to achieve this priority will be monitored and measured by:

- Monitoring of compliance with the national AKI recognition and management bundle as required by the Health Foundation following the 'go live' date.
- Performance will be monitored by the Trust AKI Steering Group.
- The recognition and management of acute kidney injury forms part of the Commissioning for Quality Improvement (CQUIN) scheme for 2015-2016. As part of the CQUIN the Trust will be looking to improve discharge communication in the following areas:
  - AKI stage.
  - Medicines review.
  - Identifying which blood tests and frequency are required for on-going monitoring.

## 2015-2016 priorities for improvement

Keeping patients safe is a fundamental and long standing commitment for the Trust and it is, as in previous years, the key rationale for the identified range of quality improvement indicators for 2015-2016.

In last year's quality report for Frimley Park NHS Foundation Trust, we said that we had the desire to be recognised, locally and nationally, as the leader in quality healthcare, delivering safe, clinically effective services, focused entirely on the needs of the patient, their relatives and carers. Although Frimley Park Hospital NHS Foundation Trust and Heatherwood and Wexham NHS Foundation Trust were assessed by the CQC as being at differing stages of development, patient safety has always remained a high priority for all staff.

Frimley Health NHS Foundation Trust has reviewed the priority areas for improvement identified in last year's quality reports for both FPH and H&WPH. In consultation with a wide range of stakeholders, we have identified that we will specifically, but not solely, focus on the following priority areas:

Priority area	Rationale for selection	Monitoring/reporting
1. Deteriorating patient	Clinical concerns regarding management of deteriorating patients identified via incident reporting and by clinicians during mortality and morbidity reviews.	Monitor the number of incidents relating to ward based cardiac arrests.  Audit the deteriorating patient guideline, including activation of EDOD/MET (early warning) scores, to establish a baseline for monitoring improvement.  Audit compliance with Trust medical records standards.
2. Clinical handover	Serious incident reviews have identified that tighter handover of care between clinicians may improve patient care and reduce the instance of harm.  Sign Up 2 Safety programme priority.	Audit a standardised handover methodology, focussed on improving patient safety.  Audit the <i>Owl</i> programme to improve patient safety by highlighting to medical staff which patients need an early review.
3. Discharge planning	Identified as an area or improvement by patients through the Friends and Family Test, complaints and Patient Advice & Liaison (PALS) feedback.  Sign Up 2 Safety programme priority.	Quarterly audit to monitor improvements to the number of patients and/or carers who feel they have been appropriately involved in discharge planning for patients who have a diagnosis of dementia, stroke or TIA.  Quarterly audit to monitor improvement in setting appropriate estimated discharge dates (EDD).

Priority areas for improvement were developed by as a result of feedback from our staff, local communities, commissioners, local Healthwatch groups, and the work undertaken by the Trust Patient Engagement Group (PEIG) during 2014-2015.

At Wexham, Healthwatch groups now meet with the Patient Involvement Group (PIG) to work proactively improving services for patients. The PIG links to the monthly trust-wide PEIG.

To ensure that we improve further the quality of our services, we will set ourselves stretching targets for the year ahead. Speciality performance will be monitored by a range of directorate committees and at Trust level by the Quality Committee and ultimately by the Board of Directors (the Board) and the Council of Governors (the Governors). The Trust Performance & Quality Report is reviewed by relevant committees on a regular basis and ultimately by the Board and the Governors.

In last year's quality report (2013-2014) Heatherwood and Wexham Park NHS Foundation Trust identified nine priority areas for 2014-2015 and stated their intention to continue reporting against a further nine priorities areas from earlier quality reports. Full year performance against each area is reported at annex iii. The Trust has considered these priorities and will continue to report progress against them (Trust wide) as follows:

Priority areas 2014 - 2015	2014 - 2015	2015 – 2016
Reduction in the number of patient falls causing patient harm.	Part year: Section 3 Full year: Annex iii	Section 3. Patient safety indicators
Improvement in the normal birth pathway and reduce lower segment caesarean section rate.	Full year: Annex iii Part year: Trust maternity quality dashboard.	Trust maternity quality dashboard.
Improvement in documentation and communication.	Full year: Annex iii	Priority area 2: Deteriorating patient
Reduction in use of indwelling urinary catheters and associated UTIs.	Full year: Annex iii Part year: Section 2	Section 3. Patient safety indicators
Enhancing use of WHO checklist.	Full year: Annex iii	Trust theatres & ICU quality dashboard
Recognising the deteriorating patient and acting.	Full year: Annex iii	Priority area 2. Deteriorating patient
Improving nutrition and hydration (Acute kidney injury)	Full year: Annex iii Part year: Section 2.	In line with CQUIN scheme monitoring/reporting requirements. Trust Performance & Quality Report
Improving the support given to carers of patients with dementia.	Full year: Annex iii	CQUIN scheme monitoring/reporting requirements. Trust Performance & Quality Report.
Screening and assessment of patients over the age of 85 years for indicators of frailty.	Full year: Annex iii	In line with CQUIN scheme monitoring/reporting requirements. Trust Performance & Quality Report.
Section 2.1 priorities (prior years)	2014 - 2015	2015 - 2016
Section 2.1 priorities (prior years)  100% incidents concerning falls categorised as major or extreme will have followed the appropriate post fall pathway.	2014 - 2015  Full year: Annex iii	2015 - 2016  Section 3. Patient safety indicators
(prior years)  100% incidents concerning falls categorised as major or extreme will have followed the appropriate post		Section 3.
(prior years)  100% incidents concerning falls categorised as major or extreme will have followed the appropriate post fall pathway.  20% decrease in patients who have a urinary catheter and develop a urinary	Full year: Annex iii	Section 3. Patient safety indicators  Section 3. Patient safety indicators  Priority 1.
(prior years)  100% incidents concerning falls categorised as major or extreme will have followed the appropriate post fall pathway.  20% decrease in patients who have a urinary catheter and develop a urinary tract infection in hospital Increase timely discharge of patients	Full year: Annex iii Full year: Annex iii	Section 3. Patient safety indicators  Section 3. Patient safety indicators
(prior years)  100% incidents concerning falls categorised as major or extreme will have followed the appropriate post fall pathway.  20% decrease in patients who have a urinary catheter and develop a urinary tract infection in hospital Increase timely discharge of patients prior to midday.  Reduce the number of non-clinical moves.  Reduction in cancelled operations on	Full year: Annex iii  Full year: Annex iii  Full year: Annex iii	Section 3. Patient safety indicators  Section 3. Patient safety indicators  Priority 1. Section 2. Discharge planning Priority 3
(prior years)  100% incidents concerning falls categorised as major or extreme will have followed the appropriate post fall pathway.  20% decrease in patients who have a urinary catheter and develop a urinary tract infection in hospital Increase timely discharge of patients prior to midday.  Reduce the number of non-clinical moves.	Full year: Annex iii  Full year: Annex iii  Full year: Annex iii  Full year: Annex iii	Section 3. Patient safety indicators  Section 3. Patient safety indicators  Priority 1. Section 2. Discharge planning Priority 3 Section 2. Clinical Handover  Trust Theatres & ICU quality dashboard  In line with CQUIN scheme monitoring/reporting requirements. Trust Performance & Quality Report.
(prior years)  100% incidents concerning falls categorised as major or extreme will have followed the appropriate post fall pathway.  20% decrease in patients who have a urinary catheter and develop a urinary tract infection in hospital Increase timely discharge of patients prior to midday.  Reduce the number of non-clinical moves.  Reduction in cancelled operations on the day.	Full year: Annex iii  Full year: Annex iii	Section 3. Patient safety indicators  Section 3. Patient safety indicators  Priority 1. Section 2. Discharge planning Priority 3 Section 2. Clinical Handover  Trust Theatres & ICU quality dashboard  In line with CQUIN scheme monitoring/reporting requirements.

Part Year: October 2014 – March 2015

Full Year: 2014 – 2015

Part year (October 2014 – March 2015) data will be reported in part two and three of this report wherever possible as agreed with Monitor.

#### Part 2:

#### 2.2 Statements of assurance from the Board

- 2.2.1 During April 2014 September 2014 the Frimley Park Hospital NHS Foundation Trust provided and/or sub-contracted 34 relevant health services.
- 2.2.1. During October 2014 March 2015 the Frimley Health NHS Foundation Trust provided and/or sub-contracted 86 relevant health services.
- 2.2.1.1 The Frimley Park Hospital NHS Foundation Trust and Frimley Health NHS Foundation Trust has reviewed all the data available to them on the quality of care in 86 of these relevant services.
- 2.2.1.2 The income generated by the relevant health services reviewed in 2014-2015 represents 100% of the total income generated from the provision of relevant health services by Frimley Park hospital NHS Foundation Trust for April 2014 September 2014 and 100% of the total income generated from the provision of relevant health services by the Frimley Health NHS Foundation Trust for October 2014 March 2015.
- 2.2.2 During April 2014 –September 2014 35 national clinical audits and three national confidential enquiries covered relevant health services that the Frimley Park Hospital NHS Foundation Trust provides.
- 2.2.2.1 During that period Frimley Park Hospital NHS Foundation Trust participated in 97% (34/35) national clinical audits and 100% (3/3) of national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.
- 2.2.2 During Oct 2014 –March 2015 34 national clinical audits and four national confidential enquiries covered relevant health services that the Frimley Health NHS Foundation Trust provides.
- 2.2.2.1 During that period Frimley Health NHS Foundation Trust participated in 100% national clinical audits and 100% of national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.
- 2.2.2.2 The national clinical audits and national confidential enquiries that Frimley Park Hospital NHS Foundation Trust was eligible to participate in during April 2014–September 2014 are in table 1 below.
- 2.2.2.2 The national clinical audits and national confidential enquiries that Frimley Health NHS Foundation Trust was eligible to participate in during October 2014 –March 2015 are in table 2 below.
- 2.2.2.3 The national clinical audits and national confidential enquiries that Frimley Park Hospital NHS Foundation Trust participated in during April 2014—September 2014 are in table 1 below.
- 2.2.2.3 The national clinical audits and national confidential enquiries that Frimley Health NHS Foundation Trust participated in during October 2014 –March 2015 are in table 2 below.

- 2.2.2.4 The national clinical audits and national confidential enquires that Frimley Park Hospital NHS Foundation Trust participated in, and for which data collection was completed during April 2014— September 2014, are listed in table 1 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.
- 2.2.2.4 The national clinical audits and national confidential enquires that Frimley Health NHS Foundation Trust participated in, and for which data collection was completed during October 2014–March 2015, 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. See table 2 below.

Table 1. Frimley Park Hospital NHS Foundation Trust: National Clinical Audit Participation April 2014– September 2014.

National Clinical Audit/ Confidential Enquiry	Eligible	Participated	% / No. of cases submitted or reason for non-participation					
	National Confidential Enquiries							
Lower Limb Amputation	<b>√</b>	<b>√</b>	100% - 7/7 cases submitted. 1 organisational questionnaire also submitted.					
Sepsis Study	<b>√</b>	✓	100% - 5/5 cases submitted. 1 organisational questionnaire also submitted.					
GI Bleeds	<b>√</b>	✓	67% - 2/3 cases submitted. 1 organisational questionnaire also submitted.					
Acute Pancreatic Study	<b>√</b>	Not applicable	Data collection due to be confirmed. Eligible patient list submitted Dec 2014, awaiting questionnaires from NCEPOD.					
		Acute						
Case Mix Programme (CMP) Intensive Care National Audit & Research Centre (ICNARC)	<b>√</b>	✓	100% - 400 cases submitted.					
National emergency laparotomy audit (NELA)	<b>√</b>	✓	100% - 111 cases submitted.					
National Comparative Audit of Blood Transfusion programme: Patient information and consent.	<b>√</b>	<b>√</b>	67% - 16/24 cases submitted.					
National Comparative Audit of Blood Transfusion programme: Audit of the use of blood in patients with sickle cell disease part 1.	<b>√</b>	<b>√</b>	100% - 1 case submitted.					
National Comparative Audit of Blood Transfusion programme: Audit of the use of blood in patients with sickle cell disease part 2.	Not applicable	Not applicable	Not invited. Low patient numbers.					

National Clinical Audit/ Confidential Enquiry	Eligible	Participated	% / No. of cases submitted or reason for non-participation					
Cancer								
Head and neck oncology (DAHNO)	✓	✓	Submitted through Royal Surrey County Hospital (RSCH).					
Lung cancer (NLCA)	✓	✓	169%* - 116 cases submitted					
Oesophago-gastric cancer (NAOGC)	✓	✓	65% - 70 cases submitted.					
		Cardiology						
Acute coronary syndrome or acute myocardial infarction (MINAP) public report analysis	✓	✓	100% - 366 cases submitted.					
Congenital heart disease (Paediatric cardiac surgery) (CHD)	Not applicable	Not applicable						
National Cardiac Arrest Audit (NCAA)	✓	×	Data previously captured in local audit. The Trust is now registered for this national audit and commenced data collection from 1 <sup>st</sup> January 2015.					
National Vascular Registry	✓	✓	100% - 825 cases submitted.					
Pulmonary hypertension (Pulmonary Hypertension Audit)	Not applicable	Not applicable						
	Long	Term Conditions						
National Diabetes Core Audit (NDA)	✓	✓	Data submission deadline 29/05/15					
Diabetes (Paediatric) (NPDA)	✓	✓	100% - 157 cases submitted					
National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme*	<b>√</b>	<b>√</b>	100% - 108 cases submitted.					
Renal replacement therapy (Renal Registry)	Not applicable	Not applicable						
Chronic kidney disease in primary care	Not applicable	Not applicable						
	N	Mental Health						
Mental health clinical outcome review programme: National Confidential Inquiry into Suicide and Homicide for people with Mental Illness (NCISH)	Not applicable	Not applicable						
Mental Health (Care in emergency departments)	✓	✓	100% - 21 cases submitted.					
National audit of schizophrenia (NAS)	Not applicable	Not applicable						
Prescribing Observatory for Mental Health (POMH)	Not applicable	Not applicable						
Learning disabilities feasibility study	Not applicable	Not applicable						
		Older People						
Older People (Care in emergency departments)	✓	✓	100% - 100 cases submitted.					
Sentinel Stroke National Audit Programme (SSNAP)*	✓	✓	118%* - 234 cases submitted.					

		Other						
Other								
Elective surgery (National PROMs Programme)	<b>√</b>	✓	Pre-op participation 82.3% - 684/831 cases submitted. (National participation rate 76.7%).  Post op participation 29.6% - 108/365 cases submitted. (National participation rate 25.7%).					
National Audit of Intermediate Care	Not applicable	Not applicable						
Adherence to British Society for Clinical Neurophysiology (BSCN) and Association of Neurophysiological Scientists (ANS) Standards for Ulnar Neuropathy at Elbow (UNE) Testing	Not applicable	Not applicable						
	Wom	en's and Children	ı i					
Fitting Children (Care in emergency departments)	✓	✓	100% - 18 cases submitted.					
Epilepsy 12 audit (Childhood Epilepsy)	✓	✓	100% - 24 cases submitted.					
Neonatal intensive and special care (NNAP)	✓	✓	100% -631 cases submitted.					
Paediatric intensive care (PICANet)	Not applicable	Not applicable						

<sup>\*%</sup> case compliance exceeds 100% when the number of cases submitted exceeds the number requested by the audit.

Table 2: Frimley Health NHS Foundation Trust: National Clinical Audit Participation October 2014 - March 2015

National Clinical Audit/ Confidential Enquiry	Eligible		Partic	ipated	% / No. of cases submitted or reason for non-participation	
	FPH	HWPH	FPH	HWPH		
National Confidential Enquiri	es					
Lower Limb Amputation	<b>√</b>	<b>√</b>	<b>√</b>	<b>✓</b>	FPH: 100% - 7 cases submitted. HWPH: 100% - 3 cases submitted. Organisational questionnaires also submitted.	
Sepsis Study	✓	✓	✓	<b>√</b>	FPH: 100% - 5 cases submitted. HWPH: 75% - 3 cases submitted. Organisational questionnaires also submitted.	
GI Bleeds	✓		✓		FPH: 67% - 2 cases submitted. HWPH: 100% - 2 cases submitted. Organisational questionnaires also submitted.	
Acute Pancreatic Study	✓	✓	due	ollection to be rmed.	FPH: Eligible patient list submitted. HWPH: Eligible patient list submitted	
			Acute			
Case Mix Programme (CMP)	✓	✓	✓	✓	FPH: 100% - 373 cases submitted. HWPH: 100% - 174 cases submitted.	
National emergency laparotomy audit (NELA)	✓	✓	✓	<b>√</b>	FPH: 100% - 111 cases submitted. HWPH: 112%* - 160 cases submitted.	
National Joint Registry (NJR)	✓	✓	✓	✓	FPH: 98% - 1129 cases submitted. HWPH: * - 502 cases submitted.	
Severe trauma (Trauma Audit & Research Network, TARN)**	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	FPH: 91% - 91 cases submitted. HWPH: 48 % - 53 cases submitted.	
National Comparative Audit of Blood Transfusion programme: Audit of the use of blood in patients with sickle cell disease part 2.	Not applica- ble	Not applica- ble	Not applica- ble	Not applica- ble		
Pleural Procedures (BTS)	✓	✓	✓	<b>√</b>	FPH: 100% - 26 cases submitted. HWPH: 112%* - 9 cases submitted.	
Adult Community Acquired Pneumonia (BTS)	<b>✓</b>	<b>✓</b>	<b>✓</b>	<b>✓</b>	FPH & HWPH: Data collection in progress – closes 31 May 2015.	
			Cancer			
Bowel cancer (NBOCAP)	✓	✓	✓	✓	FPH: 98% - 237 cases submitted. HWPH: 99% - 171 cases submitted.	
Head and neck oncology (DAHNO)	<b>✓</b>	<b>✓</b>	<b>✓</b>	<b>✓</b>	FPH Submitted through RSCH HWPH: 100% - 28 cases submitted.	
National Prostate Cancer	<b>√</b>	<b>✓</b>	<b>√</b>	<b>√</b>	FPH: 100% - 179 cases submitted. HWPH: 219 cases identified. Awaiting validation prior to submission.	

<sup>\*</sup>Case ascertainment information/HES data not available until August 2015 \*\* Most updated data period October – December 2014

National Clinical Audit/ Confidential Enquiry	Eligible		Participated		% / No. of cases submitted or reason for non-participation			
,	FPH	HWPH	FPH	HWPH				
Cardiology								
Acute coronary syndrome or acute myocardial infarction (MINAP) public report analysis	<b>√</b>	✓	<b>√</b>	✓	FPH: 280 cases submitted. HWPH: 116 cases submitted. Case ascertainment information not available for this audit.			
Cardiac Rhythm Management (CRM)	<b>√</b>	<b>✓</b>	<b>√</b>	<b>√</b>	FPH: 415 cases submitted.  HWPH: 505 cases submitted.  Case ascertainment information not available for this audit.			
Congenital heart disease (Paediatric cardiac surgery) (CHD)	Not applica- ble	Not applica- ble	Not applica- ble	Not applica- ble				
Coronary angioplasty	✓	✓	<b>√</b>	✓	FPH: 1257 cases submitted.  HWPH: 414 cases submitted.  Case ascertainment information not available for this audit.			
National Adult Cardiac Surgery Audit	Not applica- ble	Not applica- ble	Not applica- ble	Not applica- ble				
National Cardiac Arrest Audit (NCAA)	<b>√</b>	<b>✓</b>	<b>√</b>	<b>√</b>	FPH: 33 cases submitted (Jan 2015 – Mar 2015) HWPH: 39 cases submitted (October 2014 – December 2014) Case ascertainment information not available for this audit			
National Heart Failure Audit	✓	✓	✓	✓	On-going. Data submission June 2015.			
Pulmonary hypertension (Pulmonary Hypertension Audit)	Not applica- ble	Not applica- ble	Not applica- ble	Not applica- ble				
		Long T	erm Condi	itions				
National Diabetes Core Audit (NDA)	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	On-going. Data submission deadline May 2015.			
National Diabetes Foot Care Audit (NDFA)	✓	✓	✓	✓	On-going. Data submission deadline July 2015.			
Diabetes (Adult) ND (A) National Pregnancy in Diabetes	<b>√</b>	✓	<b>√</b>	✓	FPH: 50% - 9 cases submitted.  HWPH: 100% - 6 cases submitted.  When interpreting % of cases it should be noted that patient consent is required for submission of data to this audit			
Inflammatory bowel disease (IBD)*	✓	✓	✓	✓	FPH: 100% - 8 cases submitted. HWPH: 117%* - 7 cases submitted.			
National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme*	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	On-going. Data submission deadline July 2015.			
Renal replacement therapy (Renal Registry)	Not applica- ble	Not applica- ble	Not applica- ble	Not applica- ble				
Rheumatoid and early inflammatory arthritis*	<b>✓</b>	✓	<b>✓</b>	<b>✓</b>	FPH: 100% - 8 cases submitted. HWPH: 100% - 36 cases submitted.			
Chronic kidney disease in primary care	Not applica- ble	Not applica- ble	Not applica- ble	Not applica- ble				

National Clinical Audit/ Confidential Enquiry	Elig	ible	Participated		% / No. of cases submitted or reason for non-participation
	FPH	HWPH	FPH	HWPH	
		Ol	der People		
Falls and Fragility Fractures Audit Programme (FFFAP) – National Hip Fracture Database.	✓	<b>√</b>	<b>√</b>	✓	FPH: 398 cases submitted. HWPH: 187 cases submitted. Case ascertainment information not available for this audit
Sentinel Stroke National Audit Programme (SSNAP)*	<b>√</b>	<b>✓</b>	<b>√</b>	<b>√</b>	FPH: 105%* - 209 cases submitted. HWPH: 154%* - 117 cases submitted.
			Other		
Elective surgery (National PROMs Programme)	✓		✓		National data not yet available.
National Audit of Intermediate Care	Not applica- ble	Not applica- ble	Not applica- ble	Not applica- ble	
Adherence to British Society for Clinical Neurophysiology (BSCN) and Association of Neurophysiological Scientists (ANS) Standards for Ulnar Neuropathy at Elbow (UNE) TESTING	Not applica- ble	Not applica- ble	Not applica- ble	Not applica- ble	
		Wome	n's and Chi	ldren	
Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK)	<b>√</b>	<b>~</b>	<b>√</b>	<b>√</b>	FPH: 100% / 37 cases submitted. HWPH: 1 case submitted.
Paediatric intensive care (PICANet)	Not applica- ble	Not applica- ble	Not applica- ble	Not applica- ble	

<sup>%</sup> case compliance exceeds 100% when the number of cases submitted exceeds the number requested by the audit.

# 2.2.2.5-8 The reports of 25 national clinical audits were reviewed by the provider in

Tracheostomy

April 2014 - September 2014 and Frimley Health NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.

2014 National Consider implementation of record of decision to transfuse

Comparative stickers from the South East Coast. This has been discussed at

Audit of Patient local Consent Committee in April 2015 its use is being explored

Information & further.

Consent

NCEPOD • Focus training on selected wards

Staff levels to be reviewed in line with acuity and dependency review.

# National Comparative Audit of the use of Anti-D

- Provide expert support to all areas (Blood Transfusion Department).
- Continue to provide specific training on anti D as part of training plan (Blood Transfusion Department).
- Maternity to continue to liaise with blood bank to ensure this happens.
- Blood bank to respond where possible to requests for short turn around for anti D issue.
- Midwives to be responsible for follow up of Kleihauer and to inform women they may need to return for further anti D.
- To be included in all transfusion/anti D training and transfusion.
- All sites to consider consent for anti D as part of any review of consent for transfusion.

# Diabetes (Paediatric) (NPDA)

New dietician appointed.

# the Dying Audit (Round 4)

- National Care of Education & training in care of the dying to be mandatory for all staff caring for dying patients
  - Assign designated board member and lay member with specific responsibility for care of the dying
  - MDT to make and document decision that patient is in last hours/days of life
  - Assess pain control & other symptoms in dying patients at least 4 hourly
  - Senior experienced clinicians, supported by MDT, should make decisions about use of clinically assisted (artificial) nutrition & hydration
  - Pastoral care team should be accessible to ensure spiritual needs of dying patients and those close to them are met
- 2.2.2.5-8 The reports of 25 national clinical audits were reviewed by the provider in October 2014-March 2015 and Frimley Health NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.

#### Wexham Park Hospital

# Epilepsy 12 audit (Childhood Epilepsy)

- Within the Children's Clinic there is now a separate area for teenagers away from the younger children.
- The audit revealed an Epilepsy Nurse was required. To improve services a process has been established for the Epilepsy Nurse from Oxford Radcliffe Hospital to visit Wexham Park Hospital on a monthly basis and to also have direct access to Epilepsy Services as and when required.

# Neonatal Intensive and Special Care (NNAP)

 An audit to review cases of CABSI (Catheter Associated Blood stream infections) has been undertaken and due to be reported.

# National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme

 A discharge bundle has been implemented and the number of patients being referred to pulmonary rehabilitation has increased.

# National Comparative Audit of Blood Transfusion Programme: Patient Information and consent.

- It is being considered to include NHSBT leaflet in local patient information packs.
- To increase the use of Learn Blood Transfusion Consent Module within the Trusts for doctors and nurses the National eLearning is used as induction for all junior doctors.
- NHSBT leaflet is available on ICE

## Frimley Park Hospital:

# NCEPOD death following lower limb amputation

- To develop pathway
- Consider appointment of amputation / discharge coordinator

# National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme

- Increase and improve access to specialist respiratory care during weekdays and at weekends.
- Increase smoking cessation services.
- Increase dietetic services.
- Continue to improve the level of palliative care services

# National Donor Audit

- Mandatory training for those directly involved with organ transplantation.
- E-learning package for all staff from ED and ICU to complete.
- Increased awareness and education for tissue donation including video exposure post BLS training.
- Review of Organ Donation Policy (April 2015)
- Work with Arts Committee to design a piece of work for recognition of donors and their families within the hospital.

2.2.2.5-8 The reports of 84 local clinical audits were reviewed by the provider in April 2014-September 2014 and Frimley Health NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.

# Endoscopy Unit Patient Ouestionnaire

- The bookings process and scheduling system was reviewed. A new system was installed in May 2014.
- A post has been recruited to help with review of patient leaflets.
- Patient leaflet to be reviewed to address issue of realistic expectations of levels of discomfort and pain and any associated risk/complications of the procedure
- A surgical helpline within the Endoscopy Unit has been implemented, which patients may call for advice on discharge.
- Ensure consenting process includes information that patients may withdraw consent for the procedure at any time.

Improving Quality of Emergency General Surgery Service (Surgical readmissions review 2014) • Implementation of an Emergency Ambulatory Care Unit supported by a Help-line and "Hot Clinics" (Emergency Review Clinic) to prevent short term readmissions.

Hepatitis B screening prior to starting treatment with Rituximab Re-audit.

- Identification and testing of patient to ensure they have HBV screening at their next visit.
- To update checklist to include a prompt to check HBV status in patients schedule to receive rituximab.
- To inform Haematology Day Unit staff that HBV screening should include HBsAg as well as HBcAb tests

2.2.2.5-8 The reports of 155 local clinical audits were reviewed by the provider in October 2014-March 2015 and Frimley Health NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.

#### Wexham Park Hospital:

Soft buckle fracture management in fracture clinic

- Orthopaedic team to treat buckle fractures of distal radius with soft cast in fracture clinic.
- Patients treated with soft cast will not need a review in fracture clinic and can call plaster room with any concerns.
- Soft cast can be removed by parents at home using advice on leaflet – this is to be communicated to patients through the use of a patient information leaflet.

# Oxygen Prescribing Audit

- Change in layout of oxygen prescription chart to include target saturations '88-92%' and '94-98%' as laid out by BTS guidelines.
- Drug chart adjusted to be clearer and more prominent placing of oxygen prescription boxes to encourage use.
- To undertake a local poster campaign informing prescribers of the need and reasons for prescribing oxygen effectively.

# Early Arthritis; Review of service and best practice

- To re-inform GPs of early arthritis referral system and pathway.
- To raise education and awareness with secretaries to ensure early arthritis slots are utilised and any potential early arthritis patients are seen within 3 weeks.
- Create annual review clinic or clinic slots for new patients with inflammatory arthritis.

