

Annual Report and Accounts

2018 - 2019



Outstanding care for people in ways which matter to them

Dorset County Hospital NHS Foundation Trust

Annual Report and Accounts 2018/19

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

Contents

Performance Report 1

Overview of the Trust 1

Performance Analysis 15

Accountability Report 24

Directors’ Report 24

Remuneration Report 26

Staff Report 38

Disclosures 50

Single Oversight Framework 65

Sustainability Report 66

Statement of Accounting Officer’s Responsibilities 74

Annual Governance Statement 75

Quality Report 84

Accounts 151

Performance Report

Overview of the Trust

Purpose of the Overview

The overview is intended as a short summary to enable the reader to understand the organisation, its purpose, the key risks to the achievement of its objectives, and how it has performed during the year.

Statement from the Chair and Chief Executive

Each year we reflect on what a busy 12 months it has been for Dorset County Hospital, and this year has been no exception – in fact we have continued to see unprecedented demand on our services.

Despite these pressures our staff have maintained their focus on quality and we are proud that we can demonstrate that our patients continue to receive the highest standards of care.

We made improvements in some key quality standards this year, such as end of life care, sepsis, pressure ulcers and falls. We have maintained an excellent standard of infection prevention with very low levels of hospital acquired infections.

These improvements in quality have been achieved alongside tight financial controls. We are grateful for the way in which everyone has remained committed to making efficiencies. We need to continue our drive to make further savings to improve our challenging financial position.

We were delighted that all this was recognised by the CQC in their latest inspection which rated Dorset County Hospital as 'good'. The credit goes to our amazing staff who worked so hard to make the necessary improvements.

Their team approach got us through an exceptionally busy winter. When the figures for March 2018 were published in April we were recognised as one of only three hospitals in the country to meet the emergency access standards.

The pressures we coped with through the winter were however relentless as the year moved on – far exceeding what we were expecting as a system in Dorset. Our ability to cope was stretched and did affect our performance by the end of this financial year. Some of our patients had to wait longer for appointments than we would like and regrettably we had to cancel some planned procedures because of the sustained high level of emergency admissions. We recognise that we have to plan ahead for these ongoing pressures and we will only succeed if we do this as a health and social care system and work ever more closely with our partners.

We are grateful for the support of our partner organisations and their commitment to working together on providing the best services possible for our population. Our annual report outlines how we as a Trust are supporting this, particularly in the sustainability, workforce, quality and strategy sections.

We are making good progress with our strategy for the hospital, particularly in terms of joint working with our colleagues in the community. We are developing plans for improving the hospital estate and making good use of the former school site next to our main campus.

A significant achievement this year was meeting our target for raising £1.7million for our Cancer Appeal to fund a new Cancer and Haematology Outpatient Department in the Robert White Centre, which brings radiotherapy to the west of the county for the first time. The multi-million-pound cancer treatment centre on the DCH site is an extension of the Poole Hospital-based Dorset Cancer Centre and was officially opened in December by Martin Clunes OBE. You can read about many other highlights from the year in the next section of our annual report.

Our teams have achieved a great deal over the year. Our achievements and success as a hospital is down to them. We would like to take this opportunity to thank our staff and all our supporters for their unfailing commitment and enthusiasm.

A handwritten signature in blue ink that reads "Mark Addison". The letters are cursive and slightly slanted to the right.

Mark Addison
Chair

A handwritten signature in blue ink that reads "Patricia Miller". The signature is more stylized and compact than the one to its left.

Patricia Miller
Chief Executive

Highlights of the Year

April 2018



We were extremely proud of our anaesthetics team who were recognised for providing the highest quality care to patients. They were presented with the prestigious Anaesthesia Clinical Services Accreditation (ACSA) from The Royal College of Anaesthetists.

ACSA is the RCoA peer-reviewed scheme which promotes quality improvement and the highest standards of anaesthetic service.



We were delighted to be recognised as one of only three hospitals in the country to meet the emergency access standard in March 2018. The national standard is to see, treat, admit or discharge 95% of people attending Emergency Departments within four hours. Thanks to a team effort DCH met the standard in March despite it being an exceptionally busy winter and two episodes of extreme weather, with the most snow Dorset has seen in years.

May 2018



To highlight Dementia Awareness Week, we were very fortunate to have a visit from The Voice star Lauren Bannon. She kindly came to Damers Restaurant to sign autographs and take selfies for a charitable donation. The money raised went towards supporting dementia-friendly initiatives at DCH.



We were exceptionally proud to be rated as one of the best Trusts by our patients in the National Inpatient Survey. Our hospital scored significantly better than the national average in 15 areas, with positive feedback about nursing staff particularly strong.

June 2018



We were thrilled to be chosen as one of just four hospitals in the UK to take part in the trial of an innovative new surgical procedure for patients with osteoarthritis of the thumb joint. The GRIP 2 clinical study evaluates the effectiveness of a synthetic cartilage implant for the treatment of thumb joint osteoarthritis pain.



Staff and volunteers received well-deserved recognition for their hard work and dedication at the 2018 GEM and Long Service Awards. The awards are presented annually to people who have made an outstanding contribution to the hospital – Going the Extra Mile – and to those who have achieved 25 years of NHS service.

July 2018



In July we celebrated a milestone for the NHS – its 70th birthday. Wards held parties with plenty of cake and we also had a tea party in Damers Restaurant for our volunteers and supporters. This was a brilliant opportunity to thank all our amazing staff who go above and beyond every day and make our NHS what is it.

August 2018



A support group for women with postnatal and antenatal depression and anxiety in West Dorset celebrated its one-year anniversary by opening two more groups. West Dorset PANDAS (Pre and Postnatal Depression Advice and Support) is run by DCH student midwife and maternity support worker Charlie Francis.

September 2018



Friends of Dorset County Hospital launched their new fundraising initiative. The Friends have pledged to raise £17,000 for a new ultrasound machine for our Respiratory Department, which will allow for clearer and quicker procedures for patients with plural diseases.

October 2018



More than 200 people attended our annual Open Day. We held tours around theatres and diagnostic imaging as well as a number of displays for visitors to browse and activities, including 'body MOT' tests by LiveWell Dorset. The Teddy Bear Clinic also made a welcomed return.



Two staff members definitely had a reason to celebrate as they were accepted onto a prestigious programme. Ulamila Brocklebank and Ella Saunders were both accepted onto the Florence Nightingale Windrush Leadership Programme. The programme offers band 5, 6 and 7 Nurses and Midwives from BME backgrounds bespoke leadership development.

November 2018



We were hugely proud to be rated 'Good' by the Care Quality Commission following our latest inspection. All credit goes to our amazing staff who worked incredibly hard to make the necessary improvements. They go over and above every day to offer the very best care to our patients.



We were overjoyed to reach the £1.7million target for our Cancer Appeal, thanks to the help of hundreds of donors, fundraisers and supporters. The Appeal funded a new Cancer and Haematology Outpatient Department in the Robert White Centre at DCH.