# Frimley Park Hospital:

# Pyelonephritis Re-audit

- An algorithm has been created as part of new/updated guideline for the management of acute pyelonephritis.
- Education and awareness of new guideline has taken place.

# Audit of Candida susceptibility testing of treatment in Surrey Pathology Service

- Routinely perform sensitivity test on all relevant blood culture isolates with Candida.
- Escalate early if ID and sensitivity known in a timely manner.
- Bring in-house susceptibility testing of Candida. Waiting for approval of in-house testing.

# Pulse Oximeter audit:

• Faulty equipment identified, returned to manufacturer and replaced free of charge.

# Mobile Macular Unit

- Reduced appointment time, 4 weekly follow up maintained for all AMD patient. 98% patients rated their overall experience as excellent on the Mobile Unit.
- Rolled out to Basingstoke in February 2015.
- 2.2.3 The number of patients receiving relevant health services provided or sub-contracted by Frimley Park Hospital NHS Foundation Trust in April 2014 September 2014 that were recruited during that period to participate in research approved by a research ethics committee was 674.

Participation in clinical research demonstrates Frimley Park Hospital NHS Foundation Trust's commitment to improving the quality of care we offer and to making our contribution to wider health improvement.

Frimley Park Hospital NHS Foundation Trust was involved in conducting 151 clinical research studies in 19 medical specialties (Anaesthetics; Dermatology; Care of the Elderly; Cancer; Diabetes; Cardiology; Vascular; Gastroenterology; Hepatology; Stroke; Nursing; Paediatrics Neurology; Obstetrics and Gynaecology; Ophthalmology; Orthopaedics; Pathology; Urology) during 2013-14.

2.2.3 The number of patients receiving relevant health services provided or sub-contracted by Frimley Health NHS Foundation Trust during 2014 - 2015 that were recruited during that period to participate in research approved by a research ethics committee was 1768.

The number of patients receiving relevant health services provided or sub-contracted by Frimley Health NHS Foundation Trust during October 2014 – February 2015 that were recruited during that period to participate in research approved by a research ethics committee was 801.

Participation in clinical research demonstrates Frimley Health NHS Foundation Trust's commitment to improving the quality of care we offer and to making our contribution to wider health improvement.

Frimley Health NHS Foundation Trust was involved in conducting 186 clinical research studies in 20 medical specialties (Anaesthetics; Dermatology; Care of the Elderly; Cancer; Diabetes; Cardiology; Emergency medicine; Vascular; Gastroenterology; Hepatology; Stroke; Nursing; Paediatrics Neurology; Obstetrics and Gynaecology; Ophthalmology; Orthopaedics; Pathology; Urology) during 2014- 2015.

2.2.4 A proportion of Frimley Park Hospital NHS Foundation Trust income was conditional on achieving quality improvement and innovation goals agreed between Frimley Park Hospital NHS Foundation Trust and any person or body they entered into a contract agreement or arrangement with for the provision of relevant health services, through the commissioning for quality and innovation payment framework.

Further details of the agreed goals for April 2014 to September 2014 are available electronically at <a href="https://www.FrimleyPark.NHS.uk/about-asks/publications">www.FrimleyPark.NHS.uk/about-asks/publications</a>.

Frimley Park Hospital NHS Foundation Trust received income as a result of achieving the quality improvement and innovation goals through the Commissioning for Quality and Innovation payment framework as follows:

• FY: 2013 - 2014: £5.9m

April 2014 – September 2014: £2,265,576

2.2.4 A proportion of Frimley Health NHS Foundation Trust income was conditional on achieving quality improvement and innovation goals agreed between Frimley Health NHS Foundation Trust and any person or body they entered into a contract agreement or arrangement with for the provision of relevant health services, through the commissioning for quality and innovation payment framework.

Further details of the agreed goals for October 2014 to March 2015 and for the following 12 month period are available electronically at www.FrimleyPark.NHS.uk/about-asks/publications.

Frimley Health NHS Foundation Trust received income conditional on achieving the quality improvement and innovation goals through the Commissioning for Quality and Innovation payment framework as follows:

• October 2014 – March 2015: £4,369,272 provisional.

- 2.2.5 Frimley Park Hospital NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is unconditional (April 2014 September 2014). Frimley Park Hospital NHS Foundation Trust has the following conditions on registration: N/A. Frimley Park Hospital NHS Foundation Trust became Frimley Health NHS Foundation Trust on the 1<sup>st</sup> October 2014.
  - The Care Quality Commission has not taken enforcement action against Frimley Park Hospital NHS Foundation Trust during April 2014 September 2014.
- 2.2.5 Frimley Health NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is conditional. Frimley Health NHS Foundation Trust has the following conditions on registration:

Heatherwood and Wexham NHS Foundation Trust received six Compliance Actions/Requirement Notices in their May 2014 CQC inspection report. The enlarged Frimley Health NHS Foundation Trust is working to address each of these requirements.

- Regulation 9. Care & welfare of people who use services.
- Regulation 10. Assessing and monitoring the quality of service provision.
- Regulation 15. Safety and suitability of premises.
- Regulation 16. Safety, availability & suitability of equipment.
- Regulation 21. Requirements relating to workers.
- Regulation 22. Staffing.

Progress is monitored monthly by the Trust with the Clinical Commissioning Groups and the Care Quality Commission.

The Care Quality Commission has not taken enforcement action against Frimley Health NHS Foundation Trust during October 2014 – March 2015.

- 2.2.6 Removed from the legislation by the 2011 amendments. Point shown to ensure paragraph numbering clarity.
- 2.2.7-1 Frimley Park Hospital NHS Foundation Trust has not participated in any special reviews or investigations by the Care Quality Commission during the reporting period April 2014 September 2014.

Frimley Health NHS Foundation Trust has not participated in any special reviews or investigations by the Care Quality Commission during the reporting period October 2014 – March 2015.

- 2.2.8 Frimley Health NHS Foundation Trust submitted records during 2014-2015 to the Secondary Uses

  Service for inclusion in the Hospital Episode Statistics which are included in the latest published data.

  Frimley Park Hospital: The percentage of records in the published data:
  - which included the patient's valid NHS number was:
    - 99.2% for admitted patient care;
    - 99.9% for out patient care; and
    - 98.8% for accident and emergency care.
  - which included the patient's valid General Medical Practice Code was:
    - 100% for admitted patient care;
    - 100% for outpatient care; and
    - 100% for accident and emergency care.

Heatherwood & Wexham Park Hospitals: The percentage of records in the published data:

- which included the patient's valid NHS number was:
  - 99.0% for admitted patient care;
  - 99.6% for out patient care; and
  - 96.4% for accident and emergency care.
- which included the patient's valid General Medical Practice Code was:
  - 99.9% for admitted patient care;
  - 100% for outpatient care; and
  - 99.9% for accident and emergency care.
- 2.2.9 Following the acquisition of Heatherwood and Wexham Park NHS Foundation Trust by Frimley Park Hospital NHS Foundation Trust to become Frimley Health NHS Foundation Trust in October 2014, the organisation code for HWPH was closed in the IG Toolkit. The IG submission in March 2015 is for Frimley Health NHS Foundation Trust.

The Frimley Health NHS Foundation Trust Information Governance Assessment Report overall score for 2014-2015 was 73% and was graded 'Red Unsatisfactory'. The areas where the Trust did not achieve the required level 2 standard was:

- IG Training only 90% of staff completed their IG training.
- Business Continuity Plan. Not all the Trust critical systems have a Business Continuity Plan.
- Security of the Trust critical systems. Not all of the Trust's critical systems had been risk assessed.

The Trust has a detailed work programme for 2015-2016 which will address these areas of non-compliance. This is monitored by the IG Committee on a bi-monthly basis.

- 2.2.10-1 The Frimley Park Hospital NHS Foundation Trust was not subject to the Payment By Results clinical coding audit during the reporting period by the Audit Commission.
- 2.2.10-1 The Frimley Health NHS Foundation Trust was not subject to the Payment By Results clinical coding audit during the reporting period by the Audit Commission.

# Reporting against core indicators:

Since 2012-2013 NHS foundation trusts have been required to report performance against a core set of indicators using data made available to the trust by the Health and Social Care Information Centre (HSCIC).

The following tables show our performance for at least the last two reporting periods and where the data is made available by the HSCIC, a comparison with the national average and the highest and lowest performing trusts is given. The Trust's locally generated data, where applicable, is also shown.

#### **SHMI**

Prescribed information: a) the value and banding of the summary hospital-level mortality indicator (SHMI) for the trust for the reporting period; and

b) the percentage of patient deaths with palliative care coded at either diagnosis or specialty level for the trust for the reporting period is included to give context.

Indicator and Scope	Prior Period	Latest Period	Data Source
a) Summary Hospital-Level Mortality Indicator (SHMI)	Oct 2012 - Sep 2013	Oct 2013 – Sep 2014 (Frimley Health)	HSCIC
Frimley Park Hospital	Value: 0.9281 Banding: 'As expected'	Value: 0.931 Banding: 'As expected'	(Health and Social Care Information
Heatherwood & Wexham Hospitals	Value: 0.9648 Banding: 'As expected'	Data reported as FHFT, see above	Centre)
Trusts national average	Value: 1.00 Banding: 'As expected'	Value: 1.00 Banding: 'As expected'	Indicator ID P01721
Highest (worst) and lowest (best) trust scores	Value: 1.1859 / 0.6301	Value: 1.198 / 0.597	701721
b) Palliative Care Indicator	Oct 12- Sept 13	Oct 13- Sept 14 (Frimley Health)	NHSIC
Frimley Park Hospital	30.4%	38.4%	
Heatherwood & Wexham Hospitals	35.8%	Data reported as FHFT, see above	Indicator IDs
Trusts national average	21.3%	25.4%	P01721
Highest and lowest trust %	44.0% / 0.1%	49.4% / 0%	
	Jan 2013-Dec 2013	Jan 2014-Dec 2014	
Frimley Park Hospital	Value: 0.9252	Value: 0.8881	HED*
Heatherwood & Wexham Hospitals	Value: 0.9888	Value: 0.9726	(Healthcare
Trusts national average	Value: 1.0112	Value: 0.9965	Evaluation Data)
Highest (worst) and lowest (best) trust scores	Value: 1.1928/0.5623	Value: 1.2138/0.6592	·

\*HED: A national reporting and comparison system containing Hospital Episode Statistics (HES) data as the primary source and utilises HSCIC Information Centre data

The Frimley Health NHS Foundation Trust considers that this data is as described for the following reasons:

Taken from national dataset using data provided.

The Frimley Health NHS Foundation Trust has taken the following actions to improve this indicator, and so the quality of its services, by:

- Strengthened Trust wide morbidity and mortality (M&M) process to oversee, monitor, review and report on the findings of the Specialty M&M reviews. Trust M&M review group chaired by a consultant patient safety lead on behalf of the Medical Director.
- The clinical issues identified through the M&M review process inform a number of safety workstreams and progress against these are monitored through the Trust Quality Committee chaired by the

Medical Director. The Medical Director subsequently provides assurance to the Board.

# Patient Reported Outcomes Measures (PROMS) following hip or knee replacement surgery

Prescribed information: The trust's patient reported outcome measures scores for; groin hernia surgery, varicose vein surgery, hip replacement surgery, and knee replacement surgery, during the reporting period.

Indicator and Scope	Prior Period	Latest Period	Data Source
Patient Reported Outcome Measures (PROMs):	FY 2011-2012	FY 2012-2013*	
Groin hernia surgery – Frimley Park Hospital	0.106	0.075	
Groin hernia surgery – Heatherwood & Wexham	0.089	0.059	
Groin hernia surgery - trusts national average	0.087	0.083	
Groin hernia surgery - highest (best) and lowest (worst) trust scores	0.143 / 0.030	0.153 / 0.014	
Varicose vein surgery - FPH	0.089	0.088	HSCIC
Varicose vein surgery - HWP	No data	No data	(Health and
Varicose vein surgery - trusts national average	0.094	0.091	Social Care
Varicose vein surgery - highest (best) and lowest (worst) trust scores	0.167 / 0.049	0.176 / 0.015	Information Centre)
Hip replacement surgery - FPH	0.403	0.411	
Hip replacement surgery - HWP	0.411	0.394	Indicator ID
Hip replacement surgery - trusts national average	0.409	0.425	P01387
Hip replacement surgery - highest (best) and Lowest (worst) trust scores	0.499 / 0.306	0.534 / 0.352	
Knee replacement surgery - FPH	0.312	0.318	
Knee replacement surgery - HWP	0.285	No data	
Knee replacement surgery - trusts national average	0.302	0.316	
Knee replacement surgery - highest (best) and lowest (worst) trust scores	0.385 / 0.181	0.388 / 0.208	

\*FY 2013-2014 data due November 2015.

The Frimley Health NHS Foundation Trust considers that this data is as described for the following reasons:

• Taken from national dataset using data provided.

PROMs outcomes measure a patient's health gain after surgery. The information is gathered from the patient who completes a questionnaire before and after surgery. From the data available, the case mix adjusted average health gain shows that the Trust is not an outlier when compared nationally.

The Frimley Health NHS Foundation Trust has taken the following actions to improve this indicator, and so the quality of its services, by:

• Telephone advice line initiated for patients following discharge with access to rapid reassessment by clinician if necessary.

#### Readmissions rate for children and adults

Prescribed information: The percentage of patients aged 0 to 15 years and 16 years or over, readmitted to a hospital which forms part of the trust within 28 days of being discharged from a hospital which forms part of the trust during the reporting period.

Indicator and Scope	<b>Prior Period</b>	Latest Period	Data Source
Readmissions within 28 Days – Under 16:	TV 2010 2011	TV 2044 2040*	HSCIC
Percentage of patients aged 0 to 15 readmitted to a	FY 2010-2011	FY 2011-2012*	(Health and
hospital			Social Care
Frimley Park Hospital	7.46%	8.55%	Information
Heatherwood & Wexham Park Hospitals	11.52%	11.47%	Centre)
Medium Acute Trusts national average	9.87%	10.04%	
Highest (worst) and lowest (best) Medium Acute Trust %s	13.78% / 0.0%	14.94% / 0.0%	Indicator ID P00913
	FY 2013-2014	FY 2014-2015	
Frimley Park Hospital	8.25%	7.58%	Trust's Data
Heatherwood & Wexham Park Hospitals	13.9%	13.1%**	
Indicator and scope	<b>Prior Period</b>	Latest Period	Data Source
Readmissions within 28 Days –16 or over:  Percentage of patients aged 16 or over readmitted to a hospital	FY 2010-2011	FY 2011-2012*	HSCIC (Health and Social Care
Frimley Park Hospital	11.45%	12.02%	Information
Heatherwood & Wexham Park Hospitals	12.14%	11.59%	Centre)
Medium Acute Trusts national average	11.17%	10.02 %	,
Highest (worst) and lowest (best) Medium Acute Trust %s	13.00% / 0.0%	13.50% / 0.0%	Indicator ID P00904
	FY 2013-2014	FY 2014-2015	
Frimley Park Hospital	11.85%	11.76%	Trust Data
Heatherwood & Wexham Park Hospitals	7.9%	9.0%**	

\*Full year data 2013-2014 due early 2016.

\*\*11 months data.

The Frimley Health NHS Foundation Trust considers that these percentages are as described for the following reasons:

- Taken from national dataset using data provided.
- Trust data reviewed by specialties monthly and ultimately becomes the source of HSCIC data.

The Frimley Health NHS Foundation Trust has taken the following actions to improve this indicator, and so the quality of its services, by:

- Established Post discharge telephone advice service. The helplines were designed to fill the advice
  and information gap that patients sometimes require after being discharged from hospital. Alongside
  the helpline an emergency review clinics have been established so that patients requiring review could
  be seen by a Consultant on the same day without being readmitted or attending Accident &
  Emergency.
- By utilising helplines alongside emergency review clinics we expect to see a reduction in readmission rates. There are dedicated surgery, medical and orthopaedics helplines as well as contact details for paediatrics, gynaecology and other specialist areas.
- The concept has been shared with visiting hospitals who are interested in setting up surgical assessment environments

• Plan to implement at Wexham Park in the next six months.

## **Patient experience**

#### Prescribed information:

The trust's responsiveness to the personal needs of its patients during the reporting period.

Indicator and Scope	Prior Period	Latest Period	Data Source	
Responsiveness to inpatients' personal needs	FY 2012-2013	FY 2013-2014*	HSCIC (Health and Social Care Information	
Frimley Park Hospital	70.1	73.3		
Heatherwood & Wexham Park Hospitals	59.3	63.3	Centre)	
Trusts national average	68.1	68.7	Indicator ID	
Highest and Lowest Trust %s	84.4 / 57.4	94.2 / 54.4	P01391	

\*2014-2015 data due August 2015.

The Frimley Health NHS Foundation Trust considers that this data is as described for the following reasons:

• Taken from national dataset using data provided.

The Frimley Health NHS Foundation Trust has taken the following actions to improve this indicator, and so the quality of its services by:

- The Trust has invested in the delivery of Leadership programmes to support the development of our senior staff to utilise results/feedback to help direct and determine actions for change.
- The Trust is reviewing its preceptorship education in order to provide a twelve month programme for all newly qualified band 5 nurses that is consistent throughout Frimley Health in order to provide support for nursing staff during the integration and transition period.
- Investment in the development of unregistered care staff to ensure they have the knowledge and skills required.
- Heads of Nursing and Matrons having dedicated clinical time to ensure supervision and role modelling.
- Feedback from patients and their carers/family/friends from sources such as engagement events, the Friends and Family Test, Patient Advice and Liaison Service and complaints are reviewed both locally and at Board level to ensure that areas for improvement are identified and acted upon.
- Heatherwood and Wexham Park Hospitals Implemented an Improving Patient Experience Group providing a forum for patient experience with internal and external stakeholders including local Healthwatch groups and CCG Lay members
- Use of patient stories at Board.
- Roll out of the "We Care" customer care training.
- Engaged with the Picker Institute to deliver four workshops on improving patient experience.
- Ward level real time feedback surveys undertaken by volunteers and monitored at Patient Experience Group allowing the trust to take action to resolve issues at the point of the problem.

# **National Staff Survey**

Prescribed information: The percentage of staff employed by, or under contract to, the trust during the reporting period who would recommend the trust as a provider of care to their family or friends.

Indicator and Scope	Prior Period	Latest Period	Data Source
Percentage of staff who would recommend the Trust to their family or friends. (Responding agree and strongly agree)	2013 Survey	2014 Survey	NHS Staff
Frimley Park Hospital	85%	89%	Survey
Heatherwood & Wexham Park Hospitals	47%	50%	Indicator ID
Acute & acute specialist trust's national average	67%	67%	P01554
Acute & acute specialist trust's highest (best) and lowest (worst) trust scores	94% / 40%	89% / 38%	

The Frimley Health NHS Foundation Trust considers that this data is as described for the following reasons:

Taken from national data.

The Frimley Health NHS Foundation Trust has taken the following actions to improve this indicator, and so the quality of its services, by:

- Continue the proven communication mechanisms from Board to Ward at FPH and continue to improve processes at Heatherwood and Wexham Park Hospitals. The Board believes that timely and accurate communication regarding both good and poor performance give staff confidence and can therefore recommend the Trust to friends and family.
- Continue to embed the Trust values within all three hospital sites.
- Continue to roll out customer care training. The Trust provided training to more than 2000 staff during 2014-2015.

Venous thromboembolism (VTE blood clot)

Prescribed information: The percentage of patients who were admitted to hospital and who were risk assessed for venous thromboembolism during the reporting period.

Indicator and Scope	Prior Period	Latest Period	Data Source
Percentage of admitted who were admitted to hospital and who were risk-assessed for venous thromboembolism	Q2 2014 - 2015	Q3 2014 – 2015	HSCIC (Health and Social Care Information Centre)
Frimley Park Hospital	98.6%	97%	
Heatherwood & Wexham Park Hospitals	95.5%	97%	certifey
Trusts national average	96%	96%	Indicator ID P01556
Highest (best) and lowest (worst) trust %s	100% / 86.4%	100% / 81%	F01330

	FY 2013-2014	FY 2014-2015	Tweet's Data
Frimley Park Hospital	97.1%	98.0%	Trust's Data
Heatherwood & Wexham Park Hospitals	96.1%	96.0%	

The Frimley Health NHS Foundation Trust considers that this data is as described for the following reasons:

- Taken from national dataset using data provided.
- Monitored by the Trust Board monthly via the Performance & Quality report.

The Frimley Health NHS Foundation Trust has taken the following actions to improve this indicator, and so the quality of its services, by:

- Continued training and education of all relevant clinical staff groups.
- Monthly monitoring report on performance by specialty. Actions monitored by the VTE Committee.
- Improved patient information education and discharge advice regarding preventing VTE following discharge.

# Clostridium difficile (C.diff) infection

Prescribed information: The rate per 100,000 bed days of cases of C. difficile infection reported within the trust amongst patients aged 2 or over during the reporting period.

Indicator and Scope	Prior Period	Latest Period	Data Source
C. difficile rate per 100,000 bed days	FY 2012-2013	FY 2013-2014	HSCIC
Frimley Park Hospital	8.5	7.4	(Health and Social Care
Heatherwood & Wexham Park Hospitals	13.8	15.01	Information Centre)
Trusts National Average	17.4	14.7	Indicator ID
Highest (worst) and Lowest (best) Trust Scores	31.2 / 0.0	37.1 / 0.0	P01557

The Frimley Health NHS Foundation Trust considers that this rate is as described for the following reasons:

• Taken from national dataset using data provided.

The Frimley Health NHS Foundation Trust has taken the following actions to improve this data, and so the quality of its services, by:

- Formal root cause analysis meetings (chaired by the Medical Director, Director of Nursing and Quality or the Director of Infection Prevention and Control) take place for every 'post 72 hour' C.diff case.
- Learning is fed back to care groups and assurance of progress on actions is an agenda item at monthly Hospital Infection Control Committee meetings and monitored by the Trust Board.

# **Patient safety incidents**

Prescribed information: The number and, where available, rate of patient safety incidents reported within the trust during the reporting period, and the number and percentage of such patient safety incidents that resulted in severe harm or death.

Indicator and Scope	Prior Period	Latest Period	Data Source
Rate of patient safety incidents*	Oct 2013- March 2014	Apr 2014- Sept 2014*	HSCIC (Health and Social Care
Frimley Park Hospital	23.1%	28.75%	Information
Heatherwood & Wexham Park Hospitals	28.5%	31.12%	Centre)
Highest (worst) and Lowest (best) Trust Scores	74.09/5.08 %	74.96/0.24%	P01558
Indicator and Scope	Prior Period	Latest Period	Data Source
Number of such patient safety incidents reported that resulted in severe harm or death.	Oct 2013- March 2014	Apr 2014- Sept 2014	HSCIC (Health and Social Care Information
Frimley Park Hospital	16	12	Centre)
Heatherwood & Wexham Park Hospitals	56	42	P01558
Indicator and Scope	Current Period  NRLS Data	Latest Period NRLS Data	Data Source
Rate of such patient safety incidents reported that resulted in severe harm or death.	Oct 2013- March 2014	Apr 2014- Sept 2014*	HSCIC (Health and Social Care
FPH Trust	0.7%	0.4%	Information
Heatherwood & Wexham Park Hospitals	1.8%	1.3%	Centre)
Highest (worst) and lowest (best) trust scores	2.3% / 0.0%	82.9%/0.0%	P01558

\*Latest data period available.

The Frimley Health NHS Foundation Trust considers that this data is as described for the following reasons:

• Taken from national dataset using data provided.

The Frimley Health NHS Foundation Trust has taken the following actions to improve this data, and so the quality of its services, by:

- Improved cancer performance against monitor indicators.
- Improved performance against Monitor A&E 4 hour indicator.
- Review of incident reporting procedures at HWP to align with the robust review process at FPH. Review underway of the latest period reported incidents to evaluate appropriate reporting and/or underlying concerns.

- Investigations undertaken in key areas to identify areas of improvement and to inform other workstreams.
- Embed changes in practice.

- Patient safety workstreams include:
  - Patient falls.
  - ➤ Venous thromboembolism (VTE).
  - Sepsis.
  - Acute kidney injury (AKI)
  - Medicines safety including opiate awareness.
  - ➤ Sign up 2 Safety Programme.
    - Improving patient's understanding of the consent process.
    - Clinical handover.
    - Reducing the number of perineal tears during birth.

### Part 3: Other Information

## 3.1 Review of Trust Quality Performance 2014-2015

This section provides an overview of the quality of care offered by the Trust based on performance in 2014-2015 against indicators selected by the Board in consultation with stakeholders, together with an explanation of the underlying reason for selection.

Wherever possible the data is shown over time in order that the reader can understand the progress made and compare the Trust's performance with other providers (hospitals). National benchmarking data is not available for the indicators in part 3.1 of this report (except where indicated) because data calculation methodologies are specific to the Trust.

## **Review of Quality Performance 2014-2015**

## **Patient Safety**

During 2014-2015, Frimley Park Hospital (FPH), Heatherwood Hospital and Wexham Park Hospital (HWP) have continued to focus on improving practice in a number of patient safety areas and have established a number of improvement projects with the aim of reducing preventable harm as defined in the Quality Strategy 2013-2016. Although the strategy was developed by Frimley Park NHS Foundation Trust, the safety principles apply equally to HWP. HWP performance is therefore been shown (as agreed with Monitor) wherever possible for October 2014 – March 2015.

**Rationale for inclusion:** In 2008-2009, FPH embarked upon a programme to reduce preventable harm by 30% and actually reduced harm by 53% (average). In last year's report, we stated that it was our intention to reduce preventable harm by a further 15% (average) by the end of the Quality Strategy 2013-2016 in order to realise our ambition to become the safest NHS trust nationally.

The Trust has made significant progress towards achieving the patient safety stretch target reduction of 15% by the end of 2015-2016. Performance against individual patient safety indicators is shown in the tables below.

Indicator	Baseline data	2012-2013	2013-2014	FPH Apr '14 – Sept '14	FHFT Oct '14 – Mar '15	Trend Over Time*
Methicillin-Resistant Staphylococcus Aureus (MRSA) (Number of avoidable cases)	4 (2008-2009)	1	4 (1)	1 (0)	FPH: 1/(1) HWP: 0	
Clostridium difficile (C.diff) (Number of lapses in care)	85 (2008-2009)	16	15	6 (0)	FPH: 4 / (1) HWP: 10 / (1)	
Pressure Ulcers Grade 2	269 (2009-2009)	144	90	48	FPH: 41 (Feb) HWP: 74	
Pressure Ulcers Grade 3	52 (2008-2009)	15	7	1	FPH: 1 (Feb) HWP: 7	
Pressure Ulcers Grade 4	15 (2008-2009)	0	0	0	FPH: 0 (Feb) HWP: 1	
Falls resulting in significant injury: occurrences per 1,000 bed days	0.10 (2010-2011)	0.03	0.03	0.03	FPH: 0.03 HWP: **	
Venous Thromboembolism (VTE) % risk assessment (higher = better)	83% (2010-2011)	93%	97%	97%	FPH: 99% HWP: 96.6%	
NHS Safety Thermometer (NHS ST) % Harm Free Care	93% (2012-2013)	93%	95%	95.3%	FPH: 96.0% HWP: 95.6%	

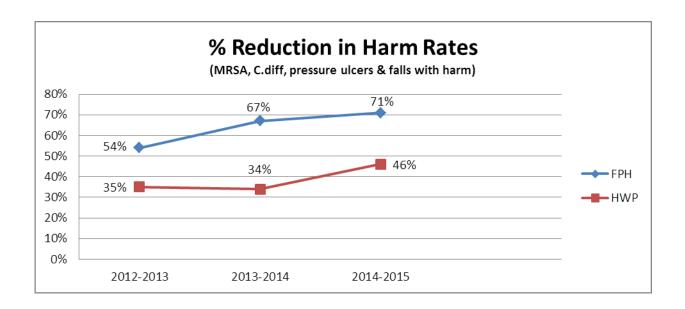
\*Trend over time relates to FPH baseline data. The first full year of data collection is shown in brackets

Safety Thermometer, national tool used to measure harm from falls, pressure ulcers, VTE and catheter associated urine tract infections.

Thumbs horizontal – performance maintained. Thumbs up – performance improved or improvement not possible. Thumbs down – performance

<sup>\*\*</sup> Data not currently collected in this format. Data will be aligned

Source: Trust performance data & NHS Safety Thermometer data



MRSA bacteraemias are reviewed at a root cause meeting to determine whether each case was either avoidable or unavoidable. The Trust has taken swift action to review its existing procedures following a post infection review that identified a single case of MRSA could have been avoided. The Board takes any lapse in care extremely seriously and is committed to working with external partners to minimise the risk of this happening again. An action plan has been developed and is now in place to address the lessons learnt. The Medical Director will continue to monitor progress at the Quality Committee and provide assurance to the Board.

### Actions taken include:

- Reinforcement for clinical staff on the appropriate placement of IV lines.
- Timely escalation to appropriate specialists to site difficult IV lines.
- Reinforcement of checking VIP scores as part of nursing bedside hand over and doctors' ward round.
- Reinforcement that IV devices must be checked as part of nursing bedside hand over and doctors ward round.
- New section added to Trust drug chart for mandatory completion by doctors before prescribing antibiotics to ensure that doctors are aware of antibiotic resistance before prescribing antibiotics.
- Ensuring that MRSA suppression treatment commences on day of positive result and documented on yellow card. Checked as part of nursing bedside hand over and doctors' ward round.

## **Ward Nurse Staffing**

In January 2014, the Department of Health made a number of commitments following the Government's response to the Mid Staffordshire NHS Foundation Trust Public Inquiry, 'Hard Truths; The journey to putting patients first'. All trusts are required to report and publish monthly ward staffing rates.

Data is reported as the proportion of the actual number of hours worked against the number of planned hours. Reporting commenced in June 2014 with May data.

Prior to acquisition				Frimley Health NHS Foundation Trust							
Hospital	May 2014	June 2014	July 2014	Aug 2014	Sept 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015
Frimley Park Hospital	101.2%	102%	101.6%	99.6%	99.5%						
Heatherwood & Wexham Park Hospitals	99.8%	97%	98.7%	95.1%	97.7%	98.4%	98.7%	98.7%	98.9%	98%	99%

Source: National Unify system

The Director of Nursing monitors nurse staffing on a monthly basis and it is reported to the Board via the Performance and Quality report. Nurse to patient ratios are continually monitored and formally reviewed and reported to the Board every six months.

The Trust has approved the following nurse staffing principles to ensure patient safety:

- Minimum of two trained nurses on duty in all ward areas, 24 hours a day / seven days a week.
- Trained nurse to patient ratios:

Day: 1:8Night: 1:10

Trust ward staffing levels have been reviewed in the last year. The Board has made a significant investment to enable ward areas to meet the above staffing principles.

### **Clinical Outcomes**

The Trust information system, Hospital Episode Database (HED), allows us to compare our specialty clinical outcomes nationally to identify areas where there is room for improvement.

### **Transient Ischaemic Attack & Stroke**

A transient ischaemic attack (TIA) or 'mini-stroke' is caused by a temporary disruption in the blood supply to part of the brain The disruption in blood supply results in a lack of oxygen to the brain. This can cause symptoms similar to those of a stroke, such as speech and visual disturbance and numbness or weakness in the arms and legs. However, unlike a stroke, the effects only last for a few minutes and are resolved within 24 hours.

**Rationale for inclusion:** TIA and stroke have been a key focus and priority for the Trust since 2009. Since then vast improvements to our TIA and stroke services have been made and an Early Supportive Discharge Team programme has been introduced. In our drive for excellence and continued improvement, we are continuing to focus on achieving the national targets. Data is governed by standard national definitions.

Indicator	2011-2012	2012-2013	2013-2014	FPH Apr – Sept '14	FHFT Oct '14–Mar '15	Trend over time*
80% of patients spend 90% of their inpatient episode on the stroke unit. (new 2013/14)	New	New	89%	94%	FPH: 84.7% HWP: 54.8%	
50% of [all] patients receive brain imaging within one hour of arrival.	31%	45%	54%	48.9%	FPH: 62.9% HWP: 14.5%	
60% of eligible patients receiving thrombolysis <60 minutes of arrival (door to needle).	56%	49%	66%	45.5%	FPH: 72.5% HWP: **	
90% of patients receiving brain imaging within 12 hours of arrival (new 2013/14).	New	New	96%	97.6%	FPH: 95.7% HWP: 87.4%	
95% of patients receiving a swallow screen within four hours of admission to stroke team.	New	95%	98%	83.3%	FPH: 85.8% HWP: 54.1%	
90% of direct admission to acute stroke unit within four hours of arrival.	New	72%	83%	73.9%	FPH: 76.0% HWP: 60.6%	P
40% of patients discharged under the Early Supported Discharge (ESD) team.	35%	36%	36%	29.5%	FPH: 45.0% HWP: 25.7%	
70% high risk TIA patients treated <24 hours of 1 <sup>st</sup> contact.	59%	75%	78%	63.3%	FPH: 78.3% HWP: **	

Source; Trust Data/SSNAP March 2014

\*Trend over time relates to FPH full year performance against baseline data, ie first year of data collection.

\*\* Data not currently collected in this format. Data will be aligned

The stroke service at Frimley Park has been graded as B by SSNAP. Trusts are graded using the scale A-E (grade A is best). The Trust is currently reviewing the stroke service to identify areas for improvement to achieve grade A as soon as possible.

The stroke service at HWP is	currently under rev	iew and the Trust	is working hard to	improve the	quality of
the current service.					

## **Acute Myocardial Infarction**

Myocardial Infarction (MI) is commonly known as a heart attack and it happens when a part of the heart muscle suddenly loses its blood supply usually due to a blood clot.

An electrocardiogram (ECG) records the electrical activity of the heart. The heart produces tiny electrical impulses which spread through the heart muscle to make the heart contract. These impulses can be detected by the ECG machine. An ECG is performed to help find the cause of symptoms such as palpitations or chest pain.

Percutaneous coronary intervention (PCI) is a non-surgical procedure used to treat narrowing of the coronary artery, using a balloon catheter to dilate (widen) the artery from within.

**Rationale for inclusion:** As cardiac intervention services form part of the Trust's hyper-acute strategy, the Trust will continue to focus on improving performance. We said in last year's Quality Report that the focus will be on the achieving the following standards:

- 85% of eligible patients receive treatment, call to balloon within 150 minutes (new)
- 85% of eligible patients receive treatment, door to balloon within 60 minutes
- 85% of eligible patients have an ECG performed within 15 minutes of arrival (new)
- 30% of eligible patients receive a PCI as a day case
- 40% of eligible patients receive a pacemaker as a day case

Data is governed by standard national definitions MINAP.

Indicator	2011-2012	2012-2013	2013-2014	2014-2015	Trend over time*
85% of eligible patients receive treatment; call to balloon within 150	90%	91%	91%	FPH: 90%	
minutes*				HWP: 86%	
85% of eligible patients receive treatment; door	79%	86%	87%	FPH: 89%	2
to balloon within 60 minutes*	7370	0070	0770	HWP: 66%	
85% of eligible patients have an ECG performed	050/	070/	070/	FPH: 96%	2
within 15 minutes of arrival*	95%	97%	97%	HWP: -***	<b>a</b> )
30% of eligible patients receive a PCI as a day		24%	50%****	FPH: 61%	
case**		2-7/0	3070	HWP: 27%	2
40% of eligible patients				FPH: 65%	٩/
receive a pacemaker as a day case.**		39%	48%****	HWP: 53%	<b>B</b> 7

Source: MINAP

<sup>\*</sup>Trend over time relates to FPH full year performance against baseline data, ie first year of data collection.

\*\*Trust Performance data

<sup>\*\*\*</sup> Data not collected in this format. Data to be aligned for 2015,16.

<sup>\*\*\*\*</sup> data differs from that contained in the previous Quality Report. Full year data is presented here.

### Dementia

Dementia is a syndrome (a group of related symptoms) associated with an ongoing decline of the brain and its abilities. This includes problems with; memory loss, thinking speed, mental agility, language, understanding and judgement.

Rationale for inclusion: One in three people over 65 will have some form of dementia. 670,000 people in England are living with dementia (predicted to double in the next 30 years – Department of Health 2012). Identified by the Trust (and noted by the CQC in the last inspection report) as a priority area for improvement. The indicators in the table below were monitored as part of the Frimley Park Hospital's CQUIN scheme during 2013-2014 and are not governed by standard national definitions:

Indicator	2012/13	2013/14	FPH Apr-Sept 14	FHFT Oct 14-Mar 15	Trend over time*
100% compliance with the training schedule	New	100%	100%	FPH: 100% HWP: 100%	
90% of all admitted patients (75+) who have been screened for Dementia (within 72 hours)	93%	100%	99.2%	FPH: 99.4% HWP: 92.2%	
90% of all admitted patients (75+) who scored positively on the dementia screening tool that then received a dementia diagnostic assessment (within 72 hours)	91%	100%	100%	FPH: 100% HWP: 91.7%	
90% of all admitted patients (75+) who received a dementia diagnostic assessment with a 'positive' or 'inconclusive' outcome that were then referred for further diagnostic advice/follow up (within 72 hours).	85%	100%	100%	FPH: 100% HWP: 100%	

Source: Trust data March 2014

\*Trend over time relates to FPH full year performance against baseline data, ie first year of data collection.

The Trust has continued its' commitment to deliver the highest standard of dementia care. A Dementia Clinical Nurse Specialist has been appointed on the Frimley Park site to lead dementia services who has been nominated for a national *Best Dementia Lead* award achieving a place in the top 5. The competition involved rigorous review of the dementia programme within Frimley Park, focussing on the actions taken to improving the experience for patients with a diagnosis of dementia and their carers.

Dementia awareness training has been reviewed during the year with staff being asked to identify person changes in behaviour that they will take back to their work environment. Changes identified by staff range from increased understanding and compassion to increased confidence to talk with patients in a way that engages them. Training has been delivered to a total of 5104 staff, both clinical and non-clinical on the Frimley Park site and 100% of staff receive dementia training on induction on the Heatherwood and Wexham sites.

## **Patient Experience**

The experience of our patients is as important as their health outcomes and is central to our mission to provide the highest quality care. This is the main rationale for the work we do.

During 2014-2015 Frimley Park Hospital and Frimley Health NHS Foundation Trust has continued to collect real time feedback on a wide range of quality indicators. A total of 6921 patients and their relatives or carers participated in local inpatient surveys.

**Rationale for inclusion:** To improve the standards of care and the experience our patients receive.

## Inpatient experience; essential care needs:

There are many essential standards of care. We consider that the following three 'needs' are a crucial and basic element of patient care in our hospitals. We have, therefore continued to monitor our performance against the indicators below.

Indicator	2012 (National Survey data)	2013-2014	FPH Apr-Sept '14	FHFT Oct '14-Mar '15	Trend over time*
95% of inpatients report they are always treated with dignity and respect.	83%	97%	97%	FPH: 97% HWP: 94.3%	
95% of inpatients report that they were given enough privacy when discussing their treatment/condition.	73%	93%	93%	FPH: 94% HWP: -**	
95% of inpatients report that they receive the required assistance with washing/dressing, eating/drinking and mobilising.	-	92%	91%	FPH: 92% HWP: -**	
95% of inpatients who would definitely recommend the Trust (FPH) Patients who are either extremely likely or likely to recommend (HWP).	-	95%	89%	FPH: 92% HWP: 91.5%	9

Source: Trust local survey data

\*Trend over time relates to the FPH performance against FPH 2012 CQC National Survey results or the 1<sup>st</sup> year of data collection.

\*\* Data not currently collected in this way. Data will be aligned for 2015 – 2016.

Heatherwood and Wexham Park are aligning their patient satisfaction with that of Frimley Park Hospital.

The Trust is working hard with patients, Trust members and Healthwatch to identify scenarios which could lead to patients feeling unsupported with their care needs and therefore improve our performance in this area and improve the experience of our patients.

## **Dementia Carers Survey**

It is recognised that people with dementia do not respond well to changes in environment and their routine. The Trust is keen to provide an excellent service and we have therefore introduced a questionnaire which can be completed by the carer/relative of patients with dementia in order to better understand what carers think of their experience.

Indicator	2013-2014 (baseline)	FPH April – Sept '14	FHFT Oct '14 – Mar '15	Trend over time*
Percentage of patient carers who would recommend our services to friends and family (likely & extremely likely).	89%	85%	FPH: 75% HWP: **	7
Percentage of patient carers who would score the care received by their relative / friend between 6 and 10 (higher = better).	89%	85%	FPH: 88% HWP: **	7

Source: Local survey data.

The number of carers giving feedback has increased substantially at Frimley Park during 2013-2014, from 19 to 97. Although performance has decreased from the baseline position it should be recognised that the Trust now has greater confidence in the results due to the significantly increased number of carers who are prepared to give us their feedback on their experiences. Despite the decrease in the proportion of people who would either be *extremely likely* or *likely* to recommend only 8 of the responders would either be *extremely unlikely* or *unlikely* to recommend.

Engagement with carers is a key focus of the Dementia service at the Trust and is key to understanding the ways in which we can improve the experience of those patients with a diagnosis of dementia while an inpatient.

The learning arising from the results of this survey are fed back to clinicians for action on a monthly basis. An action plan has been developed and is monitored by Dementia Steering Group.

Improvements made to the environment for inpatients include:

- Clocks with large print date and times, introduced to support patients and help them orientate.
- Portable radios.
- Magnetic bedside board signs as an 'at-a-glance' discreet identification using a Butterfly symbol, to
  alert staff to patients with a diagnosis of dementia to ensure they receive the appropriate level of
  assistance and care.

The Trust has also been working with a local social enterprise company who will be piloting a voluntary activity scheme. Volunteers will include activity co-ordinators, hair and nail care and complimentary therapies.

Heatherwood and Wexham Park Hospitals have a different survey for carers that has been undertaken monthly in 2014-2015. A minimum of 10 carers a month have been surveyed. There have been great improvements in three areas:

- Carers feel more supported by staff and more involved in the care of their relative during their admission.
- Carers have fed back that the staff understanding of dementia has significantly improved.
- Dignity and respect.

Further work is required to involve carers with discharge planning for patients with dementia.

<sup>\*</sup>Trend over time relates to the FPH performance against FPH baseline data.

## **National Friends and Family Test**

**Rationale for inclusion:** National measure for patient experience as part of healthcare providers' contracts. Question: If a member of your family or a friend needed similar treatment how likely are you to recommend this ward/department/service? There are six response categories: *extremely likely, likely, neither likely nor unlikely, unlikely, very unlikely or don't know.* 

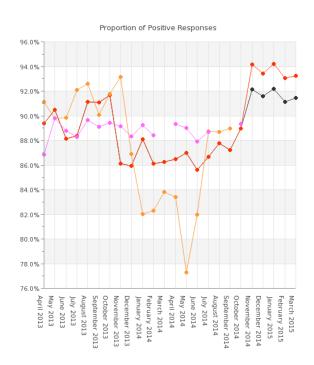
## Inpatients (ward) and Accident and Emergency

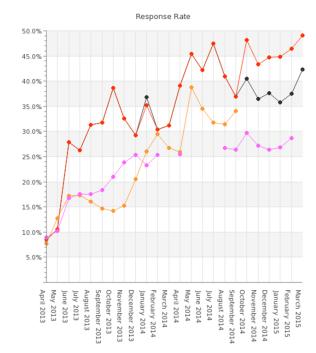
The Trust has fully embraced and embedded the FFT which is reflected in the exceptional performance compared with the national average. Data is governed by standard national definitions.

Response rate is calculated using the number of inpatients (who were admitted for at least one night) or the number of Accident and Emergency department attenders compared with the number of responses received.

Indicator	2013-2014	April – Sept 2014	Oct 2014 – Mar 2015	Trend over time*
Accident and Emergency department response rate.	24%	42%	FPH: 47% HWP: 22.7%	
Inpatient (ward) response rate.	37%	41%	FPH: 45% FHFT: 52.3%	
Combined Inpatient and Accident and Emergency department response rate.	28%	42%	FPH: 46% FHFT: 32.0%	

Source: Trust data reported to national Unify system. \*Trend refers to FPH performance against 2013-2014 data.





Data Source: national dataset: fft.england.nhs.uk Key: Black= Frimley Health, Red = Frimley Park, Yellow = Heatherwood & Wexham, Pink = Local Area Trusts The graphs above demonstrate that the enlarged Trust can have a greater degree of confidence in the proportion of positive responses as the response rate is significantly higher than other local area trusts. The proportion of Heatherwood and Wexham positive responses improved rapidly following the buddying initiative with Frimley Park Hospital prior to acquisition in October 2015.

A range of actions have been taken as a direct result of the feedback our patients have given us including;

- Ear plugs and masks. Noise at night has been highlighted Trust-wide as a concern. Staff are encouraged to reduce noise during night hours and wear shoes that do not make a noise.
- A rolling programme to upgrade the environment including double glazing all windows. This will significantly improve our patient care environment.
- The lighting has been changed, and it is a lot brighter on wards where this was identified as an issue.
- New signs for patients that are on food charts these are working really well. (G9 Cardiac Stepdown Unit)
- A review of seating facilities in the Accident and Emergency Department.
- Waiting times in Accident and Emergency Department now displayed on the TV screen.
- A pilot project for a senior nurse to 'meet and greet' patients attending A&E to support improved streaming of patients and improve waiting times.
- A review and increase of staffing levels on one of our medical wards

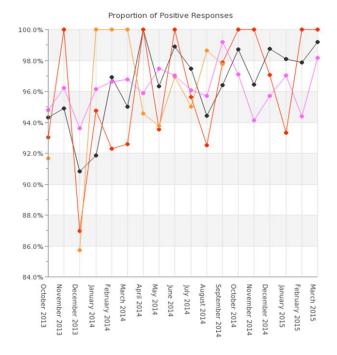
### **Maternity services**

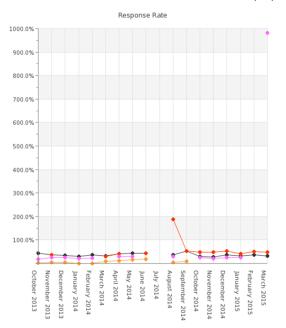
Rationale for inclusion: to establish the level of satisfaction with our maternity services with the aim of improving women's experience.

Indicator	2013-2014 baseline	April – Sept 2014	Oct 2014 – Mar 2015	Trend over time***
Response rate – all questions	34%	41%	FPH: 46%* HWP **	

Source: Trust data.

\*\* HWP and FPH data unavailable via the national FFT analytic portal





\*\*\* Trend relates to FPH performance against baseline data
Data Source: national dataset: fft.england.nhs.uk

Key: Black = Frimley Health NHS Foundation Trust, Red = Frimley Park, Yellow = Heatherwood & Wexham Park Hospitals, Pink = local area trusts.

A range of actions have been taken as a direct result of the feedback our patients have given us including:

- Introduction of a midwifery led birthing unit.
- Birthing pools availability.
- Refurbished maternity ward environment.

### Part 3:

# 3.2 Frimley Park Hospital NHS Foundation Trust performance against selected Monitor metrics 2013-2014

Monitor is the health sector regulator. As part of this work Monitor sets the Trust guidance on some of the reporting requirements in this report. These requirements are partly set out in the table below. Full year 2014-2015 data is presented for Frimley Park Hospital (FPH) and Heatherwood and Wexham Hospitals (HWP) due to the difficulties in extracting part year information. FHFT data October 2014 – March 2015 is shown for clarity.

Indicator		Monitor Threshold	FPH FY	HWP FY***	FHFT*
Clostridium Difficile (C. diff)	18 FPH	10 🕏	23 🕏	14 🗳	
(Nun	nber of avoidable cases)	34 HWP	(1)	(4)	(2)
All cancers: 31-day wait for s	second or subsequent				
treatment comprising either			**		
<ul><li>Surgery</li></ul>		94%	97.5%	97.3%	98.6%
<ul> <li>Anti cancer drug treatm</li> </ul>	ents	98%	100%	99.78%	99.6%
<ul><li>Radiotherapy</li></ul>		94%	N/A	N/A	N/A
All cancers: 62-day wait for j	first treatment,				
comprising either:			**		
<ul> <li>Urgent GP referre</li> </ul>	al for suspected cancer*	85%	88%	81%	85%
	creening service referral	90%	98.5%	83.4%	93.2%
*The year end position for has beer	audited by PwC.				
	Admitted				
	Qtr 1		92.0%	85.2%	N/A
	Qtr 2	90%	85.1%	91.3%	N/A
	Qtr 3		88.0%	92.3%	88.8%
	Qtr 4		87.5%	85.4%	86.7%
	non-admitted				
Maximum time of 18	Qtr 1		97.3%	95.2%	N/A
weeks from point of	Qtr 2	95%	96.0%	94.6%	N/A
referral to treatment in	Qtr 3		96.0%	95.3%	95.6%
aggregate	Qtr 4		95.9%	95.1%	95.4%
	incomplete pathways				
	(A)				
	Qtr 1	222/	95.1%	93.2%	
	Qtr 2	92%	94.9%	93.5%	
	Qtr 3		94.5%	92.8%	93.7%
	Qtr 4		95.0%	91.5%	93.9%
All cancers: 31-day wait from diagnosis to first treatment		96%	98.9%	98.1%	99.5%
Cancer: two week wait from	referral to date first				
seen, comprising either:		**			
<ul> <li>All urgent refe</li> </ul>	93%	95%	94.7%	95.3%	
<ul> <li>For symptomatic bre</li> </ul>	ast patients (cancer not	93%	96%	98.4%	98.3%
	initially suspected)				
	4(2,122)				

\*(FHFT) Frimley Health Foundation Trust: data period October 2014 – March 2015.

<sup>\*\*</sup> Cancer data March 2014 – February 2015

\*\*\* HWP Data not subject to assurance procedures by external auditors  $FY = Full\ Year$ 

Indicator	Monitor	Apr 14-Sept 14	FHFT
	Threshold	(FPH)	Oct 14 – Mar 15
ED -maximum waiting time of four hours from arrival to admission/transfer/discharge	95%	Qtr 1: 95.90% Qtr 2: 95.34%	Qtr 3: 94.49% Qtr 4: 93.71%

Performance against the four hour A&E standard has significantly improved on the Wexham Park site, and was achieved in three out of the six months since acquisition, only narrowly missing the target in October.

- October 94.7%
- November 95.3%
- December 92.3%
- January 89.6%
- February 96.4%
- March 95.2%

Frimley Health A&E performance for January – March was ranked 25th nationally out of 250 hospitals with A&E services.

Performance for 18 weeks is improving across the enlarged Trust and HWP have significantly improved performance against cancer indicators as a result of the review of cancer patient pathways.

### Annex I

Statements from the Council of Governors, OSC and Commissioners

### Patient Experience Group (PEIG) comments on Quality Report 2014-2015

As a sub-group of the Council of Governors (CoG), the PEIG meets quarterly to provide feedback to the Trust and the CoG on matters relating to service developments and patient experience. The group comprises publicly elected Governors, Staff Governors, Stakeholder Governors and co-opted members with relevant patient expertise and experience. As such the group is in an ideal position to monitor the quality of services at Frimley Health NHS Foundation Trust (the Trust). In the coming year the Trust will consider inviting Healthwatch to be involved in their programme of activities.

The PEIG has sought to evaluate on going quality of services provided by Frimley Park Hospital during April 2014 – September 2015 and Frimley Health NHS Foundation Trust for the period October 2014 – March 2015. This year the PEIG focussed on:

- Improving the care and experience for patients who are being discharged from hospital (including transport services)
- Reducing noise at night
- Ophthalmology department service improvement including the UK's first mobile macular unit.
- Communication around hospital sites.

The PEIG was particularly pleased to see the upgraded maternity facilities on the Frimley Park site and dementia support initiatives over the last twelve months which have led to improved services for our patients and wider community. It is gratifying to also note the improvements made to services at Heatherwood & Wexham to improve patient care and enhance patient experience. With the adoption of the quality standards set by Frimley Park, we have confidence that patient experience will continue to improve across the enlarged Trust.

The PEIG feels that the Report accurately defines the quality standards, targets, achievements and the Trust's determination to continue to strive for on-going improvements. The PEIG recognise that the three hospitals are at differing stages of their journey to provide excellence in all healthcare services and are pleased to note that the priorities selected, whilst applying Trustwide will be targeted towards driving improvement on an individual hospital basis.

We believe the 'Outstanding' CQC rating awarded to Frimley Park Hospital just prior to the acquisition, is further evidence that the Trust leadership team has the drive and ambition to ensure that patients receive the highest standard of care regardless of the site where they choose to receive their care.

The group also felt strongly that engaged, well supported, staff impact positively on the care and outcomes of patients and therefore fully supports the continued focus on staff development and is pleased to note the very positive results from the national staff survey.

The PEIG is fully supportive of the priorities for improvement identified for 2015-2016 ie discharge planning, recognising the deteriorating patient and reducing risks associated with clinical handover. The group was also pleased to note that performance in 2015-2016 by HWP against the priorities identified in their last Quality Report, will continue to be monitored as described in part two of this report. There is clearly more work to do on Sepsis and acute kidney injury and the group was pleased to note that this will be part of the CQUIN scheme for next year.

The PEIG continues to gain assurance on how our patients feel about the care they receive from the national Friends and Family Test as the Trust continues to benefit from the extremely high level of feedback from patients. The Trust has consistently achieved higher response rates than other local Trusts since the test was introduced in April 2013 and has consistently achieved response rates in the upper quartile nationally. The PEIG therefore, has a high degree of confidence in the excellent results reported.

Along with other Governors, PEIG members continue to be involved in the Quality Assurance Walkabout programme where we see first-hand how the doctors, ward sisters, nurses and other clinical support professionals such as occupational therapists and physiotherapists interact with patients and their families and carers. Such close involvement enables Governors to really get a 'feel' for how wards are operating and enables the highlighting of areas requiring attention or improvement.

As in previous reports, achievement against specific targets is best viewed from the perspective of trends and the PEIG is pleased to note a further reduction in the number of both MRSA and C.Diff cases. Although the single instance of MRSA reported as *avoidable* was extremely disappointing, it is reassuring to know that the Trust took immediate action, at all levels, to mitigate the likelihood of future *avoidable* infections.

The group were delighted to note that the Trust has maintained zero cases of grade 4 hospital acquired pressure ulcers (PUs).

In conclusion the group is satisfied that the Report is a true statement of quality at the Trust and is assured by the significant achievements detailed in part 1 of the Quality Report. There is strong evidence that both managers and staff are not complacent and continue to push the boundaries of quality for patients, their families, and carers to excellent effect.

**Keith Dingle** Chairman, PEIG 27 April 2015

#### Commissioner statement

North East Hants and Farnham Clinical Commissioning Group (CCG) welcome the opportunity to comment on the Frimley Health NHS Trusts Quality Account for 2014/15. We have a positive working relationship with the Trust and work in partnership with our neighbouring Clinical Commissioning Groups in Surrey Heath and Bracknell, Windsor and Ascot to ensure services for our local population are delivered safely and effectively and provide people with a positive experience of healthcare.

### Report structure

Frimley Park Hospital NHS Foundation Trust (FPH) acquired Heatherwood and Wexham Park NHS Foundation Trust and became Frimley Health Foundation Trust on the 1 October 2014. In this first quality Account for Frimley Health the Quality Account has been shared with our partner Clinical Commissioning Group in Surrey Heath CCG and this statement is based on a collective view of the Frimley Park Hospital element of the account. Bracknell, Windsor and Ascot CCG will provide an individual response to the Frimley Quality Account. We believe that the account is generally supported by relevant data, incorporates the mandated elements required and are satisfied it is accurate and provides appropriate evidence of the Trust's quality improvement progress.

### Quality improvement priorities for 2014/15

Frimley Hospital has continued to demonstrate a drive toward making continuous quality improvements to its services, working with the community and primary care to find new and transformational ways of delivering care to patients. The Trust has demonstrates an acknowledgement of the value in working collaboratively through a whole-system approach with stakeholders across the local health and social care sector.