December 2018



Dorset's new multi-million-pound state-of-the-art cancer treatment centre was opened by Martin Clunes OBE. The £9million centre is an extension of the Poole Hospital-based Dorset Cancer Centre. The facility also includes a £1.75million Cancer and Haematology Outpatients Department funded by the Cancer Appeal run by DCH Charity.

January 2019



We gave a big DCH welcome to our new overseas recruits who have joined the Trust and are settling in well to their roles.



Radiographer Linda Chappell travelled across the globe with the Kenya Orthopaedic Project (KOP). Through donations, KOP provides trauma surgery, free of charge, to help the large number of people in Kenya who need orthopaedic surgery but who cannot afford to pay for it.



A new birthing pool hire service is now available at DCH, thanks to a generous donation. The pools were donated by Claire Williams, a long-time advocate and supporter of homebirths, to the hospital's Cygnet Homebirth Team. The homebirth team holds one of the highest homebirth rates in the county.

February 2019



New helipad lighting is making a vital difference at DCH. The new lighting was installed following a generous donation from the Helicopter Emergency Landing Pads (HELP) Appeal, a national charity set up to help provide Major Trauma Centres with the necessary infrastructure to enable and improve night landing.



Lead Inflammatory Bowel Disease Nurse, Pearl Avery, wanted disabled signage to be more inclusive and cover hidden disabilities for people like Mesha (pictured right). Thanks to the support from Vikki Andrews in the Stoma Care Team, funding could be secured for the new signs which are now proudly presented around the hospital.

March 2019



Thanks to the generous donation of a mini Tesla electric car by R Symons Ltd, children now have the opportunity to drive themselves from Kingfisher Ward to the operating theatre before surgery. The idea is to make the hospital a much less daunting place for the younger patients, meaning they will arrive in theatre in a calmer state. First behind the new wheels was eight-year-old Juno, who took it for a test drive around Kingfisher – and loved every second of it.



The Cygnet Homebirth Team were awarded WaterWipes Team of the Year by the Royal College of Midwives. They were deemed the worthy winners for their commitment to facilitating long-term health and social benefits and for bringing 24/7 service and full-routine midwifery care to the home.



A glistening golden sculpture, named 'Precious Scars', was unveiled, aimed at recognising the incredible gift of life given by organ donors. Created by artist Andy Kirkby the sculpture is located in one of the hospital's courtyards and is a permanent reminder of the life-changing difference organ and tissue donation can have on individuals and their families.



The hospital's research team scooped two prizes at the NHS Research Awards. Senior Research Nurse, Emily Beaves, won the Rising Star award in recognition of her leadership. The Trust also secured the award for Excellence in Patient and Public Involvement and Engagement, which went to DCH's Patient Research Ambassador group.

About the Trust

Dorset County Hospital NHS Foundation Trust's purpose is to deliver compassionate, safe and effective healthcare – providing and enabling outstanding care for our patients and communities in ways which matter to them. We are the acute and specialist healthcare provider for our communities, delivering high quality care to meet our patients' expectations.

Dorset County Hospital NHS Foundation Trust ("the Trust") achieved Foundation Trust status on 1 June 2007 under the Health and Social Care (Community Health and Standards Act 2003). The Trust took over the responsibilities, staff and facilities of its predecessor organisation, West Dorset General Hospital NHS Trust.

The Trust is the main provider of acute hospital care to the residents of West Dorset, North Dorset, Weymouth and Portland, a population of approximately 215,000 people. It also provides specialist services to the whole of Dorset and beyond including renal services in Bournemouth and Poole, and South Somerset. It serves an area with a higher than average elderly population and lower than average proportion of school aged children. Dorset continues to experience an increasing total population. The main hospital site is situated close to the centre of the county town of Dorchester. It opened in 1987 and is a modern, attractive 365 bed hospital.

The geographical spread of the community the Trust serves requires it to deliver community based as well as hospital based services. This is achieved through providing services in GP practices, in patient homes through Acute Hospital at Home Discharge to Assess and at community hospitals in West Dorset, including Weymouth Community Hospital, Bridport Community Hospital, the Yeatman Community Hospital in Sherborne and Blandford Community Hospital. The Trust also works closely with social services to ensure integrated services are provided.

As an NHS Foundation Trust, we are accountable to Parliament, rather than the Department of Health, and regulated by NHS Improvement. We are still part of the NHS and must meet national standards and targets. Our governors and members ensure that we are accountable and listen to the needs and views of our patients.

The Trust provides the following services for patients:

- Full Emergency Department services for major and minor accidents and trauma;
- Emergency assessment and treatment services, including critical care (the hospital has trauma unit status);
- Acute and elective (planned) surgery and medical treatments, such as day surgery and endoscopy, outpatient services, services for older people, acute stroke care, cancer services and pharmacy services (not an inclusive list);
- Comprehensive maternity services including a midwife-led birthing service, community midwifery support, antenatal care, postnatal care and home births. We have a Special Care Baby Unit;
- Children's services including, emergency assessment, inpatient and outpatient services;
- Diagnostic services such as fully accredited pathology, liquid based cytology, CT scanning, MRI scanning, ultrasound, cardiac angiography and interventional radiology;
- Renal services to all of Dorset and parts of Somerset;

- A wide range of therapy services, including physiotherapy, occupational therapy and dietetics and
- An integrated service with social services to provide a virtual ward enabling patients to be treated in their own homes.

Our business model is based on managing expenditure within the context of agreed contracts with commissioners. The Trust has to manage its reference costs within the national tariff system to allow us to invest appropriately (staff and infrastructure) in order to provide safe, effective patient care.

The Trust is organised internally as follows: there are two Divisions in the Trust, the Urgent and Integrated Care Division and the Family and Surgical Services Division. Each Division has responsibility for general business: workforce, education, access and flow, space utilisation, and capital and strategic planning. In turn they also have responsibility for governance: safety, clinical effectiveness, safeguarding and patient experience. Each Division is then subdivided into a number of care groups which also hold their own speciality/department meetings.

The Divisions report into the Trust Board Committees on a monthly basis. The Committees and their remits are as follows:

- Finance and Performance Committee provides Finance, Access and Workforce Assurance.
- Quality Committee provides Quality Assurance.
- Risk and Audit Committee has a Corporate Governance responsibility to provide Board Assurance Framework (BAF), corporate risks, internal and external audit assurance.
- The Workforce Committee (inception October 2018) oversees the Trust's People Strategy, monitors standard workforce metrics and recruitment strategies and approaches.
- Senior Management Team provides Strategic Assurance.

All Sub-Board Committees are assurance committees for performance and standards, rather than performance only committees. Sub-Board Committees have formal minutes.

The Trust has one Trust Board and the Committees provide assurance to the Board.