Commissioners want to take this opportunity to congratulate Frimley Health on a successful acquisition and want to recognise the scale of the work that was undertaken, however we also want to ensure that quality and safety remains the focus of the Trust across all sites. The Frimley Health account acknowledges differences in quality and performance between its Frimley Hospital, and Heatherwood and Wexham Hospital sites. The Trust has had to introduce a new management structure and the Commissioners want to work with the Trust to support an approach where learning and good practice lessons are shared across the three sites to drive good practice and shared learning.

Frimley Health NHS Trust has outlined its priorities for 2015/16 and Commissioners broadly support these. Further clarity will need to be given on how these priorities will be monitored and implemented.

### Patient safety

Over the past year Commissioners have received good assurance with the way in which Frimley Park Hospital have managed their Serious Incidents. The hospital manages their cases in a methodological way and meets national timescales. The Trust also demonstrate good practice of involving patients and their families in serious incident reviews which brings great value to the understanding of what has happened and learning of what can be improved. The quality of their root cause analysis reports and open discussion at Serious Incident Panels supports Commissioners assurance in the management of the most serious

patient safety incidents. We will be working with the Trust to provide clearer assurance around the closure of serious incident action plans to ensure that learning has been shared, changes made to minimise future risk and to support improvements to clinical practice.

Commissioners welcome the Trust enrolling to the National Sign up to Safety campaign, with Frimley Hospital being chosen as one of twelve hospitals to pilot the programme. The Trust Board have subsequently decided that this should be extended to all trust sites and we look forward to hearing how this work is progressing and the impact it has on patient safety.

We are pleased to note that reducing the rate of pressure ulcers has continued from the previous year in all grades of pressure ulcers and Commissioners want to encourage this good practice to continue into 2015/16.

Commissioners welcomed the roll out of the Sepsis awareness campaign in 2014/15 which included an awareness DVD and launch of the of sepsis care bundle for the recognition and treatment of sepsis. This work will continue to be monitored through the new National CQUIN and Commissioners support the focus in this area of care which can prevent Sepsis occurring, a potentially life-threatening condition.

We expect that the systems to support the early detection of frail elderly patients by assessment in a standardised format, supporting consistent clinical decision-making and appropriate clinical responses to support admission avoidance and will continue to make a significant impact through 2015/16, linking to the wider system wide integration agenda. We look forward to seeing how learning from these processes continuously improves the level of service that is offered and ultimately impacts on outcomes for patients. This has been linked to a local CQUIN for 15/16.

In line with recommendations in the Francis Enquiry and the Hard Truths report we are pleased that the priorities focus the Trust's attention on ensuring appropriate and safe staffing levels. With an understanding of the difficult recruitment issues faced nationally and locally at Frimley Health, Commissioners will continue to work with the Trust to ensure sustainable staffing levels across all service lines are in place to meet the challenges of the rising demand for healthcare and support the focus on the launch of staff values and organisational values across the three hospital sites, following the acquisition.

### Patient experience

Commissioners acknowledge the aim to focus on what matters to patients by supporting patients during their pathway of care. The commitment to real time patient experience data collection, linked to the Friends and Family Test in all areas of care is also welcomed. We share the Trust's recognition that they should continue to focus attention on gaining feedback from patients, particularly 'real-time' data that can be acted upon in a timely manner and look forward to improvements in this area. Commissioners have noted that the Trust is focussing, primarily on the improvement of the response rate for the Friends & Family test and we would challenge the Trust to place equal emphasis on the learning from the narrative given and ensuring that patients from marginalised groups, whose voices are often not heard, have an appropriate opportunity to provide feedback on their experience of services.

2|Frimley Health Quality Account 2014/15 V4FINAL

We would also welcome the priority of working with carers and understanding their needs and views. We would like to see the section on this strengthened, with clearer targets and/or aims developed with carers, particularly in light of the Care Act which came into place in April 2015. We have developed a CQUIN with the Trust with a focus on patient and carer involvement in patient discharge for the coming year and are looking forward to seeing the impact the new innovative ways of working will improve the experience of patients, their families and carers.

### Clinical Effectiveness

Achievements reported against 2014/15 priorities and overall quality performance Overall in 2015/16 we are pleased to note:

- The long list of actions the Trust has carried out to improve overall quality of patient safety, clinical effectiveness and patient experience throughout the year and significant achievements through their CQUIN innovation projects.
- We are particularly pleased to note overall judgement from the Care Quality Commission's (CQC) inspection in 2014 was outstanding for Frimley Hospital prior to the acquisition
- Despite pressures, particularly over the Christmas period, Frimley Hospital A&E
  performance has been consistent. Commissioners will continue to work with the
  Trust to meet the ever increasing demands on services and to transform the way
  services are delivered for frail and elderly patients and people with chronic health
  conditions.
- The NHS Staff Survey results improved during 2014/15, which is a particular achievement during an acquisition
- Progress with reducing the number of avoidable pressure ulcers during the last year.
- In June 2014, the opening of the new mobile macular unit, the first of its kind in England, to bring treatment closer to patients in Berkshire, Hampshire and Surrey.
   The Trust mobile service assesses diagnoses and treats patients with age related macular degeneration (AMD).
- Creating better services for the frail and elderly (with input from social services and
  commissioners). This has been a focus for Commissioners with the CQUINs for
  2014/15 will continue to be a focus for the coming year. The work has included a
  Falls awareness campaign, assessment and referral service, geriatric assessment, and
  development of Single Point of Access services in the community to support
  discharge from hospital and the development of better assessment tools in hospital.
- The Trust continues to maintain reduction in the numbers of patients with MRSA
  infection and Clostridium Difficile and we commend them on their achievement.
  However, Commissioners were disappointed to have had 2 MRSAB, with a lapse of
  care, but commend the Trust in sharing their working and learning with through
  involvement and sharing with the CCGs.

We will continue to support the Trust with two particular areas which have not been noted in the Account which as Commissioners we feel could have an impact on quality and need to be reflected in the priorities:

- The Trust has highlighted an increase in demand for services and the levels of acuity
  in patients and it must remain a priority for the Trust to provide robust evidence of
  how to manage this across the system to enable productive conversations with
  Commissioners about potential future funding models and to ensure the Trust can
  continue to provide assurance that they deliver safe and effective services.
- The Account doesn't include a priority for the implementation of Choose and Book –
  to be working effectively. Commissioners have jointly raised this as a priority for the
  Trust and expect to see this in their plans for 2015/16.

### Commissioning for Quality and Innovation (CQUIN)

Commissioners are pleased to note consistent achievement of quality improvement goals in many of the 2014/15 CQUINs. There is a new programme of CQUINs in place for 2015/16 which will focus on patient discharge, older people with frailties, patient and carer involvement in discharge, Acute Kidney Injury, dementia and an urgent care admission avoidance national CQUIN. These CQUIN schemes have been developed with the Trust with to support whole system healthcare improvement.

### **Commissioner Assurance Visits**

During the last year, Commissioners have undertaken a small number of visits to services and had the opportunity to talk to staff and patients. We have been encouraged that these visits have demonstrated a workforce who is focussed on providing quality healthcare for patients. We will continue with a more robust visit programme over the coming year.

### Data Quality

Commissioners will continue to work with the Trust to ensure that data accuracy and reporting at all levels remains a key priority. We will also continue to work with the Trust to ensure that quality data is reported in a timely manner through information schedules.

### Clinical Audit and Research

Commissioners note that a number local audits have been undertaken across the organisation, and that these provide an opportunity to benchmark the quality of the Trust's clinical services locally and nationally. Clinical Audits are often provided by the Trust throughout the year to also support their CQUIN achievement, identifying good work that is happening in a particular field of clinical care.

### Commissioner Assessment Summary

North East Hants and Surrey Heath CCGs will continue to work with Frimley Health NHS Trust to raise the profile of quality improvement. The Trust is commended for their continued good work and emphasis on quality of patient care. Commissioners have a positive relationship with the Trust, one which is based on 'high support' and 'high challenge' and we look forward to continuing this. We are confident that we will continue to work together to ensure continuous improvement in the delivery of safe and effective services for patients.

## Commissioner Response Slough CCG, Windsor Ascot & Maidenhead CCG, Bracknell & Ascot CCG and Chiltern CCG.

Frimley Health NHS Foundation Trust QUALITY ACCOUNT 2014/15

## **Statement**

The Clinical Commissioning Groups (Slough CCG, Windsor Ascot & Maidenhead CCG, Bracknell & Ascot CCG and Chiltern CCG) are providing this response to the Frimley Health NHS Foundation Trust Quality Account for 14/15.

## Quality Account 2014/15

The Quality Account provides information and a review of the performance of the Trust against quality improvement priorities set for the year 2014-15 and gives an overview of the quality of care provided by the Trust during this period. The priorities for quality improvement are also set out for the next 12 months. Frimley Health NHS Foundation Trust Quality Account for 2014/15 has clearly identified their successes to date and also areas for further improvement. The CCG's support the Trust's openness and transparency. They are committed to working with the Trust to achieve further improvements and successes in the areas identified within the Quality Account and during this transformational period following Frimley Park Hospital acquiring Heatherwood and Wexham Park Hospital in October 2014. This will be carried out through a number of both proactive and reactive mechanisms and collaborative and integral working.

We were pleased that the Care Quality Commission (CQC) was able to award Frimley Park Hospital an 'Outstanding' rating and recognised that the Trust was nationally recognised for the strength of leadership at all levels of the Trust and for the quality of its services. In October 2014 Heatherwood and Wexham Park Hospital NHS Foundation Trust were still deemed to be 'inadequate' by the CQC. The CCG's will be monitoring throughout 2015/16 the progress of improvement and patient experience following the acquisition and the changes the Trust has made particularly in governance, culture, quality and financial stability. The changes that have been made have been significant and in the right direction already. Momentum must be maintained so that progress can continue on the expected trajectory. The Commissioners were pleased to note the areas of good practice highlighted across the whole Trust and the benefits that these initiatives will have for the population of east Berkshire and South Buckinghamshire. We are pleased to note that the Trust has endorsed the Sign Up to Safety campaign and we will be monitoring the progress of this initiative throughout the forthcoming year.

The Commissioners agree with the 3 priorities set for 2015/16, the deteriorating patient, clinical handover and discharge planning and the rationale for the selection of these priorities. The 9 priority areas for Heatherwood and Wexham Park Hospital from 2014/15 are still considered to be areas for further improvement for this year and it is noted that in the Quality Account the Trust has identified the importance of continuing the improvement work for this year. The Commissioners are disappointed that given the quality issues reported throughout 2014/15 and also highlighted by the CQC for Heatherwood and Wexham Park Hospital that the priorities do not include stroke performance, 18 weeks performance including booking, A&E performance, cancer waits and diagnostics. At the time of writing the report Frimley Health NHS Foundation Trust had not included Heatherwood and Wexham Park Hospital performance against 2014-2015 priorities. The Commissioners however were pleased to note the overall performance of Frimley Park Hospital against the targets set for its priorities for 2014/15 and the narrative report on the work that was undertaken to achieve the targets.

In the Quality Account report it is identified that there is a significant difference between the percentage of staff who would recommend the Trust to their family or friends between the Frimley Park site and Heatherwood and Wexham Park Hospital. The Commissioners will be monitoring the data through the year to ensure that a good performance is maintained for Frimley Park Hospital and an upward % for Heatherwood and Wexham Park following the cultural changes implemented at

these hospitals following the acquisition. This is also comparable to the responses from patients for the % of inpatients who would definitely recommend the Trust.

At the time of writing this response not all the data for clinical outcomes was available for comparison and comment. Heatherwood and Wexham Park however has continued not to meet the targets set for stroke services for 2014/15 and these targets are still not being met even after extensive work following a Contract Query Notice being issued by the Commissioners. This does have an impact on the quality of care provided for these patients and their carers. There is also a different level of achievement between the hospitals for Acute Myocardial infarction on the indicators reviewed and the commissioners expect to see an improvement for 2015/16. There is good achievement for the dementia indicator and we acknowledge that the dementia carers satisfaction target was not met at Frimley Park Hospital but the Trust will be carrying out further work with carers as part of the National Commissioning for Quality and innovation (CQUIN) payment for 2015/16. No data was available for Heatherwood and Wexham Park Hospital on this indicator.

The CCG's were pleased to note that Frimley Park Hospital had good achievement against the monitor metrics but disappointed that the Heatherwood and Wexham Park data was not available to compare against these set targets.

The Trust has indicated some impressive future developments described in a single five-year strategy document. These developments will enhance the patient and carer experience across all sites with significant plans to improve the facilities and specialty services. The CCG's are supportive of the changes that this transformation will have to its local population and will look forward to jointly discussing these plans in order to agree the impact across commissioners and the affordability of these intensions. There will need to be further discussion with the CCG's and the Trust on what is the best options for stroke care locally this will include what is required with regards to a hyper acute stroke unit.

The CCG's in east Berkshire and South Buckinghamshire will continue to work closely with the Trust during 2015/16 supporting the newly formed organisation throughout a time of significant change. Commissioners will continue to meet monthly with the Trust via the Clinical Quality Review Meetings to discuss and highlight issues of concern and seek assurance of actions to mitigate patient safety issues and to monitor the priority indicators for improvement.

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Thank you for the opportunity to comment on your 2015 Quality Account.

We note the key priority areas for 2015/16 and the planned work to improve services across all sites. We would like to be added to the report under ways in which people have fedback throughout the document but particularly on page 39.

We particularly welcome discharge planning as a main priority area as feedback throughout the year from patients has indicated that this area requires improvement from patients being told they would be leaving and then not doing so to the length of time it takes for the relevant paperwork and any medication to be ready.

Under the section "Quality and Safety" page 12 and subsequent feedback from our patients indicates that not all staff introduce themselves or indeed feel welcomed onto a ward particularly relatives or carers of patients.

Healthwatch Bracknell Forest would also welcome further work being done with staff on the Mental Capacity Act and DOLS standards as again feedback indicates this is not fully understood by ward staff.

During the course of the year some other areas for improvement have been highlighted with Frimley Health which include outpatients appointments, cancellations and the issues with choose and book. Ward staff attitude has been highlighted as an area for improvement on several wards along with highlighting specific issues on one stroke ward.

Healthwatch Bracknell Forest would like to thank Frimley Health for their prompt response to our Wexham Park accident & emergency visit where several small adjustments have been made following patient feedback.

Healthwatch Bracknell Forest has offered to be an anonymous point for staff to post areas for concern or improvement, which has been taken up by neighbouring NHS trusts, and we would like to see this offer fully taken up in 2015/16 by Frimley Health.

We would like to express our thanks to the newly found openness from all areas of the Trust and we look forward to continuing to work with Frimley Health NHS Foundation Trust with the aim to improve patient engagement and experience.



### Annex II

Statement of Directors' responsibilities for the Quality Report

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

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 NHS foundation trust boards should put in place to support the data quality for the preparation of the Quality Report.

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

- The content of the Quality Report meets the requirements set out in the *NHS foundation trusts annual reporting manual 2014-2015* and supporting guidance.
- The content of the Quality Report is not inconsistent with internal and external sources of information including:
  - o Board minutes and papers for the period April 2014 to April 2015.
  - o Papers relating to quality reported to the Board over the period April 2014 to March 2015.
  - Feedback from commissioners dated 20 May 2015 (Slough, Windsor Ascot & Maidenhead,
     Bracknell & Ascot, and Chiltern CCGs) and 21 May 2015 (North East Hants and Farnham CCGs).
  - Feedback from governors dated 27 April 2015.
  - Feedback from local Healthwatch organisation, Healthwatch Bracknell Forest dated 6 May 2014.
  - The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009 dated January 2015.
  - The latest national patient survey 2 December 2014.
  - o The latest national staff survey February 2014.
  - The Head of Internal Audit's annual opinion over the Trust's control environment dated
     13 May 2015.
  - o CQC intelligent monitoring report dated July and December 2014.
- The Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered.
- The performance information 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 in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review and
- the Quality Report has been prepared in accordance with Monitor's annual reporting guidance (which
  incorporates the Quality Accounts regulations) (published at
  www.monitor.gov.uk/annualreportingmanual) as well as the standards to support data quality the
  preparation of the Quality Report (available at www.monitor.gov.uk/annualreportingmanual).

The Directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Report.

By order of the Board

Mire Aaronson

Sir Mike Aaronson

Chairman

29 May 2015

**Sir Andrew Morris** 

Andrew Morris

Chief Executive

29 May 2015

### Annex III

## Heatherwood and Wexham Park Hospital update on Priorities for Improvement.

Within this appendix are the 2014 - 2015 priorities for Heatherwood and Wexham Park Hospitals as set in the 2013 - 2014 annual Quality Report. Each priority includes the rational for this priority; how the priority will be measured, monitored and reported, and the update for 2014 - 2015.

Achieved	Improved/further work required			

## Priority 1: Reduction in Number of Patient Falls Causing Patient Harm

**Rationale**: Heatherwood & Wexham Park Hospitals (HWPH) continues to have a higher than average rate of patient falls in hospital. Whilst incident reporting is encouraged, it is important to take adequate mitigating steps to ensure that harm resulting from falls is minimised.

**How this will be measured, monitored and reported**: The number of falls causing harm per ward will be measured and reported on a new ward dashboard as part of the Frimley Health NHS Foundation Trust (FHFT) patient safety indicators. The outputs of the dashboard will be discussed at governance meetings.

Data on the number of falls in month is also provided to the Trust Board on a monthly basis. In addition a new Falls Steering Group has been established which will review ward level data around falls and drive the improvements needed to mitigate the risk of falls.

## Results:



The number of falls with significant injury has fallen by 30%. A work programme has been developed which includes key learning points from serious incident investigations.

Staff training in relation to recognition of pain in patients with dementia or delirium is being undertaken to improve care for this group of patients who are often unable to state their levels of pain. Patients over 65 now have lying and standing blood pressures recorded once a day.

Source: safety thermometer

Priority 2: Improvement in the Normal Birth Pathway and Reduce Lower Segment Caesarean Section (LSCS) Rate

**Rationale**: HWPH has a higher than average LSCS rate. This has been subject to an external audit which showed that there are improvements that can be made across the birthing pathway.

**How this will be measured, monitored and reported**: The action plan developed to improve the normal birth pathway and reduce the LSCS rate will be reported using the FHFT Maternity quality dashboard and will be monitored initially by the Obstetric Steering Group and ultimately by the Trust Board.

## Results:



Further work is required to ensure sustainable improvement in the normal birth pathway and a reduction in the LSCS rate. There have been improvements but the rate is still higher than target.

Out turn 2013-2014: 30% YTD 2014 – 2015: 29%

	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	13/14 Out- turn
LSCS rate	30%	28%	28%	27%	22%	33%	30%	28%	29%	37%	30%	29%	30%

## **Priority 3: Improvement in Documentation and Communication**

**Rationale:** HWHP have undertaken successive clinical audits which highlighted the standard of clinical documentation to be a key patient safety risk. An analysis of complaints and incidents also highlighted inadequate documentation as a key area for improvement.

How this will be measured, monitored and reported: Nursing documentation is and will continue to be monitored through weekly 'compliance checks', the outcomes of which are reported to the Board each month.

FHFT have identified this as a priority area in the 2015 -2015 Quality Report. Improving the accuracy and timeliness of documentation is integral to the overarching priority of improving clinical handover. Reporting and monitoring of this priority is set out in part 2 of this report.

## **Results:**

The annual documentation audit report 2014, was discussed at the Clinical Effectiveness Group Meeting (CEG). Recommendations included merging the Consent and Documentation Audit. However the Documentation and Consent audits have since been aligned with Frimley Park Hospital audit programme.

The cross site HWPH Documentation Audit has been disseminated, improvements were made in 6/15 standards. An action plan has been developed to drive future improvement and a re-audit will be conducted in June 2015.

## Priority 4: Reduction in the Use of Indwelling Urinary Catheters and Associated UTIs (CAUTI)

**Rationale**: HWPH has a higher than average rate related to the use of indwelling catheters. As catheterisation poses a risk of infection and can have an adverse effect on the patient experience, it is important that catheters are only applied when clinically necessary.

**How this will be measured, monitored and reported**: The use of indwelling urinary catheters and UTIs will be measured each month using the national Safety Thermometer tool and will be reported to the FHFT Board as part of the patient safety indicators.

## Results:



Please see the graph below for 2014 - 2015 CAUTI data. The highest month was April 2014 and the lowest month was August 2014 with 0.2%.

The HWPH action plan for reducing CAUTI was developed and widely discussed. The *Stop & Think* campaign was launched with a new catheter bundle document. HWPH invested in additional bladder scanners, trained more staff in the use of the equipment and have monitored the campaign effect using the Safety Thermometer tool.

### Catheters and New UTI



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## **Priority 5: Enhancing Use of WHO Checklist**

**Rationale:** HWPH uses the World Health Organisation (WHO) Checklist for theatres. A recent audit and the draft February 2014 CQC Report has indicated that this is not used consistently.

**How this will be measured, monitored and reported**: The outcomes of quarterly audits relating to WHO Checklist compliance will be monitored via the FHFT Theatres and ICU quality dashboard.

## Results:



WHO checklist compliance has improved considerably at both Heatherwood and Wexham hospital sites. Audits are conducted monthly and monitored at the Theatres & Day Surgery Unity monthly clinical governance meetings and the Senior Theatre Management Group.

Recent audit results show a continued trend of 100% compliance. Recent initiatives have been to embed learning from Serious Incidents and update the WHO checklist to include key changes to enhance the efficacy of the process. A clear and positive culture shift has been seen across both hospital sites, and buy in has been seen across all specialties and consultants, who now regard this as part of their normal practice.

## Priority 6: Recognising the Deteriorating Patient and Acting

**Rationale**: There have been serious incidents reported which indicate that staff do not always recognise the deteriorating patient and/or follow appropriate clinical guidelines in treating them.

**How this will be measured, monitored reported**: HWPH will measure the number of cardiac arrests outside critical care and report on these outcomes within the ward dashboard which will be seen by the Board. In addition, FHFT will monitor the number of incidents associated with inadequate monitoring of the deteriorating patient. Reporting will be aligned with priority 2 in part two of this report.

## Results:



The total number of crash calls (confirmed from receiving an audit form) was 74. This represents a decrease of 7.5% over the 2013 - 2014 position.

Staff are reminded to complete forms at every training session and the Resuscitation Officers monitor compliance by visiting wards and completing incident forms for forms not returned. Submission of this data ensures that we can complete the National Cardiac Arrest Database to provide us with comparative data nationally. Staff receive training in the use of the Early Detection of Deterioration (EDOD) patient scoring system from the Outreach Service, who also monitor compliance with this tool. ITU, with the assistance of the Clinical Audit department, completed a re-audit of the EDOD scoring tool in March 2015.

## **Priority 7: Improving Nutrition and Hydration**

**Rationale**: There is evidence from ward dashboards, patient feedback and patient documentation that patients are not always adequately assessed or managed to optimise appropriate fluid or food intake. Fluid balance charts are not consistently maintained and occasions have been reported when patients have not received the necessary assistance with feeding.

**How this will be measured, monitored and reported**: The Trust will measure improvement in this area through the ward dashboard in respect of the following indicators:

- Checking completion of fluid balance charts included in documentation score;
- Checking the percentage of patients that have received a nutrition assessment;
- Checking the number of people that have received meal service assistance;
- Checking local patient survey feedback in relation to nutrition and hydration.

## Results:



The IV fluid lead has completed some work around fluid balance as part of the implementation of National Institute of Care Excellence (NICE) Clinical Guideline (CG)174, Intravenous fluid therapy in adults in hospital.

The IV Fluid lead has worked with a group of Foundation Doctors around the following indicator:

• Checking completion of fluid balance charts included in documentation score;

With regards to fluid balance charts, the team audited how were being used and updated appropriately. The results showed a complicate rate of 82% for surgical patterns and 83% for medical. Data is collected monthly on the ward dashboard. FHFT is reviewing the current fluid balance chart as part of the integration programme to standardise documentation across the enlarged Trust.

Ward dashboards have been completed monthly and wards have audited a set of notes to see if nutritional assessments have been completed. An audit of the nutritional assessment tool has also been undertaken by the dietetic department. This report is being finalised and will then be disseminated so any action required can be taken.

Meal service assistance is monitored via the dashboard. For some areas the assistance given to the ward hostess has been inconsistent.

The National inpatient survey has been received in quarter four and action planning days to review the data and plan improvements are timetabled. Food and nutrition are included in this survey. Local patient experience feedback has been collected from in-patients using a technology enabled programme – Patient Experience Tracker (PET) since January 2014. The aim of this method of collection is to capture current feedback and use it to assist medical and nursing staff in identifying areas for improvement in a more proactive way than older feedback allows. For 2015 - 2016 the survey questions have been revised and a question concerning nutrition has been included.

## Priority 8: Improving the Support Given to Carers of Patients with Dementia

**Rationale:** The feedback from the recent carers' audit indicates that more support is needed for carers of patients with dementia.

**How this will be measured, monitored and reported:** The dementia carers' audit is carried out each month. The audit report will be presented at a new Dementia Steering Group and reported through to the Trust Board. Supporting carers is part of the CQUIN programme and progress will be monitored and reported in line with scheme requirements.

## Results:



Data from the carers audit over the last year has demonstrated that the Trust has made significant improvement in supporting carers in the following areas:

- I. Carers feel that they are much more involved in the care of patients with dementia during their hospital stay.
- II. Staff have a greater understanding of dementia.

III. Carers have the view that patients with dementia are treated with dignity and respect.

This has been achieved with a more robust dementia training programme. All new staff now receive dementia awareness training as part of their induction programme and substantive staff also attend this as part of their 3 yearly essential training.

The Dementia Champions programme has continued and facilitates clinical ownership of good practice for caring for people with dementia who are admitted to hospital.

HWPH continues to be committed to supporting relatives and carers to enhance their well-being and enabling them to continue in their caring role.

## Priority 9: Screening and Assessing Patients Over the Age of 85 Years for Indications of Frailty

Rationale: Frailty in older people is not always recognised and this is a now a national priority.

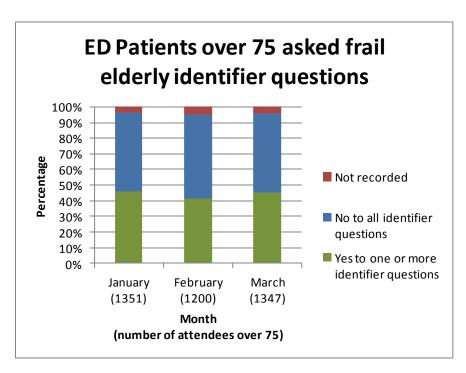
**How this will be measured, monitored and reported:** Reports of achievement against specified standards will be reported to the Board in line with the requirements of the CQUIN scheme:

- Patients over the age of 85 will be screened using a recognised frailty tool;
- If frailty is suspected, a full comprehensive geriatric assessment will be undertaken.

## Results:



Screening and assessing patients for indications of frailty has been a CQUIN for HWPH in 2014 - 2015. A system has been put in place where patients over 75yrs are assessed in the Emergency Department. Engagement events have taken place to ensure collaborative working with key stakeholders. A comprehensive Geriatric assessment document has been agreed by key stakeholders.



Progress against 2013 - 2014 HWPH priority areas for improvement

Priority 1: 100% Incidents concerning falls categorised as *Major* or *Extreme* will have followed the appropriate post fall pathway.

**Rationale**: When a serious injury occurs as a result of an inpatient fall, safe manual handling and prompt assessment and treatment is critical to the patient's chances of making a full recovery.

*Major* and *Extreme* incidents have a full root cause analysis (RCA) investigation carried out and are presented to the Patient Safety Group. The majority of incidents concerning falls were found to have followed the post falls pathway, but there have been some inconsistencies highlighted through audit activity.

In year, HWPH has appointed a corporate Lead Nurse for Older People who has a focus on falls, dementia care and safeguarding. A work programme for the reduction in falls is under way and will continue into 2015 - 2016.

### 2014/15 update:

There were 20 falls with significant injury reported in 2014 -2015, all of which have undergone a full RCA investigation.