Strategy and Objectives

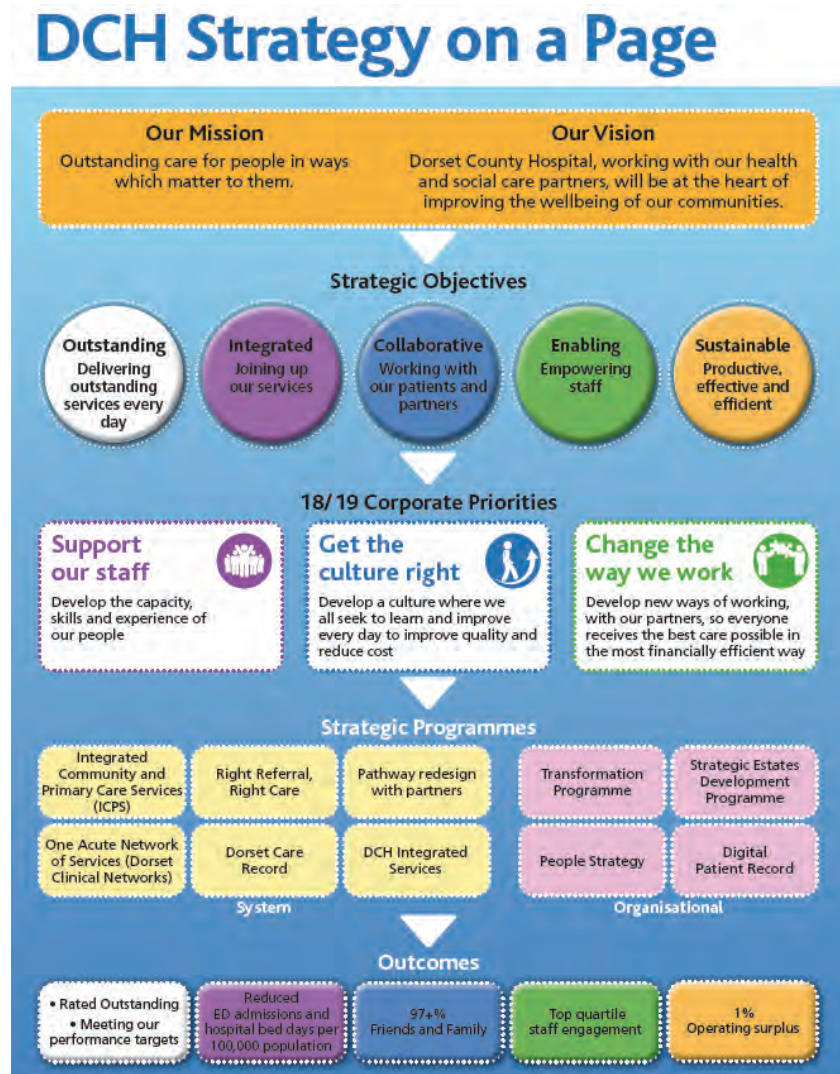
2018 – 2022 Strategic Direction

The Trust is part of the Dorset Clinical Services Review and the Dorset Sustainability and Transformation Plan both of which seek to ensure a sustainable health system for Dorset. We are working closely with our partners to design and deliver a health system which meets the needs of our population in a sustainable and efficient way.

As a key partner in the Dorset Integrated Care System (ICS) we have agreed an ICS Operational Plan and System wide set of financial control totals. The ICS operated in shadow form in 2018/19 and the governance arrangements will evolve to a more formal basis over the coming financial year.

The DCH Strategy and transformational programmes (as outlined in the strategy on a page and corporate priorities documents) are aligned closely to the ICS priorities.

Separately the Trust has developed a set of operational and business plans for its core divisions and corporate services which set out how the Trust will deliver key constitutional standards, improve safety, quality and patient experience and ensure we continue to meet our medium term financial plan to achieve financial sustainability. These plans outline the Trust's commitment to the provision of safe, high quality care and improving its current Care Quality Commission rating from "Requires Improvement" to "Outstanding". The plan is based on delivering the anticipated levels of demand in line with national quality and performance standards in the most cost efficient manner.





Key Issues and Risks

Our key strategic risks are captured, monitored and managed via our Board Assurance Framework. The below provides a narrative view of some pertinent issues and risks.

Nationally the picture remains similar to last year as we continue to see the same challenges increase, across workforce and finances in particular, while national policy remains focused on integration of care and the regulatory environment continues to tighten.

National Picture – The NHS is currently facing rising and unsustainable costs to meet increasing demand, while trying to improve the quality and consistency of care and health outcomes. Additionally, the rapid pace of change in technology has further deepened the trend of increasing patient and public expectations of the quality, closeness and timeliness of service delivery.

Five Year Forward View – The NHS Five Year Forward View was published in 2014 and details how health and social care will be delivered in the next five years. The Five Year Forward View warned that a combination of growing demand and limited funding could produce a mismatch between resources and patient needs of nearly £30 billion a year by 2020/21. To deal with this, the document proposed a three pronged approach of demand management, improved efficiency and, if these two are delivered, an increase in funding from central government.

NHS Finances – the NHS must deliver £22 billion of savings by 2021. By 2021 Dorset is forecast to have a deficit of approximately £221 million across the health economy if no changes are made. Without significant efficiencies being delivered immediately, demand for services will continue to outgrow the funding available.

External Regulation and Oversight – a number of national bodies exist which provide oversight and inspection of the Trust's activities. Changes in policy or approach, or decisions to intervene in Trust operations, which may be influenced by various external or internal factors, may affect the delivery of the Trust's objectives. Conversely, the development of Integrated Care Systems may reduce the oversight of these bodies to be replaced by more local system governance and influence.

Local Challenges and Opportunities

Development of Integrated Care System and delivery of the Dorset Sustainability and

Transformation Plan - developing a more integrated approach to the delivery of health and care is an absolute imperative. Integrated system working focusing on joint solutions to the challenges faced will be the only way that the Trust is able to deal with forecast increases in demand. Dorset is one of the leading ICS' which provides a great opportunity for greater integration and collaboration to meet the challenges we face.

However, as there is no blueprint for the way an ICS should operate there will be a need to manage the balance between system delivery and organisational governance and sovereignty.

The cornerstone of the changes set out in the Dorset STP to the Dorset health system is the reconfiguration of Royal Bournemouth and Christchurch Hospitals and Poole Hospitals. This decision is currently under judicial review. Until this is resolved there is uncertainty in delivery of this change and therefore the impact on DCH.

Additionally, while RBCH and PH work towards the significant undertaking of merging and reconfiguring services the ability to quickly implement Dorset wide solutions which will benefit DCH will be stymied.

Capacity for change - The financial challenges facing us mean that we need to focus on ensuring our short-term sustainability, while also delivering long-term transformation. These must be delivered in parallel. We must be flexible and respond and adapt quickly to emerging priorities. Currently, there is a challenge in creating the capacity to deliver strategic change while also maintaining day to day operations and standards.

Transformation delivery - DCH has a number of key transformation programmes, including the development of the Integrated Community and Primary Care Hub, successful progress of these programmes will contribute to delivering strategic change and meeting the quality and financial challenges we face. Failure to make progress will leave the Trust further away from meeting our strategic objectives.

Integrated Urgent Care - In partnership with DHC, RBCH, PH and SWAST, DCH is currently bidding for the Dorset Integrated Urgent Care contract. If successful DCH will take on delivery of Urgent out of hours primary care services. If unsuccessful a third party commercial provider will enter the Dorset system to deliver the IUC services.

NHS Long Term Plan

Health and care leaders came together to develop a Long Term Plan to make the NHS fit for the future, and to get the most value for patients out of every pound of taxpayers' investment. The plan was drawn up by those who know the NHS best, including frontline health and care staff, patient groups and other experts. Local NHS organisations have been tasked to work with their partners to turn the ambitions in the plan into improvements in services in every part of England. Dorset's Integrated Care System is now working on an updated version of its Sustainability and Transformation Plan aligned to the Long Term Plan.

To ensure that the NHS can achieve the ambitious improvements we want to see for patients over the next 10 years, the NHS Long Term Plan sets out how we think we can overcome the challenges that the NHS faces, such as staff shortages and growing demand for services, by:

1. Doing things differently: we will give people more control over their own health and the care they receive, encourage more collaboration between GPs, their teams and community services, as 'primary care networks', to increase the services they can provide jointly, and increase the focus on NHS organisations working with their local partners, as 'Integrated Care Systems', to plan and deliver services which meet the needs of their communities.

2. Preventing illness and tackling health inequalities: the NHS will increase its contribution to tackling some of the most significant causes of ill health, including new action to help people stop smoking, overcome drinking problems and avoid Type 2 diabetes, with a particular focus on the communities and groups of people most affected by these problems.

3. Backing our workforce: we will continue to increase the NHS workforce, training and recruiting more professionals – including thousands more clinical placements for undergraduate nurses, hundreds more medical school places, and more routes into the NHS such as apprenticeships. We will also make the NHS a better place to work, so more staff stay in the NHS and feel able to make better use of their skills and experience for patients.

4. Making better use of data and digital technology: we will provide more convenient access to services and health information for patients, with the new NHS App as a digital 'front door', better access to digital tools and patient records for staff, and improvements to the planning and delivery of services based on the analysis of patient and population data.

5. Getting the most out of taxpayers' investment in the NHS: we will continue working with doctors and other health professionals to identify ways to reduce duplication in how clinical services are delivered, make better use of the NHS' combined buying power to get commonly-used products for cheaper, and reduce spend on administration.

Going Concern Statement

International Accounting Standard 1 requires the board to assess, as part of the accounts preparation process, the Trust's ability to continue as a going concern. In the context of non-trading entities in the public sector the anticipated continuation of the provision of a service in the future is normally sufficient evidence of going concern. The financial statements should be prepared on a going concern basis unless there are plans for, or no realistic alternative other than, the dissolution of the Trust without the transfer of its services to another entity within the public sector.

In preparing the financial statements the Board of Directors have considered the Trust's overall financial position against the requirements of IAS1.

The Trust recorded an operating Surplus in 2017/18 of £1.5 million and is reporting a deficit of £8.3 million for the year ended 31 March 2019. The Trust anticipates achieving a breakeven position in delivering services in 2019/20 and will need to apply for Financial Support through a temporary working capital loan until the receipt of quarter four 2019/20 Provider Sustainability Funding (PSF) anticipated to be to the value of £3.0 Million.

The Trust has agreed contracts with its local commissioners for 2019/20 and services are being commissioned in the same manner for 2019/20 as in previous years and there are no discontinued operations. Similarly no decision has been made to transfer services or significantly amend the structure of the organisation at this time. The Board of Directors also has a reasonable expectation that the Trust will have access to adequate resources in the form of financial support from the Department of Health (NHS Act 2006,s42a) to continue to deliver the full range of mandatory services for the foreseeable future.

The Directors consider that this provides sufficient evidence that the Trust will continue as a going concern for the foreseeable future. On this basis, the Trust has adopted the going concern basis for preparing the accounts and has not included the adjustments that would result if it was unable to continue as a going concern. The assessment accords with the statutory guidance contained in the NHS Foundation Trust Annual Reporting Manual.

Performance Analysis

Monitoring Trust Performance

Dorset County Hospital NHS Foundation Trust is committed to the principles of good governance and this includes a robust approach to performance management and performance improvement. The Board aspires to providing the best services within the resources available and being one of the top performing hospitals.

To reflect this, a new Performance Management Framework was established in 2017 which has become further embedded within the Divisions during 2018/19. The framework sets out the principles and approaches to developing a high performing organisation which successfully delivers national and local standards for quality including patient experience, operational performance, finance & use of resources. The framework seeks to encompass achievement of the broader strategic objectives agreed by the Foundation Trust Board and other enabling strategies to ensure a clear line between national requirements, contractual obligations and strategic business priorities of the Foundation Trust.

The framework aims to reflect the NHS Improvement Single Oversight Framework published in September 2016 and later updated in November 2017. NHS Improvement is responsible for overseeing NHS foundation trusts, NHS trusts and independent providers to ensure that hospitals are able to provide care that is consistently safe, high quality, compassionate, and within local health systems that are financially sustainable.

The Trust agreed performance trajectories as part of the wider Sustainability and Transformation Funding arrangement for Dorset for 2018/19 for the three key performance indicators (Emergency Department waiting times, Referral to Treatment waiting times and Cancer waiting times).

The Board monitors Trust performance against a range of key objectives and targets some of which are national targets and some which are set by commissioners. The Board Assurance Framework links to key performance indicators and ensures that the Board's focus is on the key risks to delivery of the organisation's principal objectives. This is in turn linked to the Corporate Risk Register to ensure that all necessary mitigations are in place to reduce risk wherever possible.

Operational Performance

We are extremely proud of the performance within our Emergency Department. Performance has fallen below the national target but continues to be one of the top performing departments in the country. This has been against a backdrop of a tougher winter period throughout the NHS with higher demand and some extreme weather putting increased pressure on the local urgent care services, testing resilience plans on a number of occasions.

A national shortage of trained consultants combined with our rural location has made it difficult to recruit and retain staff in key specialties such as Haematology, Ophthalmology and Urology which has impacted planned care activity volumes. The prolonged pressures of winter have also impacted planned care and resulted in a number of cancelled operations, impacting the already stretched performance against Referral to Treatment targets.