A falls RCA tool has been developed which is now being used for all falls with injury sustained. A HWPH falls reduction programme has been developed and launched which picks up on the key lessons learnt from serious incident investigations into falls with fractures. Themes and lessons learnt from serious incident investigations are shared through the Patient Safety Committee.

Directorate	Q1	Q2	Q3	Q4
Emergency Department	2	0	0	0
General Medicine	3	4	3	6
General Surgery & Urology	0	0	0	0
Obstetrics and Gynaecology	0	0	0	0
Operations	0	0	0	0
Orthopaedics and Plastics	0	1	1	0
Paediatric Services	0	0	0	0
Pathology	0	0	0	0
Radiology	0	0	0	0
Specialist Surgery	0	0	0	0
All	5	5	4	6

## Priority 2: Reduce the number of non clinical patient moves

**Rationale**: Moving patients from area to area has a detrimental effect on their experience, may increase length of stay and increase the risk of hospital acquired infection.

**2014 - 2015 update**: HWPH has worked to realigned wards and specialities. Capacity and flow has generally improved and reducing the number of patient moves.

# Priority 3: 20% Decrease in patient who have a urinary catheter and develop a urinary tract infection (UTI) in hospital

**Rationale**: From data sources, it is clear that HWPH have a higher than expected rate of patients with catheters and associated urinary tract infections. A work programme has been launched and new documentation is to be introduced.

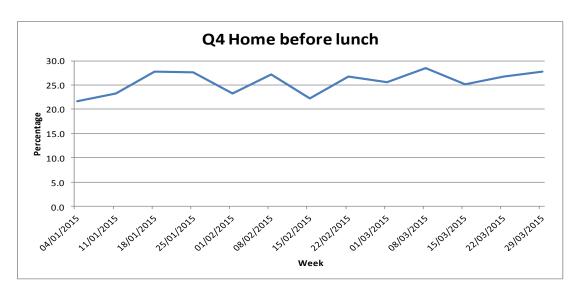
**2014/15 update**: This remained a priority for 2014- 2015 and progress is reported in the first section of this annex.

#### Priority 4: Increase timely discharge of patients prior to midday

Rationale: Data shows that the majority of HWPH patients are discharged after midday.

**2014 - 2015 update:** Home before Lunch was a CQUIN scheme for 2014 - 2015. The measure was home before 1pm. An important aspect of this has been the introduction of more frequent ward and board rounds, and undertaking ward rounds earlier in the day. This ensures that patients' care is proactively followed up and their discharge planning is also started earlier – both in their overall stay and on the day of discharge. This has been aided by an increase in the number of consultants and junior doctors.

The chart describes the percentage of discharges before 1pm for each week of quarter four. The average for the period is 25.6%.



Priority 5: Reduce number of operations cancelled on day (COD) to 0.8% by the end of quarter four.

**Rationale**: Cancelling a patient's operation on the day contributes to a poor experience and impression of the Trust.

**2014 - 2015 update:** This has not been achieved this year. An improvement programme is underway and this priority is reported monthly and discussed regularly meetings. As part of the FHFT integration programme, progress will be monitored via the Trust Theatres & ICU quality dashboard.

# Priority 6: A minimum of 90% of complaints received in 2013 - 2014 will be responded to on time; a minimum of 90% of complaints will be acknowledged in 72 hours

**Rationale:** HWPH complaints process is a key learning tool which is utilised to learn from patient feedback. Additionally, there is evidence to suggest that the timely and effective management of patient complaints has a positive result on the patient experience, reassuring complainants that particular matters of concern are fully investigated and addressed.

#### A Minimum of 90% of complaints will be acknowledged in 72 hours

**2014/15 update:** The Trust has been consistent over the year at acknowledging a minimum of 90% of complaints within 72hrs. This indicator has therefore been met this year.

#### A minimum of 90% of complaints received will be responded to on time

#### 2014/15 update:

Closed in	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
month	2014	2014	2014	2014	2014	2014	2014	2014	2014	2015	2015	2015
Within 25	6%	16%	3%	1%	9%	6%	8%	5%	18%	10%	3%	6%
days	070	1076	5	1/0	570	070	070	7	1070	1076	7	076
Within 30	12%	19%	3%	1%	9%	6%	8%	5%	18%	10%	3%	6%
days	12/0	1370	370	170	370	070	070	570	1070	1070	570	070
Within 40	25%	28%	20%	16%	36%	21%	29%	22%	35%	45%	16%	26%
days	25/0	2070	2076	1076	30%	21/0	2970	2270	33/0	4370	1076	2076
After 40	75%	72%	80%	84%	64%	79%	71%	78%	65%	55%	84%	75%
days	7 5 70	7270	0070	0470	0470	7 5 70	7 1 70	7070	03/0	3370	0470	7370

Overdue complaints have continued to reduce over the year. Changes are planned to the structure and process for the complaints and Patient Advice and Liaison (PALs) team that include separating the backlog and dedicating additional resource to resolve the outstanding complaints for patients. The structure and the roles within the team have been recently changed to enable the new centralised team process to commence as part of the FHFT integration programme to align complaints and PALs services trust wide.

### Priority 7: Reduce the number of complaints concerning communication and professional conduct by 15%

**Rationale**: Feedback shows that the Trust has a higher number of complaints regarding communication and professional conduct than is acceptable.

**2014 - 2015 update:** complaints concerning communication and professional conduct (attitude and behaviour) remain in the top 5 complaint categories. Customer care training has been available this year and since October a set of FHFT values have been launched on the Heatherwood and Wexham Park sites which have been well received by staff. The values are embedded into practice at the Frimley Park Hospital site as evidenced by their last CQC inspection report. The values define the behaviours that staff are expected to demonstrate; committed to excellence, working together and facing the future.

#### Priority 8: To reduce the number of cardiac arrest calls on general areas

**Rationale:** If staff monitor and respond appropriately to patients whose condition is deteriorating then they should not reach the point of cardiac arrest.

**2014 - 2015 update**: This remained a priority for 2014 - 2015 and is reported on in the first section of this annex.

#### Priority 9: Increase the percentage of neonates receiving total parenteral nutrition (TPN) by day 2 of life

**Rationale:** Neonates receiving TPN by day 2 of life is a best practice measure. Optimal nutritional support to infants below 30 weeks gestation, or below 1500g.

#### 2014 - 2015 update

TPN by day 2:

	Number of patients eligible to receive TPN	Number of patients who received TPN
Apr-14	0	0
May-14	2	2
Jun-14	0	0
Jul-14	2	2
Aug-14	2	2
Sep-14	0	0
Oct-14	1	1
Nov-14	0	0
Dec-14	1	1
Jan-15	0	0
Feb-15	0	0
Mar-15	0	0

As can be seen from the results above, all eligible infants have had TPN by day 2. The Neonatal Department continues to upload data to a national database.

#### Priority 10: Sepsis pathway – Baseline audit quarter one with trajectory set for quarter 4

**Rationale:** Sepsis claims over 37,000 lives in the United Kingdom annually. Research shows that early recognition and intervention saves lives.

### 2014 - 2015 update

A work programme has been ongoing and many advances have been made by the Sepsis group.

The group has continued to develop and a tool has been added to the Emergency Department documentation to aid the recognition of sepsis. For 2015 – 2016, audits will be undertaken in line with the national CQUIN scheme requirements.

## Annex IV Glossary

Abbreviation	Description		
	Good performance		
9	Decreased performance		
AAA	Abdominal Aortic Aneurysm		
ASU	Acute Stroke Unit		
A&E	Accident and Emergency		
CCG	Clinical Commissioning Group		
C.Diff	Clostridium Difficile		
CAUTI	Catheter Associated Urinary		
CAUTI	Tract Infection		
	A provider of healthcare		
CHKS	intelligence and quality		
	improvement services		
CQC	Care Quality Commission		
CQUIN	Commissioning for Quality and		
CQUIN	Innovation –incentive scheme		
DH	Department of Health		
ED	Emergency Department		
FFT	Friends and Family Test		
FPH	Frimley Park Hospital		
FHFT	Frimley Health NHS Foundation		
FHFI	Trust		
GTT	Global Trigger Tool		
НА	Hospital Acquired/Associated		
HWP	Heatherwood & Wexham Park		
HSMR	Hospital Standardised Mortality		
HOIVIN	Ratio		

Abbreviation	Description		
MI	Myocardial Infarction		
MINAP	Myocardial Ischaemia National		
MINAP	Audit Project		
MRSA	Methicillin Resistant		
MKSA	Staphylococcus Aureus		
NHS	National Health Service		
NICE	National Institute of Health and		
NICE	Clinical Excellence		
NPSA	National Patient Safety Agency		
PE	Pulmonary Embolism		
PCI	Percutaneous Coronary Intervention		
PCT	Primary Care Trust		
PEAT	Patient Environment Action Team		
PROMs	Patient Reported Outcome Measures		
RCA	Root Cause Analysis		
SHMI	Standardised Hospital Mortality		
SHMI	Index		
SIRI	Serious Incident Requiring		
SIKI	Investigation		
TARN	Trauma Audit and Research		
IAKN	Network		
VAP	Ventilator Associated Pneumonia		
VCOIE	Vascular Society Quality		
VSQIF	Improvement Framework		
VTE	Venous Thromboembolism		

#### Annex V

#### **External Quality Definitions**

The following information includes the definitions of the quality indicators which were subject to the external assurance process.

#### 18 Weeks

*Indicator descriptor:* Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period.

Data definition, source of indicator definition and detailed guidance: The indicator is defined within the technical definitions that accompany *Everyone counts: planning for patients 2014-2015 – 2018-2019* and can be found at: www.england.nhs.uk/wp-content/uploads/2014/01/ec-tech-def-1415-1819.pdf.

Detailed rules and guidance for measuring referral to treatment (RTT) standards can be found at <a href="http://www.england.nhs.uk/statistics/statistical-work-areas/rtt-waiting-times/rtt-guidance/">http://www.england.nhs.uk/statistics/statistical-work-areas/rtt-waiting-times/rtt-guidance/</a>.

*Detailed descriptor:* E.B.3: The percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the period

*Numerator:* The number of patients on an incomplete pathway at the end of the reporting period who have been waiting no more than 18 weeks.

Denominator: The total number of patients on an incomplete pathway at the end of the reporting period.

Accountability: Performance is to be sustained at or above the published operational standard. Details of current operational standards are available at: <a href="www.england.nhs.uk/wp-content/uploads/2013/12/5yr-strat-plann-guid-wa.pdf">www.england.nhs.uk/wp-content/uploads/2013/12/5yr-strat-plann-guid-wa.pdf</a> (see Annex B: NHS Constitution Measures).

Indicator format: Reported as a percentage.

Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers Indicator descriptor: percentage of patients receiving first definitive treatment for cancer within 62 days following an urgent GP referral for suspected cancer within a given period for all cancers

Data definition: All cancer two month urgent referral to treatment wait

*Denominator:* total number of patients receiving first definitive treatment for cancer following an urgent GP referral for suspected cancer with a given period for all cancers

*Numerator:*\_number of patients receiving first definitive treatment for cancer within 62 days following an urgent GP referral for suspected cancer within a given period for all cancers

About the 62 day pathway

The audit focused on those patients referred urgently by their GP to the Trust with suspected cancer should be seen, diagnosed and treated within 62 days.

Starting the 62 Day pathway:

The starting point for this period is the receipt of the referral. The original referral can be received either:

- direct from the General Medical Practitioner/General Dental Practitioner
- via Choose and Book

Receipt of referral is day 0 for the 62 day period.

Ending the 62 Day pathway:

The period end is the first definitive treatment. This start date may differ slightly for different treatments.

#### Annex VI

Limited Assurance Report

### Independent Auditors' Limited Assurance Report to the Council of Governors of Frimley Health NHS Foundation Trust on the Annual Quality Report

We have been engaged by the of Frimley Health NHS Foundation Trust to perform an independent assurance engagement in respect of Frimley Health NHS Foundation Trust's Quality Report for the year ended 31 March 2015 (the 'Quality Report') and specified performance indicators contained therein.

#### Scope and subject matter

The indicators for the year ended 31 March 2015 subject to limited assurance (the "specified indicators"); marked with the symbol ② in the Quality Report, consist of the following national priority indicators as mandated by Monitor:

Specified Indicators	Specified indicators criteria (exact page number where criteria can be found)
Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period.	Page 90
Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers.	Page 90

#### Respective responsibilities of the Directors and auditors

The Directors are responsible for the content and the preparation of the Quality Report in accordance with the specified indicators criteria referred to on pages of the Quality Report as listed above (the "Criteria"). The Directors are also responsible for the conformity of their Criteria with the assessment criteria set out in the NHS Foundation Trust Annual Reporting Manual ("FT ARM") and the "Detailed requirements for quality reports 2014/15" issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

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

- The Quality Report does not incorporate the matters required to be reported on as specified in Annex 2 to Chapter 7 of the FT ARM and the "Detailed requirements for quality reports 2014/15";
- The Quality Report is not consistent in all material respects with the sources specified below; and
- The specified indicators have not been prepared in all material respects in accordance with the Criteria and the six dimensions of data quality set out in the "2014/15 Detailed guidance for external assurance on quality reports".

We read the Quality Report and consider whether it addresses the content requirements of the FT ARM and the "Detailed requirements for quality reports 2014/15; 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 and papers for the period April 2014 to April 2015.
- Papers relating to quality reported to the Board over the period April 2014 to March 2015.
- Feedback from commissioners dated 20 May 2015 (Slough, Windsor Ascot & Maidenhead, Bracknell & Ascot, and Chiltern CCGs) and 21 May 2015 (North East Hants and Farnham CCGs).
- Feedback from governors dated 27 April 2015.
- Feedback from local Healthwatch organisation, Healthwatch Bracknell Forest dated 6 May 2014.
- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009 dated January 2015.
- The latest national patient survey 2 December 2014.
- The latest national staff survey February 2014.
- The Head of Internal Audit's annual opinion over the Trusts control environment dated 13 May 2015.
- CQC intelligent monitoring report dated July and December 2014.

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

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales ("ICAEW") Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of Frimley Health NHS Foundation Trust as a body, to assist the Council of Governors in reporting Frimley Health 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 2015, 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 Frimley Health NHS Foundation Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

#### Assurance work performed

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

- reviewing the content of the Quality Report against the requirements of the FT ARM and "Detailed requirements for quality reports 2014/15";
- reviewing the Quality Report for consistency against the documents specified above;
- obtaining an understanding of the design and operation of the controls in place in relation to the collation and reporting of the specified indicators, including controls over third party information (if applicable) and performing walkthroughs to confirm our understanding;
- based on our understanding, assessing the risks that the performance against the specified indicators
  may be materially misstated and determining the nature, timing and extent of further procedures;
- making enquiries of relevant management, personnel and, where relevant, third parties;
- considering significant judgements made by the NHS Foundation Trust in preparation of the specified indicators;
- performing limited testing, on a selective basis of evidence supporting the reported performance indicators, and assessing the related disclosures; and
- reading 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 the "Detailed requirements for quality reports 2014/15 and the Criteria referred to above.

The nature, form and content required of Quality Reports are determined by Monitor. This may result in the omission of information relevant to other users, for example for the purpose of comparing the results of different NHS Foundation Trusts/organisations/entities.

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 Frimley Health NHS Foundation Trust.

# Basis for Disclaimer of Conclusion – Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways

The Trust reports monthly to Monitor on the Incomplete 18 Weeks indicator, based on the waiting time of each patient who has been referred to a consultant but whose treatment is yet to start. For the months of May 2014 to August 2014 and November 2014, the Trust was unable to provide final and complete population data.

As a result, we have been unable to access accurate and complete data to verify the waiting period from referral to treatment reported across the year.

#### Conclusions (including disclaimer of conclusion on the Incomplete Pathways indicator)

Because the data required to support the indicator is not available, as described in the Basis for Disclaimer of Conclusion paragraph, we have not been able to form a conclusion on the Incomplete Pathways indicator.

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 2015:

- The Quality Report does not incorporate the matters required to be reported on as specified in Annex 2 to Chapter 7 of the FT ARM and the "Detailed requirements for quality report 2014/15";
- The Quality Report is not consistent in all material respects with the documents specified above; and
- The maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers
  indicator has not been prepared in all material respects in accordance with the Criteria and the six
  dimensions of data quality set out in the "Detailed guidance for external assurance on quality reports
  2014/15."

PricewaterhouseCoopers LLP St Albans 29 May 2015

The maintenance and integrity of the Frimley Health 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.



# **Accounts 2014 - 15**

# Independent auditors' report to the Council of Governors of Frimley Health NHS Foundation Trust (formerly Frimley Park Hospital NHS Foundation Trust)

# Report on the financial statements

#### **Our opinion**

In our opinion, Frimley Health NHS Foundation Trust's ("the Trust's") financial statements (the "financial statements"):

- give a true and fair view of the state of the Trust's affairs as at 31 March 2015 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 2014/15.

#### What we have audited

The Trust's financial statements comprise:

- the Statement of Financial Position as at 31 March 2015;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Cash Flows for the year then ended;
- the Statement of Changes in Taxpayers' Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report and Accounts (the "Annual Report"), rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is the NHS Foundation Trust Annual Reporting Manual 2014/15 issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

#### Our audit approach

#### Overview



- Overall materiality: £4.441 million which represents 1% of total operating income excluding funding recognised in respect of the acquisition of Heatherwood and Wexham Park Hospitals NHS Foundation Trust ("H&WPH").
  - The audit was conducted at the Trust's Frimley Park Hospital and Wexham Park Hospital sites.
  - The Trust has maintained two separate finance systems for the historic H&WPH and
    Frimley Park Hospital NHS Foundation Trust ("FPH") organisations respectively, and
    therefore we have undertaken separate audits of the results of each legacy entity and then
    performed work over the resulting combination.

- Risk of management override of controls.
- Risks of fraud in revenue recognition and in expenditure recognition.
- Accounting for the acquisition of H&WPH.
- Valuation of Property, Plant and Equipment.
- Valuation of Intangible Assets.

#### The scope of our audit and our areas of focus

Following the acquisition of H&WPH by FPH on 1 October 2014, the combined Trust's name became Frimley Health NHS Foundation Trust ("FH"). The combined Trust provides acute healthcare services to the populations of Hampshire, Berkshire, Surrey and South Buckinghamshire. Services are delivered from three main sites at the Frimley Park, Heatherwood and Wexham Park hospitals, as well as several other smaller centres.

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)").

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as "areas of focus" in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

#### Area of focus

#### Risk of management override of controls

ISA (UK&I) 240 requires that we plan our audit work to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk that management may override controls in order to manipulate the financial statements. There is an inherent risk that management are in a position where they can manipulate and override controls in order to misreport the financial statements.

We focussed on this area because there is a heightened risk as the Trust has undergone a fundamental change during the year, having acquired H&WPH on 1 October 2014. Further detail on the acquisition is provided within note 7 of the financial statements on pages 40-42. This has had considerable impact at all levels for the Trust — clinical, operational and financial, with the Trust now operating from three main sites and on a significantly greater scale than previously.

The performance of the Trust will be under close scrutiny by the commissioners and regulators and there is a risk that the Trust may attempt to manipulate the results by over or under stating the position to meet targets. This risk is likely to be further heightened during a period of increased financial pressure both within the sector and at the Trust.

We considered the control environments of the FPH and H&WPH legacy organisations and tailored our procedures in each legacy body to respond to the differing processes and risk profiles.

We considered the key areas of focus to be:

- Manipulation of journal postings
- Management estimates (revaluation of property, plant and equipment, intangible assets, accruals, deferred income and bad debt provision).

#### How our audit addressed the area of focus

#### Manipulation of journal postings to the ledgers

We used data analysis techniques to identify the journals that had higher risk characteristics.

We traced these journal entries to their supporting documentation, such as subsequent purchase invoices from suppliers to establish whether expenditure had been incurred and written agreements from commissioners to confirm that a service had been provided. No evidence of management override of controls was identified from the journals tested.

#### Recognition and measurement of estimates

We evaluated and tested management's accounting estimates focusing on the areas of greatest subjectivity and value such as:

- revaluation of property, plant and equipment;
- valuation of intangible assets;
- deferred income;
- accruals; and
- · bad debt provision.

Our audit of Property, plant and equipment and intangible asset estimates is described in the separate areas of focus below.

Likewise, deferred income has been considered as part of the risk of fraud in revenue and expenditure recognition area of focus.

We evaluated the accounting estimates for accruals and provisions and the basis of their calculation by assessing the amounts recognised against relevant information available from third parties, including agreements with suppliers and subsequent purchase invoices. From the testing performed we did not identify any indication of management bias and the accounting estimates were considered to be within an acceptable range.

# Risk of fraud in revenue recognition and expenditure recognition

We focussed on this area because there is a heightened risk due to the following matters:

#### Funding for the acquisition of H&WPH

As set in note 7 on pages 40-42 of the financial statements, as part of the acquisition of H&WPH, the Trust agreed significant multi-year funding with the Department of Health and its commissioners to assist with the integration of the two legacy organisations and to improve the clinical and financial performance of H&WPH. The funding arrangement includes a mix of revenue and Public Dividend Capital ('PDC') funding for various purposes, including supporting the expected future deficit of H&WPH and for capital improvements.

As noted in the critical accounting estimates and judgements set out on pages 28-29 of the financial statements, the funding includes a number of complex elements that required the directors to assess whether relevant performance criteria had been met in the financial year, and therefore the amount and timing of the income recognised, and whether any funding should be treated as something other than income.

The level of deficit support funding is £17.6m for 2014/15 and is determined in part by the Trust's performance against its 'planned resultant normalised deficit'. Additional income may be due or income refundable if the Trust's performance varies from this figure.

We focussed on this area due to the magnitude of the funding and because the directors' assessment of the income recognition involves significant judgements.

#### Cut off of income and expenditure

As part of the required accounting for the acquisition of H&WPH, the directors are required to ensure that the H&WPH income and expenditure is accurately split between the periods pre- and post-acquisition, with only transactions relating to the period from 1 October 2014 recognised in these financial statements. In order to achieve this, under and over performance adjustments, as well as fines and penalties, must be accurately split between the periods pre- and post-acquisition.

### Deferred income for FPH bowel cancer screening

As set out in the critical accounting estimates and judgements on pages 28-29, and in note 2 on page 36, of the financial statements, the Trust's bowel cancer screening deferred income balance brought forward as at 1 April 2014 is a material judgement and a significant accounting estimate within the financial statements.

The NHS National Bowel Cancer Screening Programme is a national screening programme which proactively screens those eligible (people aged 60-74) for bowel cancer. The

#### Funding for the acquisition of H&WPH

We examined the income that has been recognised and the agreements in place that underpin the funding to corroborate that:

- the income has been recognised in the correct period;
- the Trust is entitled to the income recognised; and
- · the income recognised is complete.

We also checked that the funding is appropriately presented within the financial statements in accordance with the NHS Foundation Trust Annual Reporting Manual ("the ARM").

In order to determine that funding recognised has been accurately reported as income or capital, we reconciled the amounts recognised to the:

- funding agreements;
- transfer documents; and
- corresponding cash receipts.

In particular we focussed our audit effort on inspecting the evidence to confirm the Trust had met the criteria for recognising the funding provided for deficit support. We challenged the directors to demonstrate how the planned resultant normalised deficit level should be calculated, as this was not clearly defined in the relevant agreements, and that the deficit support funding is appropriately recognised as income. We assessed the estimate made for deficit support funding reported in 2014/15 and considered it to be acceptable.

#### Cut off of income and expenditure

We performed cut-off testing as at the acquisition date in order to determine that H&WPH income and expenditure was correctly allocated between the periods pre- and postacquisition.

In order to test the income recognised in the financial statements we:

- examined year end agreements, which included written confirmation from the Trust's commissioners, for contracts with an annual value that is material to the Trust; and
- reconciled invoices raised to contracts with commissioners and subsequent cash receipts, including in respect of fines and penalties imposed under the terms of the contracts.

We also tested a sample of income and expenditure transactions recognised either side of the year end to check that the amounts recognised in 2014/15 are accurate. In order to determine the accounting periods that each sampled transaction related to, we traced (where applicable) to:

- income contracts;
- purchase invoices; and

#### Area of focus

Trust runs the programme in partnership with Royal Surrey County Hospital NHS Foundation Trust. The screening programme is funded by commissioners through specific bowel cancer screening contracts based upon the population served rather than people screened.

The opening deferred income balance on the Statement of Financial Position included £5.7m in relation to the bowel cancer screening programme, relating to income received over the period 2008 to 2012. The Trust had previously deferred this income as the directors believed that there would be future liabilities associated with it, particularly given the changes in the commissioning landscape for bowel cancer screening. This income was recognised in 2014/15.

#### How our audit addressed the area of focus

· goods receipts documentation.

We found that all sampled transactions were recorded in the correct period.

We obtained the Trust's mismatch reports directly from Monitor. As part of the NHS agreement of balances process, these reports summarise balances (debtor, creditor, income or expenditure) with other NHS bodies where differences have arisen which in some circumstances are because they were disputed by the counterparty. We undertook the following procedures:

- checked that the directors had investigated all material differences and discussed with them the results of their investigation and the resolution;
- inspected relevant supporting evidence such as correspondence with the counterparties, which corroborated these results; and
- considered the impact that the remaining disputed amounts had on the Trust's financial statements.

We determined that there was no material impact.

We did not identify any material errors in the allocation of income and expenditure between periods.

#### Deferred income for FPH bowel cancer screening

We challenged the directors to provide evidence to demonstrate:

- that there remained a likelihood of a liability crystallising in respect of the income received in the early years of the programme; and
- whether there remained ongoing uncertainty over the long term specialist commissioning arrangements for bowel cancer screening that indicated that a liability

We inspected the contracts in place with the commissioners of the bowel cancer screening programme and also considered whether uncertainty in the commissioning for bowel cancer screening remained that would indicate that the Trust may need to repay any of the monies previously deferred. No evidence was found that indicated this. As a result, we determined that the deferred income has been correctly released during the year.

Our testing did not identify any evidence of fraud or manipulation of the Trust's results.

#### Accounting for the acquisition of H&WPH

As noted in the critical accounting estimates and judgements set out on pages 28-29 and note 7 on pages 40-42 of the financial statements,, the acquisition of H&WPH on 1 October 2014 has given rise to complex accounting issues that present a risk of material misstatement.

The acquisition is the first acquisition of an NHS foundation trust by another NHS foundation trust, and the total activity and annual operating income of the combined Trust is almost double that of FPH. In addition to being a highly material, non-routine transaction, the directors are also required to ensure that the H&WPH income and expenditure is accurately split between the periods pre- and post-acquisition, with only transactions

#### Absorption accounting

We obtained the final audited financial statements of H&WPH and we inspected the working papers prepared by the external auditors of those final financial statements. We focussed our audit effort on the material, judgemental areas that have the most significant impact on the Trust's accounts, including the valuation at the acquisition date of H&WPH's:

- inventory;
- property, plant and equipment; and
- intangible assets.

We agreed the acquisition accounting entries recognised, including the gain from transfer by absorption within the Statement of Comprehensive Income, to the H&WPH accounting records and audited financial statements as at the transfer date.

#### Area of focus

relating to the period from 1 October 2014 recognised in these financial statements.

In accordance with the ARM, the Trust is required to perform the following as part of the acquisition:

- The opening balances of H&WPH are required to be recognised in the Trust's accounts as at the acquisition date under the transfer by absorption rules set out in the ARM. All assets and liabilities must be accurately stated at the point of transfer.
- All material accounting policies must be harmonised across the combined Trust. For FH, this related to variations in accounting policy for inventory.
- All property, plant and equipment recognised at the year end must be confirmed as "in use", appropriately capitalised and any planned change in use of those assets incorporated into their valuation post acquisition.
- The Funds Held on Trust ("FHoT") for H&WPH and FPH have also been combined into one entity. The Trust is required to determine whether the combined FHoT is material to the Trust's financial statements, which would trigger a requirement to consolidate under IFRS 10 'Consolidated financial statements'.