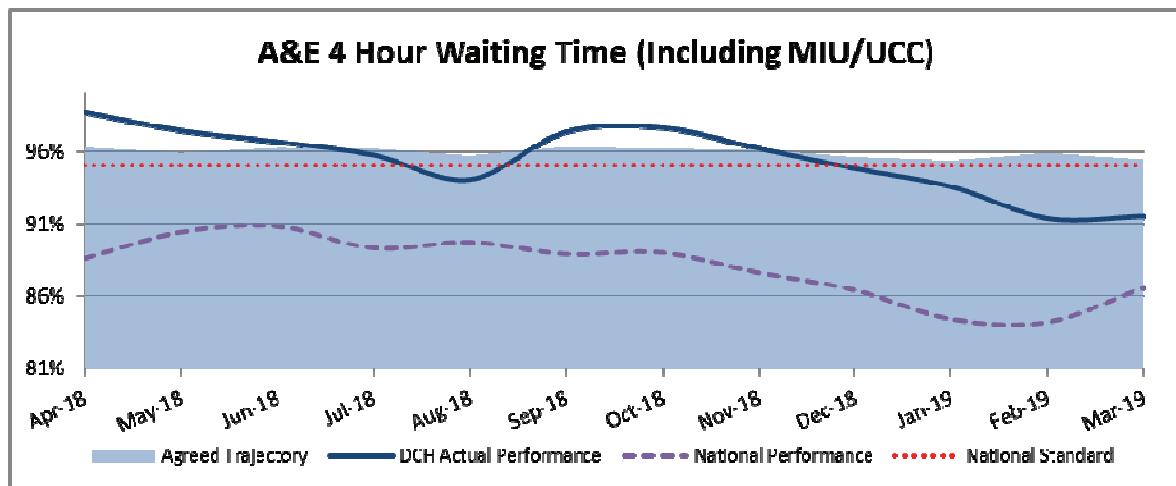
A great deal of focus has been placed on improving our Cancer performance of the 62 day treatment standard. This has resulted in us tracking above the national performance since December 2018 and our networked approach across Dorset working to improve care and patient experience as well as performance.

Emergency Department

Building on successes in 2017/18, the Trust has continued to work with its system partners to develop innovative and collaborative approaches to delivering urgent care and to the development of joint care pathways.

2018/19 has been an exceptionally challenging year for the department. It has seen a 7.2% increase in ED attenders, this has resulted in a 6.2% increase in admissions via ED and an 8.1% increase in the number of ambulance conveyances to ED. The combined Type 1 and Type 3 performance (Emergency Department and Urgent Care Centre) still achieved the 95% standard for 7 months in 2018/19 and the main Emergency Department at Dorset County Hospital treated, admitted or discharged 2.2% more patients within 4 hours than the year before.

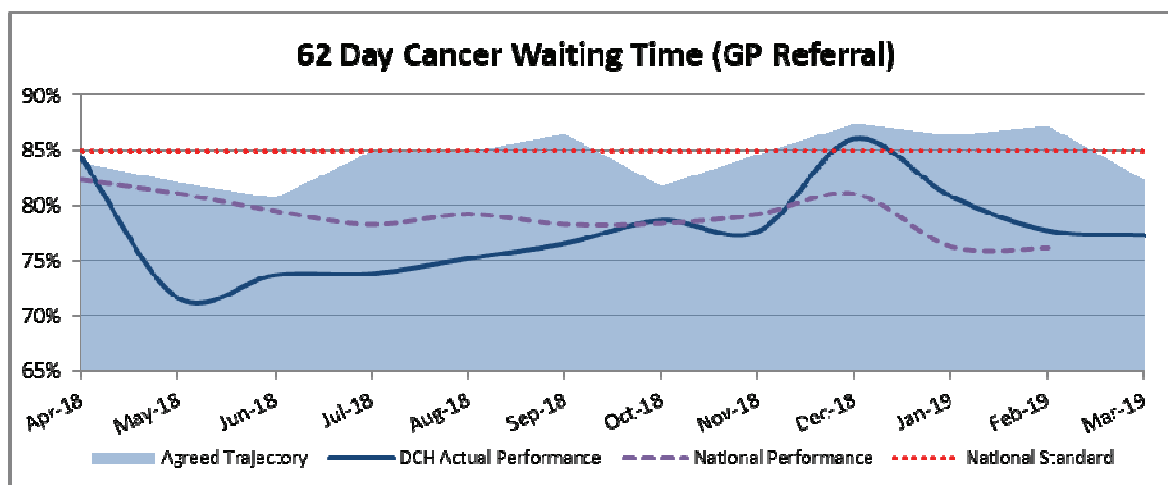
The national picture shows that achievement of the four hour standard remains challenging, and the Emergency Department and the wider Trust continue to work towards an outcome of continuous improvement in patient pathways and alternative treatment models. Whilst performance in the last quarter fell below the national target of 95%, it continues to perform significantly higher than the national performance and remains one of the top performers in the country.



Cancer Waiting Times

Throughout 2018/19 Dorset County Hospital consistently met all the 31-day standards with all four quarters achieving the standard. With the exception of quarter 2, we also achieved the 62 day screening to treatment standard each quarter. The two-week wait standard was met in quarter 3, but all other quarters failed as a result of an unprecedented increase in demand.

As can be seen in the graph below, the Trust did not meet the 62 days from GP referral to treatment for any quarter, but did meet the standard in the month of December 2018 and performed above the nationally achieved performance for the remainder of the year.



Failure to achieve the agreed trajectory for the 62 standard was hampered by capacity constraints both at Dorset Country Hospital and the tertiary centres, along with increasing numbers of difficult to diagnose and treat cancers and complex presentations. Throughout the year, executive focus has been placed on managing patients through the pathways, ensuring all internal blocks such as waits for diagnostic tests were resolved quickly. This focus ensured a steady and sustained improvement from May, with a peak in December. The decline in performance since December is as a result of winter pressures and followed the nation picture in terms of performance trend, although Dorset County Hospital has achieved better than the national bottom line since December.

A demand increase of 16.7% in two week wait referrals has meant every quarter apart from quarter 3 failed the two week wait standard. The demand increase has been seen throughout the Dorset system as referral guidelines have changed to lower the threshold for referral to ensure more cancers are diagnosed earlier. The demand for Breast, Dermatology and Colorectal has been of most significance, with all three sites seeing an increase in demand by over 20%. Additional capacity has been created to ensure patients can be seen as quickly as possible. The additional capacity has only been possible thanks to dedicated staff working weekends and additional shifts.

NHS Improvement conducted a review of Cancer Services in the summer of 2018 and commended the teams on their detailed knowledge and understanding of the complex pathways and the robust performance management processes in place. They highlighted IT as an area for improvement, and the opportunities modernising the Trusts IT capability would bring to both the patient and the Trusts performance.

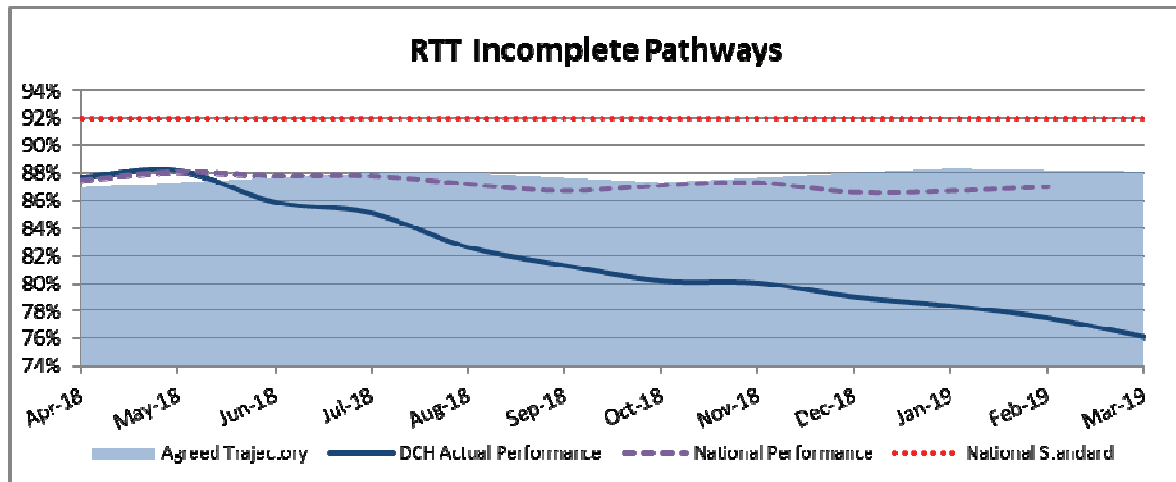
Referral to Treatment Times

Achievement of the Referral to Treatment standard for elective care has been challenging throughout 2018/19, with performance falling from 87.72% in April 2018 to 76.11% by March 2019. Demand at Dorset Country Hospital has increased by 2%, bucking the trend seen in the rest of Dorset.

Ophthalmology continues to be of a particular challenge and is the largest contributor to the backlog. A new workforce model and use of locums and insourcing activity have been used but the difficulties in recruiting substantive consultants due to a national shortage, a lack of community provision in the West of Dorset and an 8% increase in demand has resulted in a declining position. The Trust has allocated investment for a substantive new consultant post for 2019/20, which will increase the services capacity and help to address the waiting times.

Orthopaedics has also seen a significant growth in backlog. The service has been especially impacted by cancellations due to trauma demand which was 6.85% up on the previous year and a loss of theatre capacity in Weymouth due to essential maintenance. New ways of working such as Virtual Fracture Clinic are being developed which will increase the services total capacity.

For 2019/20 focus will be on stabilising performance, ensuring that the waiting list size at the end of 2019/20 is now larger than that of March 2018/19 to comply with national planning guidelines.



Summary

The Trust is pleased with the performance in Emergency Care delivered throughout the year with being up against such significant increases in demand. The Trust continues to work to improve patient experience working with our system partners to support care outside of hospital, particularly for frail elderly patients.

This has been a challenging year for both Cancer and Referral to Treatment performance. To ensure that safe, quality care is continues to be delivered and performance is improved in 2019/20, different ways of working will be required both locally at Dorset County Hospital and as a system across Dorset.

Establishing network-wide links and support from National partners such as NHS Elect and NHS Improvement has supported the Trust to ensure the best care for patients locally both now and for the future.

Our Financial Performance

In 2018/19, the Trust's financial plan recognised the increased demand for NHS services, bringing with it increasing financial pressures, which are being experienced across the country. Therefore the Trust's plan, highlighted significant financial challenges in delivering a deficit of £1.3 million.

The Trust delivered a deficit of £8.6 million, which equates to approximately 4.7% of the Trust's turnover. Table 1 below sets out the Trusts adjusted deficit of £6.0 million as assessed by NHS Improvement. This excludes impairment movements (changes in the value of land and buildings) in year of £2.9 million and the movements linked to donated capital assets of £0.3 million.

Table 1 : Financial Performance against plan	2018/19 Plan £ millions	2018/19 Actual £ millions	Variance £ millions
Total income	179.0	184.9	5.9
Total expenses	-180.3	-193.5	-13.2
Operating deficit/surplus	-1.3	-8.6	-7.3
Capital donations	-0.4	-0.6	-0.2
Donated depreciation	0.4	0.3	-0.1
Impairments	0.0	2.9	2.9
Adjusted deficit/surplus	-1.3	-6.0	-4.7

Performance Against Plan

Income exceeded our financial plan, leading to a favourable variance of £5.9 million, of which £1.7 million is for the national pay award funding, £2.9 million of NHS commissioner funding to support additional activity and drugs spend, £1.6 million of project funding and £1.1 million is underachievement of the income target included in the Trust's Cost Improvement Plan. Expenditure was £13.2 million above plan, of which £1.7 million is for national pay award, £2.9 million of impairments on land and buildings, £4.5 million expenditure on activity and projects related to additional income received in year and £1.7 million is underachievement of the Cost Improvement Plan and £2.2 million represents additional costs incurred in responding to the sustained operational pressures in the year.

The impact of donated assets exceeded the original expectations, set out in our financial plan by £0.3 million. The annual revaluation of the Trust's land and building led to an impairment of £9.4 million, of which £2.9 million was charged to operating expenses and £6.5 million was charged to the revaluation reserve, this represents a technical accounting adjustment that is reflected in our final financial position.

Provider Sustainability Funding

The financial plan included £5.9 million Provider Sustainability Funding (PSF) from NHS Improvement which required us to achieve agreed financial and performance targets.

The Trust failed to achieve these targets during quarter four and therefore did not receive its quarter four funding of £2.1 million. However, at the end of the year a further PSF distribution of £2.3 million was awarded, bringing total PSF in 2018/19 to £6.1 million, £0.2 million above plan.