#### How our audit addressed the area of focus

We examined the accounting policies of each of the legacy organisations to confirm the completeness of the accounting policy harmonisation adjustments identified by the directors. As the Trust's accounting policy is to only capitalise pharmacy drugs as inventory, a £4.1m adjustment to write off H&WPH's non-drugs inventory on acquisition is recorded in the financial statements. We tested the accuracy of the harmonisation adjustment by agreeing the inventory value excluding drugs transferred at the acquisition date to the audited final financial statements of H&WPH.

We confirmed that the accounting for the acquisition presented in the financial statements is consistent with the requirements of the ARM.

#### H&WPH income and expenditure cut off testing

We tested a sample of income and expenditure items from one month either side of the acquisition date to check that they had been recorded in the correct set of financial statements. See the 'risk of fraud in revenue and expenditure recognition' area of focus.

#### Land and buildings valuation

No revaluation of the H&WPH land and buildings was performed as at 30 September 2014. We challenged the directors as to whether the upwards movement of £21.6 million in the value of the H&WPH estate as at 31 March 2015 detailed under 'Valuation of Property, Plant and Equipment' below indicated that the value of these assets at acquisition was materially higher than the values included in their gain from transfer by absorption in the Statement of Comprehensive Income. We considered the potential impact on the financial statements if this increase in value had occurred prior to the date of acquisition, most notably on the depreciation charge for the year. We determined that this would have no material impact on the Trust's surplus for the year.

#### Physical asset verification

We performed a physical verification exercise across a sample of the Trust's assets, including the H&WPH assets transferred on acquisition, to confirm that the property, plant and equipment assets recognised existed and were still in use at the year end. We also examined the Trust's strategic and operational plans for the future use of the Trust's existing assets, as well as the minutes of the Trust's Board, and considered the impact this would have on the carrying value and future use of the Trust's assets. No accounting adjustments were identified.

#### **Funds Held on Trust**

We determined that the value of the combined FHoT was not material and therefore did not require consolidation into the financial statements. We challenged the directors to demonstrate that income from legacies that had not crystallised at year end was appropriately excluded from income in 2014/15. We corroborated this by examining:

- probate records;
- cash receipts; and
- the Trust's income recognition accounting policy.

We also independently obtained third party confirmations from the Charity's banks to corroborate that the value of the cash and investments held by the charity at 31 March 2015 is not material. Based on the evidence obtained, we considered the Board's decision not to consolidate the FHoT to be consistent with the requirements of IFRS 10 'Consolidated financial statements'.

#### Valuation of land and buildings

As set out in the critical accounting estimates and judgements on pages 28-29, and in the notes on pages 43-45 of the financial statements, the Trust measures its properties at fair value which is a significant accounting estimate and involves a range of judgemental assumptions and the use of external valuation expertise. Property, plant and equipment ("PPE") is also the largest balance in the Trust's Statement of Financial Position and is valued at £305.7m as at 31 March 2015.

All PPE assets are measured initially at cost, with land and buildings subsequently measured at fair value. Valuations are performed by an independent professionally accredited expert, in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual, and performed with sufficient regularity to ensure that the carrying value is not materially different from fair value at the Statement of Financial Position date.

The Trust's estate, including the H&WPH assets, which were transferred to the Trust at book value on 1 October 2014, has been re-valued as at 31 March 2015.

The valuation resulted in a net increase in the value of the land, buildings and dwellings of £46.9m.

#### Valuation

We tested the key inputs to the valuation of the Trust's estate, being:

- The building costs, which we tested by benchmarking against third party data sources in accordance with RICS valuation standards.
- Land values, which we tested by comparing the values used by the valuers to market reports on land values from third party data sources and our own market knowledge.
- Land and building areas, which we tested by agreeing a sample of the floor areas used by the valuers to detailed floor plans for the buildings and independently measuring the floor areas of a sample of the Trust's assets.
- The remaining useful life of assets valued, which we tested by comparing the directors' estimates to our experience of the useful lives of assets with similar characteristics.

We confirmed that the adjustments arising from the valuation were correctly accounted for and disclosed in the financial statements.

The results of these procedures did not identify any issues with the valuation of land and buildings in the financial statements.

#### Valuation of Intangible Assets

H&WPH intangible assets were transferred to the Trust at their book value as at 1 October 2014. The £7.7m balance transferred includes £6.1m of capitalised internally generated software costs. FPH, in contrast, has historically not capitalised internally generated intangible assets.

We focussed on this area as this is a material balance and adjustments were considered likely as a result of the harmonisation of accounting policies for capitalising intangible assets and the possible change in carrying value of the intangible assets due to operational changes in use following the acquisition. Any reduction in value of the intangible assets would require judgement from the directors.

As set out in note 8 on page 42, of the financial statements, the Trust has expensed in the year £6.1m of internally generated intangible assets, which were brought into the Trust from H&WPH, as these could not be directly attributed to software assets in continuing use at the Trust.

We compared the FPH and H&WPH accounting policies to ensure that the policies are aligned and no harmonisation of accounting policy adjustments are required.

We undertook detailed testing on the H&WPH intangible assets balance to assess whether the amortisation treatment had been consistently applied across all relevant costs and that items proposed to be expensed by the Trust were not identifiable to software assets in continuing use. We corroborated this by examining the listing of costs capitalised and seeking evidence that these were linked to any specific intangible asset still in use in the Trust.

The results of these procedures did not identify any issues with the related expenditure recorded in the year nor the valuation of intangible assets in the financial statements.

### How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Trust, the accounting processes and controls, and the environment in which the Trust operates.

The audit was conducted at the Trust's FPH and Wexham Park Hospital sites.

The Trust has maintained two separate finance systems for the historic H&WPH and FPH organisations respectively, and therefore we have undertaken separate audits of the results of each legacy entity and then performed work over the resulting combination.

#### **Materiality**

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£4.441 million (2014: £5.837 million)
How we determined it	1% of total operating income excluding income recognised in respect of the acquisition of H&WPH (2014: 2% of operating income)
Rationale for benchmark applied	We applied this benchmark, which is a generally accepted measure when auditing not for profit organisations, because we believe this to be the most appropriate financial measure of the performance of a Foundation Trust. Given the scale and profile of the combined Trust following the in-year acquisition of H&WPH, we believe it is more appropriate to calculate overall materiality on the basis of 1% of total revenue, not 2% as was used in the prior year.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £209,000 (2014: £250,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

# Other required reporting in accordance with the Audit Code for NHS foundation trusts

#### Opinions on other matters prescribed by the Audit Code for NHS foundation trusts

In our opinion:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2014/15.

#### **Consistency of other information**

Under the Audit Code for NHS foundation trusts we are required to report to you if, in our opinion:					
<ul> <li>information in the Annual report is:         <ul> <li>materially inconsistent with the information in the audited financial statements; or</li> <li>apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Trust acquired in the course of performing our audit; or</li> <li>otherwise misleading.</li> </ul> </li> </ul>	We have no exceptions to report arising from this responsibility.				
<ul> <li>the statement given by the directors on page 56 of the Annual Report, in accordance with provision C.1.1 of the NHS Foundation Trust Code of Governance, that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Group's and Parent Trust's performance, business model and strategy is materially inconsistent with our knowledge of the Group's and Parent Trust acquired in the course of performing our audit.</li> </ul>	We have no exceptions to report arising from this responsibility.				
the section of the Annual Report on page 70 of the Annual Report, as required by provision C.3.9 of the NHS Foundation Trust Code of Governance, describing the work of the Audit Committee does not appropriately address matters communicated by us to the	We have no exceptions to report arising from this				

Audit Committee.	responsibility.
<ul> <li>the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2014/15 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.</li> </ul>	We have no exceptions to report arising from this responsibility

#### Economy, efficiency and effectiveness of resources and Quality report

Under the Audit Code for NHS Foundation Trusts we are required to report to you if we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We have no exceptions to report arising from this responsibility.

Also under the Audit Code for NHS Foundation Trusts we are required to report to you if we have qualified, on any aspect, our opinion on the Quality Report. Our opinion, which is set out on pages 91-94 of the Quality Report is disclaimed because we were unable to obtain a complete set of data for the year 1 April 2014 – 31 March 2015 from which to test for the percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period indicator. Our certificate is qualified in this respect.

# Responsibilities for the financial statements and the audit

#### Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view in accordance with the NHS Foundation Trust Annual Reporting Manual 2014/15.

Our responsibility is to audit and express an opinion on the financial statements in accordance with the National Health Service Act 2006, the Audit Code for NHS Foundation Trusts issued by Monitor and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Council of Governors of Frimley Health NHS Foundation Trust as a body 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.

#### What an audit of financial statements involves

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 Trust's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Qualified certificate

As noted above our opinion on the Quality Report, which is set out on pages 91-94 of the Quality Report is disclaimed because we were unable to obtain a complete set of data for the year 1 April 2014 - 31 March 2015 from which to test for the percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period indicator

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.

Clive Everest (Senior Statutory Auditor) for and on behalf of PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors St Albans

29 May 2015

- (a) The maintenance and integrity of the Frimley Health NHS Foundation Trust website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### FOREWORD TO THE ACCOUNTS

### FRIMLEY HEALTH NHS FOUNDATION TRUST

The accounts are prepared in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006.



Signed: Sir Andrew Morris, Chief Executive

Date: 29 May 2015

# STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 March 2015

	NOTE		2014/15 £000		2013/14 £000
Operating income	2		465,294		291,895
Operating expenses	3-4		(460,482)		(280,945)
OPERATING SURPLUS			4,812		10,950
Finance costs Finance income Finance expenses - financial liabilities Finance expenses - unwinding of discount on provisions Public Dividend Capital dividends payable Net finance costs  Gain from transfer by absorption	6 14 7	136 (114) (1) (7,362)	(7,341) 90,732	134 (66) (2) (4,512)	(4,446)
SURPLUS FOR THE YEAR			88,203	_	6,504
Other comprehensive income:					
Revaluation gain on property, plant and equipment			56,170		9,338
Impairment loss on property, plant and equipment	10		(6,398)		(1,100)
Other recognised gains and losses			(4,152)		0
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			133,823	_	14,742

The following notes 1 to 22 form part of these accounts.

The surplus for the year includes £90.732m arising from the acquisition of Heatherwood and Wexham Park Hospitals NHS Foundation Trust on 1st October 2014, this entry reflects the book value of the net assets on transfer.

# STATEMENT OF FINANCIAL POSITION AS AT 31 March 2015

	31 March 2015		31 March 2014
	NOTE	£000	£000
Non-current assets			
Intangible assets Property, plant and equipment Total non-current assets	8 10	2,096 305,695 307,791	575 158,548 159,123
Current assets			
Inventories Trade and other receivables Non-current assets held for sale Cash and cash equivalents Total current assets	11 12 9 16	3,063 52,091 1,950 59,145 116,249	1,115 20,678 0 48,980 70,773
Current liabilities			
Trade and other payables Tax payable Other financial liabilities Other liabilities Provisions for liabilities and charges Total current liabilities	13 13 13 13 14	(56,436) (6,634) (409) (10,127) (601) (74,207)	(22,793) (3,355) (420) (10,670) (395) (37,633)
Total assets less current liabilities		349,833	192,263
Non current liabilities			
Other financial liabilities Provisions for liabilities and charges	13 14	(382) (98)	(706) (83)
TOTAL ASSETS EMPLOYED		349,353	191,474
FINANCED BY:			
TAXPAYERS' EQUITY Public dividend capital Revaluation reserve Income and Expenditure Reserve		194,680 128,034 26,639	79,892 58,572 53,010
TOTAL TAXPAYERS' EQUITY		349,353	191,474

The financial statements on pages 14 to 56 were approved by the Board of Directors and signed on its behalf by

Sir Andrew Morris, Chief Executive 29 May 2015

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 March 2015

		as restated
	2014/15	2013/14
	£000	£000
Cash flows from operating activities		
Operating surplus	4,812	10,950
Depreciation and amortisation	20,297	9,088
Impairments	2,890	1,102
Non cash donations credited to income	(199)	(61)
Increase/(decrease) in Inventories	(290)	115
(Increase) in Trade and other receivables	(2,568)	(5,121)
(Decrease)/increase in Trade and other payables	(12,544)	6,879
Other movements in operating cash flows	(65)	(4)
(Decrease)/increase Provisions	(1,423)	116
Net cash generated from operating activities	10,910	23,064
Cash flows from investing activities		
Interest received	142	128
Purchase of intangible assets	(579)	(268)
Purchase of Property, Plant and Equipment	(17,550)	(10,815)
r dionace of r reporty, r lank and Equipment	(11,000)	(10,010)
Net cash used in investing activities	(17,987)	(10,955)
Cash flows from financing activities		
Public dividend capital received	24,056	555
Other loans received	0	71
Other loans repaid	(170)	(189)
Public dividend capital paid	(6,872)	(4,287)
Capital element of finance lease rental payments	(274)	(220)
Interest element of finance leases	<b>(51)</b>	(62)
	` `	
Net cash generated from financing activities/(used in financing activities)	16,689	(4,132)
Increase in cash and cash equivalents	9,612	7,977
Cash and cash equivalents at 1 April	48,980	41,003
Cash and cash equivalents transferred by normal absorption accounting	553	0

Trade and other payables for 2013/14 have been restated by removing the capital element of the finance lease rental repayments (£220k) and showing these within cash flows from financing activities.

Statement of Changes in Taxpayers' Equit	1 March 2015				
	NOTE	Total	Revaluation Reserve	Income and Expenditure Reserve	Public Dividend Capital
		£000	£000	£000	£000
Taxpayers' equity as at 1 April 2014		191,474	58,572	53,010	79,892
Surplus for the year		88,203	0	88,203	0
Transfers by absorption; transfers between reserves *		0	19,690	(19,690)	0
Transfers by absorption; transfers between reserves	7	0	0	(90,732)	90,732
Revaluation gain on property, plant and equipment		56,170	56,170	0	0
Other recognised gains and losses**		(4,152)	0	(4,152)	0
Impairment loss on property, plant and equipment		(6,398)	(6,398)	0	0
Other reserve movements - PDC received		24,056	0	0	24,056
At 31 March 2015	=	349,353	128,034	26,639	194,680
Statement of Changes in Taxpayers' Equit	y for the	year ended 3	1 March 2014		
		Total	Revaluation Reserve	Income and Expenditure	Public Dividend
		£000	£000	Reserve £000	Capital £000
Taxpayers' equity as at 1 April 2013		176,177	50,334	46,506	79,337
Surplus for the year		6,504	0	6,504	0
Revaluation gain on property, plant and equipment		9,338	9,338	0	0
Impairment loss on property, plant and equipment		(1,100)	(1,100)	0	0
Other reserve movements - PDC received		555	0	0	555
At 31 March 2014	_	191,474	58,572	53,010	79,892

<sup>\*</sup>Transfers by absorption; transfers between reserves relates to the re-creation of the £19.7m revaluation reserve transferred from the former Heatherwood and Wexham Park Hospitals NHS Foundation Trust's revaluation reserve as at 1 October 2014 upon acquisition.

<sup>\*\*</sup>Immediately following the transfer of Heatherwood and Wexham Park Hospitals NHS Foundation Trust, consumables and energy stock which were valued at £4.2m were written out of the books and adjusted through taxpayers' equity as a result of the harmonisation of accounting policies and shown within other recognised gains and losses.

#### NOTES TO THE ACCOUNTS

#### 1 Accounting policies and other information

Monitor has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the NHS Foundation Trust Annual Reporting Manual which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2014/15 NHS Foundation Trust Annual Reporting Manual issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual (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

These accounts have been prepared under the historical cost convention, modified by the revaluation of property plant and equipment. Intangible assets and inventories are measured at cost. The accounts have been prepared on a going concern basis.

#### 1.2 Acquisition of Heatherwood and Wexham Park Hospitals NHS Foundation Trust

The functions of the former Heatherwood and Wexham Park Hospitals NHS FT (H&WPH) were acquired on 1 October 2014 by Frimley Park Hospital NHS FT. Frimley Health NHS FT was created as a direct result of the acquisition and incorporates Frimley Park Hospital and H&WPH.

The Department of Health require all acquisitions of public sector bodies as a 'machinery of government change' to be accounted for using 'Transfer by Absorption' accounting rules, and these accounts are prepared according to those rules.

HWP's assets and liabilities were transferred to Frimley Health NHS FT's Statement of Financial Position, including an income and expenditure reserve which represented the previous year's closing position plus the closing position as at 30 September 2014. No income and expenditure balances were transferred into Frimley Health, thus the only income and expenditure balances relating to the former H&WPH showing in Frimley Health for 2014/15 is that arising between 1 October 2014 and 31 March 2015.

The impact of the acquisition in the Statement of Comprehensive Income is to increase the surplus for the year by the value of the net assets acquired. 2013/14 comparative figures within all disclosures remain as reported in 2013/14, they do not include H&WHP values. No restatement of prior year figures is required under this treatment.

Adjustments to align the accounting policies of the acquired function to those of Frimley Health have been applied to inventory and are adjusted within Taxpayers' Equity. Please refer to the statement of changes in taxpayers' equity for further information.

#### 1.3 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with commissioners in respect of healthcare services.

Income received from the Department of Health in respect of the acquisition of the former H&WPH to fund the costs of this acquisition is recognised in the year in which the costs of the transaction arose. Any income received which has not been matched to costs is treated as deferred income.

Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

#### 1.3 Income (continued)

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 of contract, less costs to sell.

As regards the Frimley Health Charity any Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is virtually certain; this will be once confirmation has been received from the representatives of the estate(s) that payment of the legacy will be made or property transferred and once all conditions attached to the legacy have been fulfilled.

#### 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 to the following period.

#### **Pension Costs**

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

#### a) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2015, is based on valuation data as 31 March 2014, updated to 31 March 2015 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

#### b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

#### 1.4 Expenditure on Employee Benefits (continued)

The Scheme Regulations allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

#### c) Scheme provisions

The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as "pension commutation".

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) has been used and replaced the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

#### 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 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the 'First In First Out' (FIFO) method. The only inventory recognised by the Trust which is capitalised is pharmacy stock.

#### 1.7 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; and
- the cost of the item can be measured reliably.

Property, plant and equipment assets are capitalised if they are capable of being used for a period which exceeds one year and they:

- individually have a cost of at least £5,000; or
- form a group of assets which individually have a cost of more than £250, collectively have a cost of at least £5,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- form part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

#### Measurement

#### Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land and buildings are measured subsequently at fair value, other assets are valued at depreciated cost.

Property, plant and equipment are stated at the lower of replacement cost or recoverable amount. On initial recognition they are measured at cost (for leased assets, fair value) including any costs, such as installation, directly attributable to bringing them into working condition. The 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 the property, plant and equipment are not capitalised but are charged to the statement of comprehensive income in the year to which they relate in accordance with Monitors' interpretation of IAS23 revised.

All land and buildings are revalued using professional valuations in accordance with IAS 16. The frequency of valuations is dependent upon changes in the fair value of the items of property, plant and equipment being revalued. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period.

Valuations are carried out by independent professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

#### 1.7 Property, plant and equipment (continued)

Valuations are carried out primarily on the basis of depreciated replacement cost on a modern equivalent asset basis 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. For non-operational properties including surplus land, the valuations are carried out under fair value based on alternative use.

The District Valuation Service (DVS) completed a full valuation as at 31st March 2015 of all properties held by Frimley Health NHS FT which qualify as non-current assets. This included the Frimley Park Hospital, Heatherwood Hospital and Wexham Park Hospital sites.

Operational equipment was considered to have nil inflation in 2013/14, and during 2014/15 operational equipment has not been inflated due to it being immaterial.

Additional alternative open market value figures have only been supplied for operational assets scheduled for imminent closure and subsequent disposal.

Assets in the course of construction are valued at cost and are valued by professional valuers as part of the property, plant and equipment valuation or when they are brought into use.

Equipment surplus to requirements is valued at net recoverable amount.

#### Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be reliably determined. The carrying amount of the part replaced is derecognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

#### Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits on a straight line basis. Freehold land is considered to have an indefinite life and is not depreciated.

Property, plant and equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon reclassification. Assets in the course of construction are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Plant and machinery, information technology equipment and furniture and fittings are depreciated on current cost basis evenly over the estimated life. The useful economic life for equipment assets is typically between 2 to 8 years for IT assets, and between 2 to 15 years for plant and equipment.

Asset lives of buildings and dwellings are up to a maximum of 50 years.

#### Revaluation and impairment

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in operating expenses, in which case they are credited to operating expenditure.

#### 1.7 Property, plant and equipment (continued)

Where an impairment is not the result of a loss of economic benefit or service potential, decreases in asset values and impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses. Impairments can arise when land and building valuations have been conducted by independent professionally qualified valuers.

Where an impairment is due to a loss of economic benefit or service potential in the asset, the impairment is charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of

- i) the impairment charged to operating expenses; and
- ii) the balance in the revaluation reserve attributable to that asset before the impairment.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

#### **De-recognition**

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- i) the asset is available for immediate sale in its present condition subject only to terms which are usual and
- ii) the sale must be highly probable i.e.;
  - management are committed to a plan to sell the asset;
  - an active programme has begun to find a buyer and complete the sale;
  - the asset is being actively marketed at a reasonable price;
  - the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

#### Donated property plant and equipment

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the donation/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 assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

#### 1.8 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 potentially be provided to, the Trust and where the cost of the asset can be measured reliably.

Intangible assets are capitalised if they are capable of being used for a period which exceeds one year, they can be valued and have a cost of at least £5,000.

#### **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.

#### Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management. Subsequently intangible assets are measured at fair value. Revaluation gains and losses and impairments are treated in the same manner as for property, plant and equipment.

Depreciated replacement cost is being used as a proxy of fair value for intangible assets. The assessment of intangible assets highlights that software held typically has a life of approximately 3 to 7 years.

Intangible assets held for sale are measured at the lower of their carrying amount or 'fair value less costs to sell'.

#### Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Intangible assets on the Statement of Financial Position have a life of between 3 to 7 years assigned.

#### 1.9 Jointly controlled operation

The Trust is a member of Surrey Pathology Service, which has a three way split incorporating Ashford and St. Peter's Hospitals NHS Foundation Trust and Royal Surrey County Hospital NHS Foundation Trust. This arrangement operates within the definition of a jointly controlled operation under IAS31.

The Trust accounts for its share of the assets, liabilities, income and expenditure arising from the activities of the Surrey Pathology Services, identified in accordance with the Pathology service agreement. Accordingly both the Royal Surrey County Hospital NHS Foundation Trust and Ashford and St. Peter's Hospitals NHS Foundation Trust also account for their share of the assets, liabilities, income and expenditure in their financial statements.

#### 1.10 Cash, bank and overdrafts

Cash, bank and overdraft balances are recorded at the fair value of these balances in the Trust's cash book. These balances exclude monies held in the Trust's bank account belonging to patients (see note 21 - Third party assets).

Interest earned on bank accounts and interest charged on overdrafts is 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.

#### 1.11 Financial instruments and financial liabilities

#### Recognition

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made. Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with note 1.12 - Leases. 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.

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.

#### 1.11 Financial instruments and financial liabilities (continued)

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 income and expenditure' are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced through the use of a bad debt provision.

## 1.12 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. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to Finance Costs in the Statement of Comprehensive Income.

#### **Operating leases**

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

#### Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately. Leased land is treated as an operating lease.

#### 1.13 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury. The rate applicable for early retirement provisions and injury benefit provisions is 1.30% in real terms.

#### 1.14 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, the Trust carries no liabilities in relation to these 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 15.

#### 1.15 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 assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in the notes to the accounts where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in a note to the accounts unless the probability of 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 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 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 International Accounting Standard (IAS) 32.

A charge, reflecting the cost of capital utilised by the Trust, is paid over as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for donated assets and average daily cash balances held with the Government Banking Services and 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. This can result in either a payable or receivable amount being identified at each accounting year end.

Average relevant net assets are calculated as a simple mean of opening and closing relevant net assets.

#### 1.18 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 non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

#### 1.19 Foreign exchange

The functional and presentational currencies of the Trust are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on retranslation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

## 1.20 Third party assets

Assets belonging to third parties (such as money held on behalf of patients see note 21 of the accounts) are not recognised in the Trust's accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of the HM Treasury Financial Reporting Manual.

#### 1.21 Reserves

Other reserves have been created to account for differences between the Trust's opening capital debt (Public Dividend Capital on its inception as an NHS Foundation Trust) and the value of net assets transferred to it.

#### 1.22 Critical accounting estimates and judgements

Estimates and judgements are periodically evaluated and are based on historical experience and other factors, including, expectations of future events that are believed to be reasonable under the circumstances.

The Trust holds one finance lease with prices in Euro denomination for which it is the lessee. At the inception of this contract the Euro Exchange rate was 1.4845; this was the rate used to initially account for the finance lease liability. It is considered there has been no material change to the liability during 2014/15. Payments made under the contract terms are translated at the spot rate at the time of payment.

Estimates and judgements are also made in respect of provisions, details of provisions are shown at note 14 to the accounts.

Partially completed spells income has been calculated using different methodolgies by the two legacy organisations. Both calculations are in keeping with prior years and are considered reasonable estimates and approaches upon which Commissioners have agreed to the figures calculated.

#### 1.22 Critical accounting estimates and judgements (continued)

The Trust has included within the accounts £10.1m of deferred income. This is considered by the Trust to be deferred income as the services for which the income has been received have not yet been delivered. These deferred income balances by their nature are estimates and management has made a judgement in its recognition and measurement of these. Further details can be seen within note 13.1.

The trust has calculated that the deficit support funding receivable for 2014/15 as per note 7 to the accounts, is subject to delivery of full audited financial statements and any adjustments subsequently required.

A full asset valuation of the land and buildings was undertaken during 2014/15. The valuations have been undertaken under IFRS, the RICS advises that assumptions underpinning the concepts of fair value should be explicitly stated and identifies two potential qualifying assumptions:

"the Market Value on the assumption that the property is sold as part of the continuing enterprise in occupation" (effectively Existing Use Value); or

"the Market Value on the assumption that the property is sold following a cessation of the existing operations" (in effect the traditional understanding of Market Value).

The Department of Health has indicated that for NHS assets it requires the former assumption to be applied for operational assets, this is the approach that was taken by the DV. The Market Value used in arriving at fair value for operational assets is therefore subject to the assumption that the property is sold as part of the continuing enterprise in occupation.

In the view of the Trust there are no further estimates or judgements which if wrong could significantly affect financial performance.

#### 1.23 Charitable Funds

Material entities over which the Trust has the power to exercise control so as to obtain economic or other benefits are classified as subsidiaries and are consolidated. Their income and expenses; gains and losses; assets, liabilities and reserves; and cash flows are consolidated in full into the appropriate financial statement lines. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the Trust's or where the subsidiary's accounting date is before 1 January or after 30 June.

Frimley Health NHS Foundation Trust is the Corporate Trustee of the Frimley Health Charity. The charity is deemed to be a subsidiary under the prescriptions of IAS27. International Accounting Standards dictate that consolidated accounts should be prepared, that include the result and Statement of Financial Position of this subsidiary undertaking.

Frimley Health came into existence on 1 October 2014, following the acquisition of Heatherwood and Wexham Park Hospitals NHS FT. As at the 1 October 2014 the Heatherwood and Wexham Park Hospital Charity was linked to the Frimley Park Hospital Charity. During the period of operation from 1 October 2014 to 31 March 2015, the linked Charity has been removed and now forms part of the Frimley Park Hospital Charity. The Charity has also updated its name to Frimley Health during March 2015.

Consolidation of the Charitable Funds with the Trusts main accounts was deemed to be immaterial for 2014/15 Accounts. The unaudited value of the Charitable Funds reserves as at 31 March 2015 is circa £2.5m (2013/14 £1.2m), income received during the year was £1.0m (2013/14 £0.7m) and expenditure was £1.0m (2014/14 £0.4m).

Frimley Health NHS Foundation Trust is the sole beneficiary of the Frimley Health Charity. The charity registration number is 1049600 and the registered address is Portsmouth Road, Frimley, Camberley, Surrey GU16 7UJ. Accounts for the charity can be obtained from http://www.charitycommission.gov.uk

#### 1.24 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. The losses and special payments note is compiled directly from the losses and compensations register which reports on an accruals basis with the exception of provisions for future losses.

#### 1.25 Changes to Accounting Policies

The following accounting standards have been issued by the International Accounting Standards Board (IASB) and International Financial Reporting Standards Interpretations Committee (IFRIC), but have not been adopted because they are not yet required to be adopted.

#### IFRS 15 Revenue from contracts with customers

IFRS 15 establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

IFRS 15 is effective for annual periods beginning on or after 1 January 2017.

IFRS 15 supersedes:

- IAS 11 Construction Contracts:
- IAS Revenue:
- IFRIC 13 Customer Loyalty Programmes;
- IFRIC 15 Agreements for the Construction of Real Estate;
- IRR 18 Transfers of Assets from Customers; and
- SIC-31 Revenue Barter Transactions Involving Advertising Services.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principal by applying the following steps

- 1 Identify the contract(s) with a customer.
- 2 Identify the performance obligations in the contract.
- 3 Determine the transaction price.
- 4 Allocate the transaction price to the performance obligations in the contract
- 5 Recognise revenue when (or as) the entity satisfies a performance obligation.

The objectives of the disclosure requirements is for an entity to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. To achieve that objective, an entity shall disclose qualitative and quantitative information about the following:

#### 1.25 Changes to Accounting Policies (continued)

(a) Its contracts with customers.

This is revenue recognised from contracts with customers, which the entity shall disclose separately from its other sources of revenue and any impairment losses recognised on any receivables or contract assets arising from an entity's contracts with customers, which the entity shall disclose separately from impairment losses from other contracts.

Disaggregation of revenue recognised from contracts with customers is disclosed in categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. In addition, an entity shall disclose sufficient information to enable users of financial statements to understand the relationship between the disclosure of disaggregated revenue and revenue information that is disclosed for each reportable segment.

The opening and closing balances of receivables, contract assets and contract liabilities from contracts with customers is disclosed. Also, revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period and revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods.

An entity shall explain how the timing of satisfaction of its performance obligations relates to the typical timing of payment and the effect those factors have on the contract liability balances. The explanation provided may use qualitative information.

If there are any significant changes in the contract asset and liability balances during the reporting period, then an explanation will be included.

An entity shall disclose information about its performance obligations in contract with customers including a description of:

- -when the entity typically satisfies its performance obligations e.g. as services are rendered;
- the significant payment terms e.g. when payment is typically due;
- the nature of the goods or services that the entity has promised to transfer, highlighting any performance obligations to arrange for another party to transfer goods or services;
- obligations for returns, refunds and other similar obligations; and
- types of warranties and related obligations.

An entity shall disclose the amount of the transaction price allocated to any unsatisfied performance obligations and an explanation of when the entity expects to recognise this as income.

- (b) the significant judgements, and changes in the judgements, made in applying this Standard to those contracts.
- (c) any assets recognised from the costs to obtain or fulfil a contract with a customer.

#### 1.25 Changes to Accounting Policies (continued)

#### **IFRS 9 Financial Instruments**

This standard is to replace IAS 39 Financial Instruments: Recognition and Measurement. This

#### Classification and measurement of financial assets

IFRS 9 reduced the number of classification categories and provided a clearer rationale for measuring financial assets. It also applied a single impairment method to all financial assets not measured at fair value and aligned the measurement attributes of financial assets with the way the entity manages its financial assets and their contractual cash flow characteristics. There is also guidance included for when a part of a financial asset could be considered for derecognition. The derecognition principles should be applied to a part of a financial asset only if that part contained no risks and rewards relating to the part not being considered for derecognition.

The impact on financial liabilities relates to the issue of credit risk. The issue of credit risk does not arise for most liabilities and would remain only in the context of financial liabilities designated under the fair value option. The effects of changes in a liability's credit risk should be presented in other comprehensive income rather than through profit or loss for the year unless such treatment would create or enlarge an accounting mismatch in profit or loss (in which case the entire fair value change is required to be presented in profit or loss).

#### IAS 36 (amendment) Impairment of Assets - recoverable amount disclosures

In May 2013 IAS 36 was amended by Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36). The amendments required the disclosure of information about the recoverable amount of impaired assets, if that amount is based on fair value less costs of disposal and the disclosure of additional information about that fair value measurement.

#### **Annual Improvements 2012**

This standard is potentially applicable to 2015/16, but has not yet been endorsed by the EU, and therefore HM Treasury Policy is not available for NHS Bodies to apply.

## **Annual Improvements 2013**

This standard is potentially applicable to 2015/16, but has not yet been endorsed by the EU, and therefore HM Treasury Policy is not available for NHS Bodies to apply.

# IAS 19 Employee Benefits (amendment) - employer contributions to defined benefit pension schemes

In November 2013 IAS 19 was amended by Defined Benefit Plans: Employee Contributions (Amendments to IAS 19). The amendments simplified the requirements for contributions from employees or third parties to a defined benefit plan, when those contributions are applied to a simple contributory plan that is linked to service.

#### **IFRIC 21 Levies**

A government may impose a levy on an entity. The IFRS Interpretations Committee received requests for guidance on the accounting for levies in the financial statements of the entity that is paying the levy. The question relates to when to recognise a liability to pay a levy that is accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

#### 1.25 Changes to Accounting Policies (continued)

#### **IFRS 13 Fair Value Measurement**

The standard defines 'fair value' and sets out in a single IFRS a framework for measuring fair value. It also requires disclosures about fair value measurements.

It is applicable to all IFRSs that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specified circumstances. The IFRS explains how to measure fair value for financial reporting. It does not require fair value measurements in addition to those already required or permitted by other IFRSs and is not intended to establish valuation standards or affect valuation practices outside financial reporting.

#### 1.26 Historical Financial Performance Heatherwood and Wexham Park Hospitals NHS FT

Heatherwood and Wexham Park Hospitals NHS FT had been in breach of the terms of its authorisation since 2009, and continued to have significant financial deficits. The Trust was also unable to deliver the necessary capital expenditure to improve the site infrastructure. It had been classified by Monitor as having a Financial Risk Rating of 1 the lowest rating since 2009 and under the new measurements a Continuity of Service Risk Rating (CoSRR) of 2.

Conversely Frimley Park Hospital NHS Foundation Trust has historically reported surpluses of more than 2% of total income for the past three years, as well as CoSRR of 4.

#### 1.27 Segmental reporting

IFRS 8 defines the term of Chief Operating Decision Maker (CODM) as a group or individual whose 'function is to allocate resources to and assess the performance of the operating elements of the entity.' For the Trust the most appropriate interpretation is that the Board of Directors represents the CODM. Operational performance is monitored at the monthly Board meetings and key resource allocation decisions are agreed there.

Since the acquisition of H&WPH on 1 October 2014, information has been presented to the Board by operating sites. Moving forwards the Trust will be moving from site reporting to Trust wide reporting, therefore the Trust is still considered to be a single operating segment and is under full IFRS. This method of reporting is considered to be sufficient as the Board allocates resources and assesses performance on a Trust wide basis.

A reconciliation between the published accounts and the information presented to the CODM, for financial years 2014/15 is shown overleaf. The information for 2014/15 represents the full year position for Heatherwood and Wexham Park site and Frimley Park Hospital site, with a combined Frimley Health position. A reconciliation is also shown adjusting the months 1 - 6 position for Frimley Health, removing the first 6 months of Heatherwood and Wexham Park pre acquisition which is consistent with the published accounts. The information for 2013/14 is for Frimley Park Hospital site only.

The Trust generates the majority of its income from healthcare and related services. The information as displayed in the accounts reflects that which is submitted to the Board.

During 2014/15 significant income was received from the following CCGs:

NHS Bracknell And Ascot CCG 10% of total income NHS North East Hampshire And Farnham CCG 24% of total income NHS Surrey Heath CCG 11% of total income

#### **Board Report Extract as at 31 March 2015**

		Full Year Outtum			
Combined		Plan	Actual	Variance	
		£m	£m	£m	
Income		548.2	578.7	30.5	
Expenditure		-533.1	-590.0	-56.9	
Depreciation		-21.0	-19.4	1.6	
Net Revenue Surplus / (Deficit)		-5.9	-30.7	-24.8	
Deficit Support Funding		9.2	17.6	8.4	
Revenue Deficit after DoH Support		3.3	-13.1	-16.4	
H&WPH Half Year pre-transaction deficit			11.8	11.8	
Revenue Deficit after DoH Support Frimley Hea	lth	3.3	-1.3	-4.6	
Gain from transfer by absorption			90.7		
Reported Surplus in Final Accounts			89.5		
		·			
Cash		52.5	59.1	6.6	
Continuity of Service Rating		4.0	4.0		

The continuity of service risk rating (CoSRR) was reported to the Board at a 4.0 however on completion of the accounts the actual was a 3.0 which was in line with expectations following acquisition. Plan was £3.2m due to roundings this is showing as £3.3m on this report.

#### Site Based Reporting

Prior to period 12 the results of the Trust were being reported to the Board for two operating segments in the format below. Therefore, to demonstrate the segmental reporting used for the majority of the year we have reported the above month 12 results in the same format. These include the full year results for the Healtherwood and Wexham segment.

	V(- D-(-
Frimley	Year to Date Plan Actual Variance £m £m £m
Income Expenditure Depreciation Net Revenue Surplus / (Deficit)	294.800 336.800 42.000 - 280.900 - 305.376 - 24.476 - 10.600 - 9.200 1.400 3.300 22.224 18.924
Heatherwood & Wexham	<b>Year to Date</b> Plan Actual Variance £m £m
Income Expenditure Depreciation Net Revenue Surplus / (Deficit)	232.400
Combined	Year to Date Plan Actual Variance £m £m £m
Income Expenditure Depreciation Net Revenue Surplus / (Deficit)	527.200       596.400       69.200         - 512.800       - 590.076       - 77.276         - 20.200       - 19.400       0.800         - 5.800       - 13.076       - 7.276
Heatherwood and Wexham Park months 1 - 6	- 11.847
Frimley Health (Deficit) from Continuing Operations	- 1.229
Gain from transfer by absorption	90.732
SURPLUS FOR THE YEAR	89.503

The surplus for the year was reported to the Board at £89.503m however on completion of the accounts the actual was adjusted to £88.203m.

## Board Report as at 31 March 2014

#### **INCOME AND EXPENDITURE**

INCOME AND EXPENDITURE Operating	Plan YTD £m	Actual YTD £m	Variance YTD £m
NHS Acute Activity Income			
Elective Inpatients		<del></del>	<del></del>
Tariff revenue	26.653	24.828	(1.825)
Non-Tariff revenue	0.089	0.083	(0.006)
Non-Elective patients	70.704	70.704	0.000
Tariff revenue Non-Tariff revenue	73.761 1.964	73.764 1.964	0.003
Elective day case patients (Same day)	1.304	1.304	<u> </u>
Tariff revenue	29.542	32.513	2.971
Non-Tariff revenue	0.356	0.392	0.036
Outpatient	<u> </u>	<b>L</b>	
Tariff revenue	43.279	47.241	3.962
Non-Tariff revenue	15.040	15.874	0.834
A&E	<u></u>		<u></u>
Tariff revenue	12.678	12.988	0.310
Non-Tariff revenue	<u>i</u> j	ij	<u> </u>
Other NHS activity Tariff revenue		[	
Non-Tariff revenue	41.955	47.114	5.159
Total NHS Tariff income	185.913	191.334	5.421
Total NHS Non-Tariff income	59.404	65.427	6.023
NHS Acute Activity Income, Total	245.317	256.761	11.444
Title route retirity income, rotal	240.011	20001	
Private patient revenue	7.043	6.757	(0.285)
Other Non Mandatory/Non protected clinical revenue		0.882	0.882
Non Mandatory/Non protected revenue, Total	7.043	7.639	0.597
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Research and Development revenue	0.999	1.203	0.204
Education and Training revenue	4.676	5.042	0.366
Donations & Grants received for PPE and Intangible Assets			
Parking Revenue	1.470	1.818	0.348
Catering Revenue	1.498	1.662	0.164
Accomodation Revenue	0.348	0.382	0.034
Revenue from non-patient services to other bodies	7.322 9.876	9.392 7.996	2.070
Misc. Other Operating revenue Other Operating revenue, Total	26.189	27.495	(1.880) 1.306
Other Operating revenue, rotal	20.109	27.433	1.300
Operating Revenue, Total	278.549	291.895	13.347
O			
Operating Expenses Drugs	(24.191)	(27.720)	(3.538)
Clinical supplies	(34.064)	(34.125)	
Decrease (increase) in inventories of finished goods & WIP	(34.004)	(34.123)	(0.061)
Non-clinical supplies	(3.859)	(4.322)	(0.463)
Raw Materials and Consumables Used, Total	(62.114)	(66.176)	(4.062)
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Cost of Secondary Commissioning of mandatory services	(0.318)	(0.319)	(0.001)
Employee Benefits Expenses	(161.375)	(171.142)	(9.767)
Research & Development expense	(0.570)	(0.612)	(0.042)
Education and training expense	(05.470)	(20.540)	0.000
Misc. other Operating expenses  Operating Expenses within EBITDA, Total	(35.476)	(32.513)	2.963
Operating Expenses within EBITDA, Total	(259.853)	(270.762)	(10.909)
Depreciation and Amortisation - owned assets	(8.987)	(9.088)	(0.101)
Impairment Losses (Reversals) net	(1.575)	(1.102)	0.473
Operating Expenses excluded from EBITDA, Total	(10.562)	(10.190)	0.372
operating Expenses excitated from EBITE/1, retain	(10.002)	(101100)	0.012
Operating Expenses IFRS, Total	(270.415)	(280.952)	(10.537)
Surplus (Deficit) from Operations	8.134	10.944	2.810
Non Operating			
Non Operating	0.222	0.124	(0.400)
Interest Income	0.333	0.134	(0.199)
Profit (loss) on asset disposals  Non-Operating income, Total	0.333	0.134	(0.199)
Interest Expense on Finance leases (non-PFI)	(0.078)	(0.062)	0.016
PDC dividend expense	(4.449)	(4.512)	(0.063)
Non-Operating expenses, Total	(4.527)	(4.574)	(0.047)
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Surplus (Deficit) from Continuing Operations	3.940	6.504	2.564

#### 2. Operating Income

#### 2.1 Operating Income

2.1 Operating moonic	2014/15 £000	2013/14 £000
Commissioner requested services	2000	2000
Elective income	79,318	57,816
Non elective income	124,026	75,728
Outpatient income	82,398	63,115
A&E income	20,477	12,988
Other type of activity income	91,629 *	50,684
Non NHS other	53	0
Total Commissioner requested services	397,901	260,331
Non-Commissioner requested services		
- Private patient income	8,301	6,629
- Overseas patients (non-reciprocal)	263	128
- NHS Injury Scheme	1,272	730
Non-Commissioner requested services	9,836	7,487
Non-Commissioner requested services - Other Income		
Education and training	9,134	5,042
Non-patient care services to other bodies	10,849	6,538
Research and development	1,553	1,203
Car Parking	2,628	1,818
Catering	1,824	1,662
Charitable and other contributions to expenditure	199	61
Staff accommodation	454	382
Clinical Excellence Award	326	412
Creche	578	559
Clinical tests	1,168	896
Other operating income	28,844 **	5,504
Non-Commissioner requested services - Other income	57,557	24,077
Total Operating Income	465,294	291,895

NHS Injury Scheme income is subject to a provision for doubtful debts to reflect expected collection rates. The level of provision is based on historic recovery of NHS Injury Scheme debts.

## 2.2 Operating Income by category

2.2 operating meeting by category	2014/15 £000	2013/14 £000
Commissioner requested services Income from activities Non-Commissioner requested services	397,901	260,331
<ul> <li>Private patient income</li> <li>Overseas patients (non-reciprocal)</li> <li>NHS Injury Scheme</li> </ul>	8,301 263 1,272	6,629 128 730
Total Income from activities	407,737	267,818
Other income	57,557	24,077
Total operating income	465,294	291,895

<sup>\*</sup> Other type of activity income includes £9.3m in respect of Bowel Cancer Screening of which £5.7m relates to the release of the deferred income balance held at 31 March 2014.

<sup>\*\*</sup> Other operating income includes £19.8m in respect of Department of Health income with regards to the cost of the transaction and deficit support. Deficit support is the money received which intended to return the Trust's position financially to that had the transaction not occurred, payment of such is based around delivery of operational efficiencies.

2.3 Overseas patients (non-reciprocal)		
	2014/15	2013/14
	£000	£000
Income recognised this year	263	128
Cash payments received in-year	86	62
Amounts added to provision for impairment of receivables	150	2
Amounts written off in-year	117	22
3. Operating Expenses		
3.1 Operating expenses comprise	2014/15	2013/14
	£000	£000
NHS expenditure on non healthcare services	4,463	1,838
Purchase of healthcare from non-NHS bodies	3,327	2,733
Executive directors' costs	1,315	1,011
Non-executive directors' costs	153	146
Staff costs	279,938	170,541
Drug costs	42,836	27,384
Supplies and services - clinical (excluding drug costs)	47,812	34,566
Supplies and services - general	8,088	4,527
Establishment	5,047	3,715
Transport	942	703
Premises	18,177	12,537
Increase in bad debt provision	1,244	212
Depreciation	13,545	8,781
Amortisation on intangible assets *	6,752	307
Property, plant and equipment impairment	2,890	1,102
Audit Fees - statutory audit	220	89
Clinical negligence	9,586	5,819
Rentals under operating leases	2,073	1,244
Other expenses	12,074	3,690
	460,482	280,945

<sup>\*</sup>refer to intangible assets note 8

## 3.2 Auditor's remuneration

The Board of Governors reappointed PricewaterhouseCoopers LLP (PwC) as external auditors of the Trust for a term of three years commencing 1 April 2011, with an option to extend the appointment for a further two years. The council of governors exercised the two year extension option and the PwC contract for External Audit services will therefore run to 31 March 2016.

The table below sets out the fee for the audit in accordance with the Audit Code issued by Monitor in March 2015.

Audit Services - Statutory Audit	2014/15	2013/14
	£(exc. VAT)	£(exc. VAT)
Audit of the financial statements	146,000	59,306
Assurance on the quality report	33,000	12,877
Additional procedures performed for the NAO, as appointed auditors of the		
consolidated foundation trust accounts	4,500	2,291
Total	183,500	74,474
	2014/15	2013/14
	£(exc. VAT)	£(exc. VAT)
Non audit fees	190,000	208,418
Total	190,000	208,418

#### 3.2 (Continued)

Non Audit Fees

The Trust engaged PwC for services relating to due diligence of 18 week Referal to Treatment (RTT) performance and cancer access targets at H&WPH - £65,000.

PwC also provided services relating to the Trust's review of the quality and performance of core services at H&WPH and a deep dive review of the mortality reporting process - £75,000.

Services were also provided to assist the Trust in its preparation for CQC inspection in July 2014 - £50,000.

PwC is the external auditor of Frimley Park Hospital Charitable Funds, of which the Trust is the Corporate Trustee. The fees in respect of this engagement are £10k.

The engagement letter signed on 12 February 2015, states that the liability of PwC, its members, partners and staff (whether in contract, negligence or otherwise) shall in no circumstances exceed £1m, in aggregate in respect of all services.

#### 3.3 Operating leases

3.3.1 Arrangements containing an operating lease	2014/15 £000	2013/14 £000
Payments recognised as an expense	2,073	1,244
	2,073	1,244
3.3.2 Future minimum lease payments due		
	2014/15	2013/14
	£000	£000
Annual payments on leases:		
Not later than one year	2,712	1,068
Later than one year and not later than five years	4,074	2,451
Later than five years	0	0
	6,786	3,519

The Trust has one significant lease arrangement:

## 4. Staff Costs

4.1 Staff costs	2014/15 Total	Permanently Employed	Other	2013/14 Total
	£000	£000	£000	£000
Salaries and wages	210,226	210,226	0	135,531
Social Security Costs	16,723	16,723	0	11,014
Employer contributions to NHSPA	23,839	23,839	0	15,840
Other pension costs	0	0	0	2
Termination benefits	1,040	1,040	0	14
Agency/contract/MOD staff	29,897	0	29,897	9,921
Recoveries from other bodies	(472)	(472)	0	(770)
	281,253	251,356	29,897	171,552

Costs for MOD staff shown above were £1,139k (2013/14 - £1,490k), staff are employed on the Frimley site under contract from the MOD.

<sup>-</sup> During 2008/09 rental payments in respect of the Aldershot Centre for Health commenced, the contract has a break clause after 10 years, payments are shown up to and including this time frame. The rental during 14/15 was £586k plus £146k service charge (2013/14 - £754k rental plus £173k service charge).

## 4.2 Staff exit packages

2014/15 Compulsory redundancies Number	2014/15 Cost of compulsory redundancies £000s	2013/14 Compulsory redundancies Number	2013/14 Cost of compulsory redundancies £000s
1	95	0	0
2	945	0	0
3	1,040	0	0
	Compulsory redundancies Number	Compulsory redundancies Number  1 95 2 945	Compulsory redundancies Number  1  95 2  945  Compulsory redundancies Number  Compulsory redundancies Number  Number  Compulsory redundancies Number  Number

Exit packages granted to staff during the year were in respect of loss of office due to the acquisition. All exit packages during 2013/14 were in respect of the national Mutually Agreed Resignation Scheme (MARS).

during 2010/11 word in respect of the national we	, <i>7</i> .g. 000 . 100.g			
4.3 Monthly average number of persons emplo	oyed 2014/15			2013/14
	2014/15 Total	Permanently	Other	Z013/14 Total
	Iotai	Employed	Other	iotai
	Number	Number	Number	Number
Medical and dental	659	652	7	478
Administration and estates	1,139	1,139	0	722
Healthcare assistants and other support staff	920	915	5	1,018
Nursing, midwifery and health visiting staff	1,952	1,940	12	1,143
Nursing, midwifery and health visiting learners	0	0	0	17
Scientific, therapeutic and technical staff	679	675	4	365
Bank and agency staff	738	0	738	353
	6,087	5,321	766	4,096
4.4 Remuneration of Directors				
4.4 Remaindration of Directors	2014/15			
	Total	Employer's	Employer's NI	Remuneration
	Iotai	Pension	Linployer 3 Ni	Remuneration
		Contributions		
	£000	£000	£000	£000
	2000	2000	2000	2000
<b>Executive Directors</b>	1,315	108	136	1,071
Non Executive Directors	153	0	11	142
	1,468	108	147	1,213
	2013/14			
	Total	Employers	Employers NI	Remuneration
		Pension		
		Contributions		
		£000's	£000's	£000's
Executive Directors	1,011	71	101	839
Non Executive Directors	146	0	11	135
	1,157	71	112	974
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## 4.5 Early retirements due to ill health

During 2014/15 there were 5 early retirements from the Trust agreed on the grounds of ill-health at a cost of £387k (2013/14 - 3 at a cost of £251k).

## 5. Better Payment Practice Code

#### 5.1 Better payment practice code - measure of compliance

	2014/15		2013/14	
	Number £000		Number	£000
Total bills paid in the year	121,245	215,513	82,581	122,379
Total bills paid within target	98,548	158,874	72,813	108,820
Percentage of bills paid within target	81%	74%	88%	89%

Under the Better Payment Practice Code the Trust aims to pay all valid non-NHS invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

#### 5.2 The Late Payment of Commercial Debts (Interest) Act 1998

An amount of £63k has been included within finance costs arising from claims made under this legislation (2013/14 - £4k).

## 6. Finance Expenses - Financial Liabilities

	2014/15	2013/14
	£000	£000
Finance leases	51	62
Interest on late payment of commercial debt	63	4
	114	66

#### 7. Gain from transfer on absorption

On 1 October 2014 Frimley Park Hospital NHS FT acquired Heatherwood and Wexham Park Hospitals NHS FT and was renamed Frimley Health NHS FT. The financial statements represent the results of Frimley Park Hospital for the six months to 30 September 2014 and the combined Frimley Health for the six months to 31 March 2015. All prior year comparatives are those of Frimley Park Hospital. The full year results of the legacy organisations, as well as the results of Heatherwood and Wexham Park Hospitals for the six to months to 31 March 2015, have been disclosed separately in note 1.27 Segmental reporting.

As explained in note 1.2 Acquisition of H&WPH, the acquisition has been accounted for using the 'transfer by absorption' method in line with Monitor's Foundation Trust Annual Reporting Manual 2014/15 (FT ARM).

## 7.1 Gain on transfer by absorption

The assets and liabilities of H&WPH as at 30 September 2014 were transferred to Frimley Health's Statement of Financial Position. In line with the requirements of the FT ARM, these were transferred at book value and not adjusted to fair value prior to recognition.

The Statement of Comprehensive Income includes a 'Gain on transfer by absorption'. This entirely relates to the acquisition of Heatherwood and Wexham Park's assets and liabilities on 1 October 2014.

The value of the assets and liabilities acquired is detailed below. HM Treasury approved the transfer of Public Dividend Capital (PDC) to this value as shown in the Statement of Changes in Taxpayers Equity.

	£000
Property plant and equipment	95,243
Intangible assets	7,694
Inventories	5,810
Trade and other receivables	28,851
Cash and cash equivalents	553
Trade and other payables	(38,456)
Tax payable	(5,048)
Other liabilities	(2,167)
Provisions for liabilities and charges **	(1,643)
Borrowings	(105)
Gain in Income and Expenditure Reserve	90,732

<sup>\*\*</sup> on receipt of the assets and liabilities changes were made to the provisions for liabilities and charges to show the holiday pay as an accrual and not within provisions as is the case for the Frimley site reporting.

#### 7.2 Revaluation reserve

Heatherwood and Wexham Park Hospitals had a revaluation reserve of £19,960k as at 30 September 2014. As per the Statement of Changes in Taxpayers Equity, this was recreated in Frimley Health on 1 October through transferring £19,690k out of the income and expenditure reserve and into the revaluation reserve.

### 7.3 Harmonisation of accounting policies

H&WPH applied a different accounting policy to Frimley Health in relation to the treatment of inventory. In particular H&WPH carried consumables and fuel within inventories which it is Frimley's policy to not carry such items. Therefore, following the transfer of H&WPH's assets into Frimley Health £4,152k of inventories was written out in order to harmonise the accounting policies. This has been disclosed as 'Other recognised gains and losses' on the face of the Statement of Comprehensive Income and the Statement of Changes in Taxpayers' Equity.

## 7.4 Acquisition Funding

The Trust has a five year integration plan in place agreed with the Department of Health which details the funding which will be provided to the Trust to support the costs of integration. It includes deficit support to cover the anticipated deficit at the Heatherwood Hospital and Wexham Park Hospital sites over the next five years to allow the Trust to move to a stand alone surplus position over time.

The exact value of the deficit support each year is based on the Trust's overall planned surplus. A lower surplus than planned will lead to a reduction by the Department of £1 for each £1 of underperformance by the Trust up to a value cap of 5% of the deficit support funding for the year. The risk of under delivery of the surplus position in 2014/15 is therefore a maximum of £880k as the deficit support funding for 2014/15 was £17,600k. A higher surplus than planned leads to an additional payment of £0.25 by the department for each £1 of over performance up to a value cap of 5% of the deficit support funding for the year. The reward for over delivery in 2014/15 is therefore a maximum of £880k. £17,600k deficit support funding for 2014/15 has been recognised in the financial statements and is included in other operating income in note 2. However, the final balance is agreed upon receipt of audited financial statements and is based on a normalised surplus/deficit position. Therefore, the final reward/penalty element of the deficit support will be agreed in 2015/16 and recognised in the accounts for that year.

#### 7.4 Acquisition Funding (continued)

In addition the Trust has recognised £2,200k from the Department of Health in revenue to meet expenditure incurred in relation to the acquisition, which has been recorded as other operating income in note 2.

The Trust has agreed a five year programme of funding with NHS England, NHS Slough CCG, NHS Bracknell and Ascot CCG, NHS Windsor, Ascot and Maidenhead CCG and NHS Chiltern CCG to support the costs of integrating Heatherwood and Wexham Park Hospitals into the Trust. Within other operating income in note 2, £1,353k of income has been recognised in 2014/15 in respect of integration funding received from the commissioners.