Cost Improvement Programme

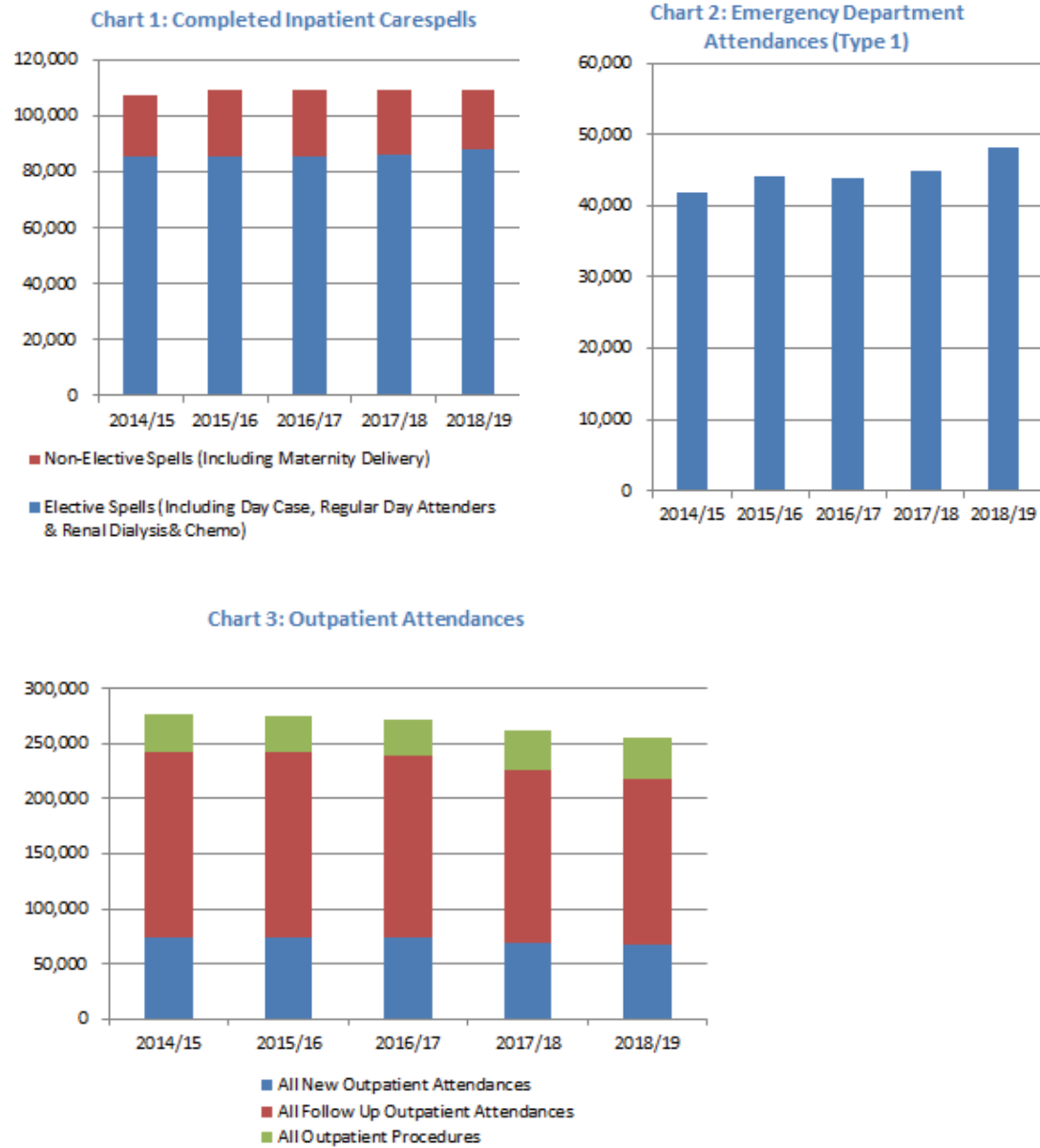
At the start of the year, the Trust set an £7.6 million Cost Improvement Programme (CIP), reflecting the level of savings required to deliver our financial plan, achieve national efficiency targets and treat patients within the funding available from our commissioners.

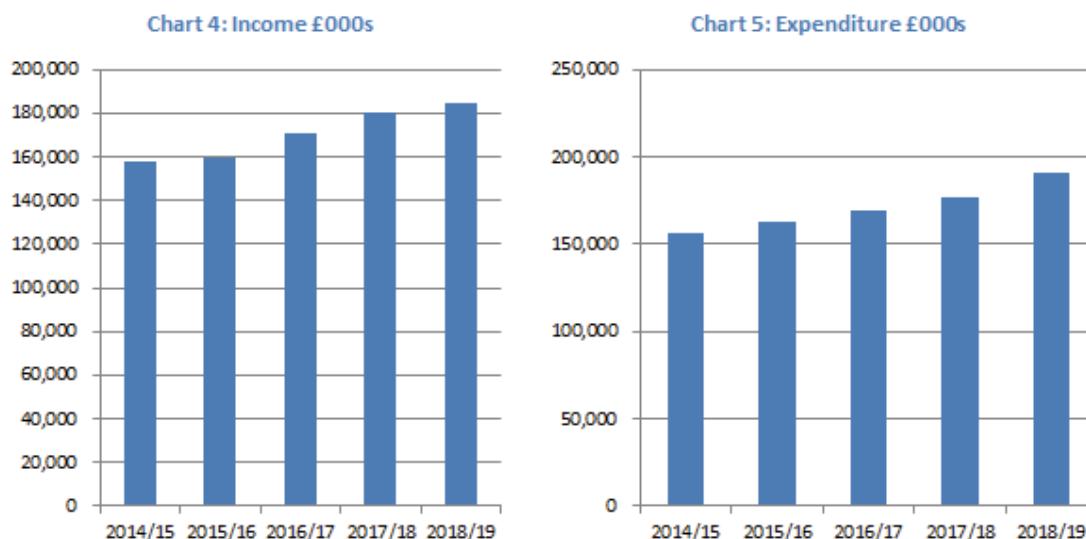
The Trust achieved £4.8 million of these efficiencies and savings, of which £3.2 million is recurrent and £1.6 million is non-recurrent. Local savings at division level were complemented by Trust-wide savings; these were delivered through Better Value Better Care and focused on improved quality, safety and efficiency.

Trends in Activity, Income and Expenditure

Charts 1 to 5 below show the trends in patient activity and income and expenditure over the five-year period from 2014/15 to 2018/19

Trends in Activity, Income and Expenditure (Five Years)





Activity Trends

Charts 1 to 3 show the growth in inpatient and day case activity over the five-year period, measured as completed patient spells, up by 2%, and a reduction in outpatient attendances by 7%.

The majority of growth in inpatient and day case activity relates to an increase in elective admissions of 3%.

Emergency Department attendances are up 15% over the five-year period. This reflects the national challenges to NHS Emergency Departments across the country.

Total outpatient activity has reduced over the five-year period. The majority of this is due to a reduction in the numbers of follow up outpatient attendances.

Chart 4 shows the growth in income over the five-year period from April 2014 to March 2019. This growth in income is at an average rate of 3% a year over the five-year period. This is primarily the result of the Provider Sustainability Funding Income and the transfer of services to the Trust.

Chart 5 shows the growth in expenditure over the five-year period. Expenditure has grown significantly at an average rate of 4% a year. This is primarily the result of inflationary costs, including changes to employers' social security costs, additional staff recruited to maintain safe staffing levels and the transfer of services to the Trust.

Cash Flow

The Trust ended the year with £3.5 million cash at bank. This was an increase of £1.0 million during the year. The increase in the cash was due an improvement in the working capital position, which was linked to payments and receipts with other NHS bodies.

Revaluation of land and buildings

As part of the preparation of the annual accounts, the Trust is required to assess the value of its land and buildings. This exercise is carried out at the end of the financial year. This year, these were valued independently by Avison Young, in line with accounting policies.