## 8. Intangible Assets

Intangible assets at the statement of financial position date comprise the following elements

	Total	Software	Information technology (internally generated)	Other	Intangible assets under construction
	£000	£000	£000	£000	£000
Gross cost at 1 April 2014	1,475	1,475	0	0	0
Transfers by absorption	13,619	5,751	6,845	0	1,023
Additions - purchased	579	579	0	0	0
Reclassifications	0	0	1,023	0	(1,023)
Gross cost at 31 March 2015	15,673	7,805	7,868	0	0
Accumulated amortisation at 1 April 2014 Transfers by absorption	900 5,925	900 4,133	0 1,790	0 2	0
Provided during the year	6,752	674	6,078	0	0
Reclassifications	0	2	0	(2)	0
Accumulated amortisation at 31 March 2015	13,577	5,709	7,868	0	0
NBV - Purchased at 31 March 2014  NBV total at 31 March 2014	575 575	575 <b>575</b>	0 <b>0</b>	0	0 <b>0</b>
NBV - Purchased at 31 March 2015	2,096	2,096	0	0	0
NBV total at 31 March 2015	2,096	2,096	0	0	0

Intangible software assets have been assigned a life of between 3 to 7

Internally generated information technology intangible assets transferred on the acquisition of H&WPH were considered to have no further useful economic life beyond the reporting period and are provided for within the £6,078k amortisation which has been accelerated

#### 9. Assets Held for Sale Non-current assets held for sale

	Total £000	Land £000
Net Book Value of non-current assets for sale at 1 April 2014	0	0
Plus assets classified as available for sale in the year	1,950	1,950
Net Book Value of non-current assets for sale at 31 March 2015	1,950	1,950

Assets held for sale are in respect of the land held at Frimley Children's Centre. The sale was approved at the 3 October 2014 Trust Board.

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10. Property, Plant and Equipment

10.1 Property, plant and equipment at the statement of financial position date comprise the following elements

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Transport Equipment	Information technology	Furniture and fittings
	0003	£000	£000	€000	0003	0003	€000	0003	0003
Cost or valuation at 1 April 2014	186,261	23,480	115,818	2,979	1,881	38,559	0	3,537	7
Transfers by absorption	202,315	11,030	133,289	0	22	38,662	127	12,200	6,985
Additions - purchased	20,318	0	11,757	0	171	4,191	0	2,625	1,574
Additions - donated	199	0	0	0	0	199	0	0	0
Revaluations	22,775	5,520	16,858	397	0	0	0	0	0
Impairments/surpluses charged to revaluation reserve	(868)	(2,086)	(4,312)	0	0	0	0	0	0
Impairments recognised in operating expenses	(2,890)	(724)	(2,160)	0	0	0	0	(9)	0
Reclassifications	0	0	1,720	0	(1,903)	20	0	65	86
Transfer to assets held for sale	(1,950)	(1,950)	0	0	0	0	0	0	0
Disposals/Derecognition	(10,506)	0	0	0	0	(8,980)	0	(1,526)	0
Cost or valuation at 31 March 2015	410,124	35,270	272,970	3,376	171	72,651	127	16,895	8,664
Accumulated Depreciation at 1 April 2014	27,713	0	0	103	0	24,784	0	2,819	7
Transfers by absorption	107,072	0	63,156	0	0	29,474	122	9,711	4,609
Provided during the year	13,545	0	8,092	354	0	4,129	2	798	170
Accumulated depreciation written out upon revaluation	(33,395)	0	(33,041)	(354)	0	0	0	0	0
Disposals/Derecognition	(10,506)	0	0	0	0	(8,980)	0	(1,526)	0
Depreciation at 31 March 2015	104,429	0	38,207	103	0	49,407	124	11,802	4,786
Net book value									
- Purchased at 1 April 2014	149,739	23,480	109,351	2,261	1,881	12,048	0	718	0
- Finance Leases 1 April 2014	1,026	0	0	615	0	411	0	0	0
- Donated at 1 April 2014	7,783	0	6,467	0	0	1,316	0	0	0
Total at 1 April 2014	158,548	23,480	115,818	2,876	1,881	13,775	0	718	0
Net book value									
- Purchased at 31 March 2015	295,497	35,270	226,958	2,453	171	21,671	က	5,093	3,878
- Finance Leases at 31 March 2015	1,173	0	0	820	0	353	0	0	0
- Donated at 31 March 2015	9,025	0	7,805	0	0	1,220	0	0	0
Total at 31 March 2015	305,695	35,270	234,763	3,273	171	23,244	3	5,093	3,878

financial year revaluation of the following assets took place which resulted in the following impairments, on newly constructed assets bought into use which were charged to Land and Buildings were revalued effective 31st March 2015 by the District Valuer following a full site valuation in accordance with the MEA Valuation method. During the Statement of Comprehensive Income:

Frimley Park - New Modular Ward £987k, Interventional Radiology Suite £350k, Central Delivery Suite £135k

Heatherwood - Land £724k

Wexham Park - Post Graduate Medical Centre £218k, A&E Extension £214k, Ward 10/11 £169k, GP Unit £40k

Frimley Health NHS Foundation Trust - Annual Accounts 2014/15

10.2 Property, plant and equipment at the statement of financial position date comprise the following elements

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Information technology	Furniture and fittings
	£000	£000	€000	£000	£000	£000	0003	£000
Cost or valuation at 1 April 2013	176,046	21,410	111,671	2,979	470	36,132	3,112	272
Additions - purchased	10,175	2,306	3,481	0	1,862	2,446	80	0
Additions - donated	61	0	0	0	0	61	0	0
Revaluations	2,181	0	2,181	0	0	0	0	0
Impairments/surpluses charged to revaluation reserve	(1,100)	0	(1,100)	0	0	0	0	0
Impairments recognised in operating expenses	(1,102)	(446)	(999)	0	0	0	0	0
Reclassifications	0	210	241	0 (	(451)	(80)	345	(265)
Disposals	0	0	0	0	0	0	0	0
Cost or valuation at 31 March 2014	186,261	23,480	115,818	2,979	1,881	38,559	3,537	7
Accumulated Depreciation at 1 April 2013	26,089	0	1,700	114	0	21,987	2,281	7
Provided during the year	8,781	0	5,133	313	0	2,797	538	0
Accumulated depreciation written out upon revaluation	(7,157)	0	(6,833)	(324)	0	0	0	0
Disposals	0	0	0	0	0	0	0	0
Depreciation at 31 March 2014	27,713	0	0	103	0	24,784	2,819	7
Net book value								
- Purchased at 1 April 2013	140,927	21,410	103,667	2,250	470	12,034	831	265
- Finance Leases 1 April 2013	1,163	0	0	615	0	548	0	0
- Donated at 1 April 2013	7,867	0	6,304	0	0	1,563	0	0
Total at 1 April 2013	149,957	21,410	109,971	2,865	470	14,145	831	265
Net book value								
- Purchased at 31 March 2014	149,739	23,480	109,351	2,261	1,881	12,048	718	0
- Finance Leases at 31 March 2014	1,026	0	0	615	0	411	0	0
- Donated at 31 March 2014	7,783	0	6,467	0	0	1,316	0	0
Total at 31 March 2014	158,548	23,480	115,818	2,876	1,881	13,775	718	0

Land and Buildings were revalued effective 31st March 2014 by the District Valuer, based on a desktop valuation in accordance with the MEA Valuation method. During the financial year revaluation of the following assets took place which resulted in the following impairments, on newly constructed assets bought into use which were charged to Statement of Comprehensive Income: Lyon Way Car Park £445k; Interventional Radiology Suite 2 £432k; Neonatal £202k; Cardiology Centre £23k.

#### 10.3 Assets held at open market value

Of the totals at 31 March 2015 and 31 March 2014 all assets were valued in line with valuation methods set out in Note 1.7.

#### 10.3.1 Net book value of assets held under finance leases at the statement of financial position date

NBV as at 31 March 2015	Total 2014/15 £000 1,173	Dwellings £000 820	Plant and Machinery £000 353
	2013/14		
	£000	£000	£000
NBV as at 31 March 2014	1,026	615	411

# 10.3.2 The total amount of depreciation charged to the statement of comprehensive income in respect of assets held under finance leases and hire purchase contracts

Depreciation	Total 2014/15 £000 234	Dwellings £000 71	Plant and Machinery £000 163
	2013/14		
Depreciation	£000 201	£000 64	£000 137
11. Inventories			
	31 March 2015 £000		31 March 2014 £000
Materials	3,063		1,115
	3,063		1,115

All inventories held relate to Pharmacy stock. During the year £27k of Pharmacy stock had expired and was written off to Statement of Comprehensive Income as an expense, £10k of breakages were also expensed.

#### 12. Trade and Other Receivables

#### Note 12.1 Amounts falling due within one year:

	31 March 2015	31 March 2014
	£000	£000
NHS receivables	37,922	12,247
Provision for impaired receivables	(2,244)	(302)
Prepayments	5,412	2,807
Accrued Income	1,195	802
Other receivables	6,898	4,067
NHS injury scheme income	4,567	2,002
NHS injury scheme provision	(1,659)	(945)
	52,091	20,678

Included within NHS receivables is an accrued sum of £4.7m relating to partially completed spells of clinical activity (2013/14 - £0.6m).

Other receivables includes amounts for private patient billing, whilst credit control procedures are in place a bad debt provision is made in respect of any potential doubtful debts, the provision is a specific bad debt provision based on assessment of individual debts.

#### Note 12.2 Provision for impairment of receivables

	31 March 2015	31 March 2014
	£000	£000
At 1 April	302	107
Increase (decrease) in Provision	2,114	236
Transfer by absorption*	893	0
Amounts utilised	(195)	(17)
Unused amounts reversed	(870)	(24)
At 31 March	2,244	302

<sup>\*</sup> Transfer by absorption excludes NHS injury scheme provision

#### Increase/(decrease) in bad debt provision (charged to Operating Expenses)

	. ,	
	31 March 2015	31 March 2014
	0003	000£
Increase in provision	2,114	236
Unused amounts reversed	(870)	(24)
Charged to Operating Expenses	1,244	212
Note 12.3 Ageing of impaired receivables		
Note 12.0 Ageing of impaned receivables	31 March 2015	31 March 2014
	£000	£000
In three to six months	147	0
Over six months	2,097	302
Total	2,244	302
Iotai	2,244	
Note 12.4 Ageing of non-impaired receivables past their due	date	
	31 March 2015	31 March 2014
	£000	£000
Up to three months	21,043	9,609
In three to six months	5,685	4,011
Over six months	1,989	0
Total	28,717	13,620

The Trust does not consider the above receivables past their due date to be impaired based on previous experience. The total reported above does not reconcile to note 12.1 as the total receivables balance includes receivables that are not classed as financial assets (see note 20.3) and receivables not past their due date as at 31 March 2015.

#### 13. Trade and other payables

#### 13.1 Trade and other payables at the statement of financial position date are made up of:

		as restated
	31 March 2015	31 March 2014
	£000	£000
Current liabilities		
NHS payables	8,191	2,740
Capital payables	4,642	418
Accruals	18,292	12,468 *
PDC Payable	554	64
Other payables	24,757	7,103
Trade and other payables	56,436	22,793
Tax payable (including social security costs)	6,634	3,355
Obligations under finance leases and hire purchase contracts	329	239
Other loans	80	181
Other liabilities: deferred income	10,127	10,670
-	73,606	37,238
Non current liabilities		
Obligations under finance leases and hire purchase contracts	332	587
Other loans	50	119
	73,988	37,944

The deferred income includes a balance of £4.2m in respect of maternity pathway income. (31 March 2014  $\pm 3.4m$ )

<sup>\*</sup> As part of the harmonisation of accounting presentation £4.7m has been reclassified from accruals to other payables.

#### 13.2 Finance lease obligations

<u>2014/15</u>	Total	Plant and Machinery	Dwellings
Payable:	£000	£000	£000
Within one year	369	343	26
Between one and five years	383	277	106
After five years	0	0	0
	752	620	132
Less finance charges allocated to future periods	(91)	(47)	(44)
Net lease liabilities	661	573	88
not later than one year	329	311	18
later than one year and not later than five years	332	262	70
later than five years	0	0	0
2013/14	Total	Plant and Machinery	Dwellings
Payable:	£000	£000	£000
Within one year	290	264	26
Between one and five years	650	544	106
After five years	25	0	25
	965	808	157
Less finance charges allocated to future periods	(139)	(86)	(53)
Net lease liabilities	826	722	104
not later than one year	239	221	18
later than one year and not later than five years	571	501	70
later than five years	16	0	16
13.3 Future finance lease obligations			
		Plant and Machinery	Dwellings
		2014/15	2014/15
Minimum number of payments		6	20
Number of years of commitment		4	5
		Plant and Machinery	Dwellings
		2013/14	2013/14
Minimum number of payments		3	24
Number of years of commitment		3	6

Plant and Machinery finance lease obligations consist of a managed service contract for the provision of services to Pathology, comprised of equipment and service elements. Together with a finance lease for Radiology which is based on the H&WPH site.

Dwellings consist of a finance lease in respect of a residential accommodation block, this is governed by both a lease and underlease, the minimum payments are based on quarterly payments made per annum.

#### The underlease states:

- 1. The basic rent is calculated as being the sum which represented the gross annual amount payable at the time of such calculation if the sum of £440,000 was borrowed on a five year fixed interest rate (including the Landlord's half percent margin) for a period of 25 years.
- 2. In the event that interest rates rise or fall the basic rent shall be adjusted upwards or downwards on the review dates according to the extent to which five year fixed interest rates (including the Landlord's half percent margin) exceed or fall short of 10.89% per annum calculated on £440,000 as in paragraph 1 above.

## 14. Provisions for Liabilities and Charges

	Total	Pensions - other staff	Other legal claims	Other
	£000	£000	£000	£000
At 1 April 2014	478	88	19	371
Arising during the year	204	0	77	127
Transfer by absorption	750	155	218	377
Utilised during the year Reversed unused	(456)	(62) 0	(10)	(384)
Unwinding of discount	(278) 1	1	(69) 0	(209) 0
<b>G</b>				
At 31 March 2015	699	182	235	282
Expected timing of cash flows:				
Within one year	601	84	235	282
Between one and five years	98	98	0	0
After five years	0	0	0	0
	699	182	235	282
14.1 Provisions for Liabilities and Charg	ges 2013/14 Total	Pensions - other staff	Other legal claims	Other
	£000	£000	£000	£000
At 1 April 2013	360	124	37	199
Arising during the year	324	0	22	302
Utilised during the year	(181)	(38)	(13)	(130)
Reversed unused	`(27)	Ò	(27)	Ò
Unwinding of discount	2	2	Ó	0
At 31 March 2014	478	88	19	371
				<u> </u>
Expected timing of cash flows: Within one year	395	5	19	371
Between one and five years	83	83	0	0
After five years	0	0	0	0
	478	88	19	371

Pensions provisions have been calculated using figures provided by the NHS Pensions Agency, they assume certain life expectancies. Whilst this provides a degree of uncertainty in respect of both timing and total amounts, these estimates are based upon best available actuarial information. 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. Other provisions consist of the following which are also of uncertain timing and amount.

	£000
VAT partial exemption	128
Injury benefit scheme	24
HR Tribunal	130
Total other provisions	282

# 15. Clinical negligence liabilities

13. Officer regrigerice habilities		
	2014/15	2013/14
	£000	£000
Amount included in provisions of the NHSLA in respect of Clinical		
Negligence liabilities of the Trust.	111,351	30,659

## 16. Cash and Cash Equivalents

	31 March 2015 £000	31 March 2014 £000
At 1 April	48,980	41,003
Transfers by absorption	553	0
Net change in year	9,612	7,977
At 31 March	59,145	48,980
Broken down into:		
Cash at commercial banks and in hand	707	360
Cash with the Government Banking Service	58,438	48,620
Cash and cash equivalents in Statement of Cash Flows	59,145	48,980

## 17. Contractual Capital Commitments

Commitments under capital expenditure contracts at the statement of financial position date were £7,969k (2013/14 - £1,576k) these are in respect of building work being undertaken for major capital projects and development of software, inlouding the Electronic Document Management System (EDMS).

## 18. Post Statement of Financial Position Events

There are no material post statement of financial position events.

## 19 Related Party Transactions

The Trust had significant transactions, defined as an income/expenditure balance of over £1,500k or a receivables/ payables balance of over £750k, with the following related bodies:

	2014/15 Income £000	2014/15 Expenditure £000	31/3/2015 Receivables £000	31/3/2015 Payables £000
Ashford and St Peter's Hospitals NHS Foundation Trust	362	312	833	104
Heatherwood and Wexham Park Hospitals NHS Foundation Trust	3,093	0	0	0
Royal Surrey County Hospital NHS Foundation Trust	2,630	3,656	1,788	1,545
NHS Bracknell And Ascot CCG	44,633	106	0	2,767
NHS Chiltern CCG	23,044	0	2,218	0
NHS Guildford And Waverley CCG	4,213	0	246	0
NHS North East Hampshire And Farnham CCG	111,776	9	1,335	0
NHS North Hampshire CCG	4,681	0	40	0
NHS North West Surrey CCG	8,865	0	230	0
NHS Slough CCG	40,207	93	4,310	385
NHS South Eastern Hampshire CCG	1,691	0	90	0
NHS Surrey Heath CCG	51,612	0	382	0
NHS Windsor, Ascot And Maidenhead CCG	34,238	135	3,493	91
NHS Wokingham CCG	4,066	0	(172)	0
Health Education England	11,202	21	291	20
Department of Health	20,628	22	11,828	0
NHS England - Core	1,650	0	203	9
Bath, Gloucester, Swindon & Wiltshire Area Team	8,031	0	(33)	0
Surrey & Sussex Area Team	37,928	0	2,038	0
Thames Valley Area Team	3,300	0	(94)	0
Wessex Area Team	16,082	0	2,440	0
NHS Litigation Authority	0	9,629	0	30
NHS Property Services (Now participates FULLY in AoB)	0	2,123	0	352
HM Revenue & Customs	0	16,723	0	6,634
NHS Pension Scheme	0	23,839	0	4,411
NHS Blood and Transplant	23	2,212	0	325

Included within the Royal Surrey County Hospital NHS Foundation Trust expenditure balance is £1,529k for the Bowel Cancer Screening Programme as part of the Partnership Pathology Service.

The Trust who is the Corporate Trustee of the Frimley Health Charity holds charitable funds for which transactions between parties are not deemed material. Included within operating income in respect of non cash donations credited to income are £199k relating to PPE additions. (2013/14 £61k).

Board members have only received short term employee benefits from the Trust as shown in note 4.4. No post employment benefits, other long term benefits, share based payments or termination benefits have been paid to Directors.

## 19.1 Related Party Transactions 2013/14

The Trust had significant transactions, defined as an income/expenditure balance of over £1,000k or a receivables/ payables balance of over £500k, with the following related bodies:

	2013/14 Income £000	2013/14 Expenditure £000	31/3/2014 Receivables £000	31/3/2014 Payables £000
Bath, Gloucester, Swindon & Wiltshire Area Team	8,503	0	81	54
Kent & Medway Area Team	1,044	0	(11)	0
Surrey & Sussex Area Team	36,064	0	2,619	0
Thames Valley Area Team	1,055	0	263	0
Wessex Area Team	1,489	0	30	0
NHS Bracknell and Ascot CCG	29,347	0	932	689
NHS Guildford and Waverley CCG	3,889	0	93	9
NHS North East Hampshire and Farnham CCG	107,220	38	449	1,018
NHS North Hampshire CCG	4,481	0	28	1
NHS North West Surrey CCG	7,514	0	139	112
NHS South Eastern Hampshire CCG	1,629	0	6	1
NHS Surrey Heath CCG	50,499	0	177	431
NHS Windsor, Ascot and Maidenhead CCG	1,216	0	40	13
NHS Wokingham CCG	3,301	0	78	28
Health Education England	4,317	0	38	0
Public Health England	2,619	195	0	3
Ashford and St Peters Hospitals NHS Foundation Trust	461	223	1,535	73
Heatherwood and Wexham Park NHS Foundation Trust	1,788	114	1,338	0
Royal Surrey County Hospital NHS Foundation Trust	1,810	5,450	1,389	1,575
Brighton & Sussex University Hospitals NHS Trust	2,789	4	63	0
NHS Litigation Authority	0	5,826	0	0
Ministry of Defence	0	1,490	0	0
NHS Property Services	0	1,362	0	510
NHS Pension Scheme	0	15,949	0	2,219
HMRC	0	0	0	1,783
National Insurance Fund	0	11,088	0	1,611

Included within the Royal Surrey County Hospital NHS Foundation Trust expenditure balance is £3,190k for the Bowel Cancer Screening Programme as part of the Partnership Pathology Service.

The Trust who is the Corporate Trustee of the Frimley Park Hospital Charity holds charitable funds for which transactions between parties are not deemed material. Included within operating income in respect of non cash donations credited to income are £61k relating to PPE additions. (2012/13 £770k).

## 20. Financial Instruments

International Accounting Standards IAS 32, IAS 39 and IFRS 7, require disclosure of the role that financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with local NHS Commissioners and the way those NHS Commissioners are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which these standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated through day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

#### **Financial Risk Management**

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's Standing Financial Instructions and Treasury Management Policy agreed by the Board of Directors. Trust Treasury activity is routinely reported and is subject to review by the Trust's internal auditors.

#### Currency Risk

The Trust is principally a domestic organisation with the majority of transactions, assets and liabilities being in the UK and sterling based. As such, the Trust does not normally undertake transactions in currencies other than sterling and is therefore not exposed to movements in exchange rates over time. All currency payments are translated into sterling at the exchange rate ruling on the date of the transaction. The total value of payments made in Euro denomination was 678,136 as at 31 March 2015 (2014/15 653,288). The Trust has one significant contract with prices in Euro Denomination the exchange rate at inception of the contract was 1.4845, this rate was initially used to calculate the finance lease liability, given fluctuations in exchange rates, the year end liability was restated at the prevailing exchange rate as at 31 March 2011 of 1.1375, the exchange rate difference as at 31 March 2015 is not considered to be material to warrant any further restatement. Payments made under the contract terms are translated at the spot rate at the time of payment, with any exchange gain or loss upon year end translation taken to the Statement of Comprehensive Income.

The Trust's main exposure to interest rate fluctuations arises where it utilises external borrowings. The Trust has no external borrowing apart from several finance leases as per note 13.2 and accordingly has not been required to manage exposure to interest rate fluctuations.

#### Credit Risk

Due to the fact that the majority of the Trust's income comes from legally binding contracts with NHS bodies and Government departments the Trust does not believe that it is exposed to significant credit risk in relation to cash.

The Trust's deposits are routinely monitored in accordance with guidance issued by Monitor and are overseen by the Audit Committee, the Trust typically invests in A-1 institutions for short term investments.

## Liquidity Risk

The Trust's net operating costs are incurred under legally binding contracts with local CCGs, which are financed from resources voted annually by Parliament. The Trust has the potential to fund its capital expenditure from funds obtained within the Prudential Borrowing Limit. The Trust is not, therefore, exposed to significant liquidity risks.

#### 20.1 Financial Instruments

#### 20.1.1 Financial Assets

	Carrying Value £000
Financial assets	
Denominated in £ sterling	102,916
Gross financial assets at 31 March 2015	102,916
Denominated in £ sterling	65,794
Gross financial assets at 31 March 2014	65,794
20.1.2 Financial liabilities	
Denominated in £ sterling	57,227
Gross financial liabilities at 31 March 2015	57,227
Denominated in £ sterling	23,919
Gross financial liabilities at 31 March 2014	23,919

The above financial assets have been included in the accounts at amortised cost as "loans and receivables", with no financial assets being classified as "assets at fair value through the profit and loss", "assets held to maturity" nor "assets held for resale".

Prepayments of £5,412k (2013/14 - £2,807k) are not considered to be financial instruments.

Other tax and social security payables amounts of £6,634k (2013/14 - £3,355k) and deferred income of £10,127k (2013/14 - £10,670k) are not considered to be financial instruments under IFRS and therefore have been excluded from the above analysis.

All financial liabilities are classified as "other financial liabilities", with no financial liabilities being classified as "liabilities at fair value through the I&E".

## 20.2 Financial Assets by Category

	Total	Loans and receivables
Assets as per statement of financial position	£000	£000
NHS receivables	37,922	37,922
Provision for impaired receivables (as at 31 March 2015)	(2,244)	(2,244)
Accrued income	1,195	1,195
Other receivables	6,898	6,898
Cash and cash equivalents	59,145	59,145
Total at 31 March 2015	102,916	102,916
NHS receivables	12,247	12,247
Provision for impaired receivables (as at 31 March 2014)	(302)	(302)
Accrued income	802	802
Other receivables	4,067	4,067
Cash and cash equivalents	48,980	48,980
Total at 31 March 2014	65,794	65,794

# 20.3 Financial liabilities by category

	Total	Other financial liabilities
Liabilities as per statement of financial position	£000	£000
Trade and other payables (NHS)	8,191	8,191
Trade and other payables	24,757	24,757
Accruals	18,292	18,292
Capital payables	4,642	4,642
Finance lease obligations	661	661
PDC dividend payable	554	554
Other loans	130	130
Total at 31 March 2015	57,227	57,227
Trade and other payables (NHS)	2,740	2,740
Trade and other payables	2,349	2,349
Accruals	17,222	17,222
Capital payables	418	418
Finance lease obligations	826	826
PDC dividend payable	64	64
Other loans	300	300
Total at 31 March 2014	23,919	23,919

20.4 Fair values	31 March 2015 Book Value £000	31 March 2015 Fair Value £000
Financial assets	102,916	102,916
	102,916	102,916
Financial liabilities		
Payables over 1 year - Finance Lease obligations Other	332 56,895	332 56,895
	57,227	57,227
	31 March 2014 Book Value £000	31 March 2014 Fair Value £000
Financial assets	65,794	65,794
	65,794	65,794
Financial liabilities		
Payables over 1 year - Finance Lease obligations Other	587 23,332	587 23,332
	23,919	23,919

As at 31 March 2015 there are no significant differences between fair value and carrying value of any of the Trust's financial instruments.

For financial assets and financial liabilities carried at fair value, the carrying amounts are classified as the carrying value net of the Trusts best estimates of bad and doubtful debts.

Discounted cash flows have not been performed on non-current liabilities due to the fact that the major lease is in Euros and the result would not be material.

## 20.5 Maturity of financial assets

All of the Trust's financial assets mature in less than one year.

#### 20.6 Maturity of financial liabilities

	31 March 2015 £000	31 March 2014 £000
Less than one year	56,895	23,332
In more than one year but not more than five years	332	571
In more than five years	0	16
Total	57,227	23,919

#### 20.7 Derivative financial instruments

In accordance with IAS39, the Trust has reviewed its contracts for embedded derivatives that are required to be separately accounted for if they do not meet the requirements set out in the standard.

## 21. Third Party Assets

The Trust held £6,921 cash and cash equivalents at 31 March 2015 (31 March 2014 - £1,524) which relates to monies held by the Trust on behalf of patients. This has been excluded from the cash and cash equivalents figure reported in the accounts.

## 22. Losses and Special Payments

There were 845 cases of losses and special payments (2013/14 - 796 cases) totalling £350,000 (2013/14 - £132,000) approved during 2014/15.

There were no clinical negligence cases where the net payment exceeded £100,000 (2013/14 - nil). These would relate to payments made by the Trust and would not relate to any payments made by the NHS Litigation Authority in respect of the Trust.

There were no fraud cases where the net payment exceeded £100,000 (2013/14 - nil).

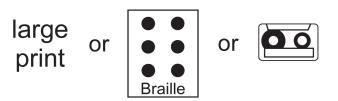
There were no personal injury cases where the net payment exceeded £100,000 (2013/14 - nil).

There were no compensation under legal obligation cases where the net payment exceeded £100,000 (2013/14 - nil).

There were no fruitless payment cases where the net payment exceeded £100,000 (2013/14 - nil).

The total costs in this note continue to be disclosed on a cash basis, under IFRS this should be on an accruals basis, however it is acknowledged that the amounts are immaterial and therefore continue to be on a cash basis.

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**2** 01276 526706