Overall there was an decrease in the valuation of land and buildings of £9.4 million. This included a charge to the Revaluation Reserve of £6.5 million and a charge to other operating expenses in the Consolidated Statement of Comprehensive Income for impairments of £2.9 million.

Charitable Funding

The Trust is fortunate to be supported by Dorset County Hospital Charity and a number of other local charities. All Dorset County Hospital Charity funds benefit the Trust. In 2018/19, the Trust received charitable grants for capital projects from the Charity of £0.6 million. This included funding for the new Cancer facilities at Dorset County Hospital.

Capital Expenditure

Capital expenditure during 2018/19 was focused on backlog maintenance, the provision of medical equipment and investment in IT projects. The Trust's capital plan is set through a risk based approach to ensure continuity of patient care. The Trust set its capital plan at £8.5 million and incurred expenditure of £8.6 Million. The Trust's major replacements were the combined heat and power system within the hospital and the refurbishment of the Emergency Department which were completed during quarter four of the financial year.

Environmental Performance

The Trust remains committed to acting sustainably and minimising our environmental impact. The Trust has a Sustainable Development Strategy and a management plan which is reviewed and monitored by the Trust's Sustainability Working Group. The Sustainability Report gives details of the key performance measures and our priorities and targets for the future.

Social Community and Human Rights Issues

The Trust takes its responsibilities towards the community it serves very seriously and recognises the responsibility it has to:

- meet the needs of the population it serves as safely, effectively and efficiently as possible
- ensure that services are designed and delivered taking into account the views and opinions of patients
- take into account the impact it has on the environment. As set out in the sustainability report, the Trust is committed to reducing its environmental impact
- take into account its status as a large employer and that decisions it makes may impact on the local economy and the health and wellbeing not only of staff but their families as well
- take into account its responsibility to respect human rights and to ensure that actions and decisions do not have an adverse impact on human rights
- ensure that staff feel motivated, empowered and are clear about the difference they are making to patient care and the achievement of the Trust's strategic objectives
- ensure that the Trust is a positive place to work

The Human Rights Act is integrated into the Trust's day to day operations and implemented through policies, procedures and strategy. It is essential that staff and service users are aware of the specific requirements of the Act and its application in a human rights based approach to healthcare. The principles of Human Rights are integrated within the Trust training programme and communicated to patients via the Patient Charter.

Counter Fraud and Anti-bribery Activity

There was a programme of counter fraud and anti-bribery activity, supported by the Local Counter Fraud Specialist (LCFS) whose annual work plan of prevention, deterrence and detection was monitored by the Director of Finance and the Audit Committee.

The LCFS regularly attends Audit Committee meetings and ensures that the Trust is compliant with the national standards for countering NHS fraud, as issued by NHS Counter Fraud Authority. Counter Fraud material was disseminated to staff through the intranet.

To publicise both the existence of the counter fraud initiative and the understanding that everyone has a role to play in tackling fraud occurring within the Trust, the LCFS delivered Fraud and Bribery Act awareness training to a variety of staff both at induction and through staff presentations to Ward and Departments (including the Finance Department). The LCFS reviews policies; to ensure they are in line with current legislation and address fraud risks.

Events After the Reporting Period

There have not been any significant events requiring disclosure after the reporting period to the date of this report.

Overseas Operations

The Trust has no overseas operations.



Patricia Miller
Chief Executive
21 May 2019

Accountability Report

Directors' Report

The Board of Directors comprises of the Chair, six Non-Executive Directors, six Executive Directors and one non-voting Executive Director. Full details of the Board can be found in the NHS Foundation Trust Code of Governance Disclosures section of the report.

The Trust maintains Registers of Interest for Directors and Governors which are available on application to the Trust Secretary. The Trust can confirm that no Directors or Governors have any interests which conflict with their responsibilities.

The Directors can confirm that the Trust has complied with the cost allocation and charging guidance issues by HM Treasury.

The Directors can confirm that the Trust has not made any political and charitable donations.

The Trust has adopted the Better Payment Practice Code, which requires it to aim to pay all undisputed invoices by their due date, or within 30 days of receipt of goods or a valid invoice. The application of this policy resulted in a supplier payment period of 42 days for the Trust's trade payables as at 31 March 2019 (2018: 37 days). The Trust incurred interest and compensations charges of £692 during 2018/19 (2017/18 £439) under the Late Payment of Commercial Debt (Interest) Act 1998. The performance of the Trust in complying with the Code were as follows:

	2018/19		2017/18	
	Number	Value £000	Number	Value £000
Trade payables				
Total bills paid in year	54,163	61,710	50,117	63,222
Total bills paid within target	49,412	53,844	44,017	51,627
Percentage of bills paid within target	91%	87%	88%	82%
NHS payables				
Total bills paid in year	1,507	2,821	1,641	9,726
Total bills paid within target	1,242	2,137	1,137	6,897
Percentage of bills paid within target	82%	76%	69%	71%

The Trust has met the requirement of Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012), by ensuring the income from the provision of goods and services for the purposes of the health service in England are greater than income from the provision of goods and services for any other purposes. The income from provision of goods and services for any other purpose was £783k which represents 0.42% of total Trust income. The Trust's financial planning ensures the requirement is maintained in the future and that any income for other purposes is contributing a profit for reinvestment into health services in England.

Delivery of the Trust's quality priorities are based on the principles of strategy, capability and culture, structures and measurement as described in the Well Led Framework. Oversight of the Trust's service quality is undertaken by the Quality Committee which meets on a monthly basis. The Quality Committee is Chaired by a Non-Executive Director. Both the minutes and a verbal update by the Chair of the Committee are received by the Trust Board. Further detail on the quality and quality governance are provided within the Quality Report, Performance Report and Annual Governance Statement, the Quality Report and the Care Quality Commission Report.

So far as the Directors are aware, there is no relevant audit information of which the Trust's Auditor is unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Trust's Auditor is aware of that information.

The Directors are required to, and accept responsibility for, preparing the annual report and accounts for each financial year. The Directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS Foundation Trust performance, business model and strategy.

Preparing for Major Incidents

The Trust needs to be able to plan for, and respond to, a wide range of incidents and emergencies that could affect health or patient care. These could be anything from extreme weather conditions to an infectious disease outbreak, a major transport accident or a terrorist act.

The Civil Contingencies Act (2004) requires NHS organisations and providers of NHS funded care, to plan and prepare for such incidents, whilst maintaining safe services to patients. This work is referred to in the health service as 'emergency preparedness, resilience and response' (EPRR). There are a set of NHS EPRR Core Standards, issued by NHS England, against which the Trust declared fully compliant with 58 of the standards and partially compliant with 2 of the standards. An action plan was delivered to ensure that the Trust became fully compliant with all standards by March 2018. The overall rating of compliance and preparedness was 'Substantial Compliance'.

Brexit

The Trust lead for Brexit preparations is the Chief Operating Officer. The Trust is compliant with all central guidance in respect of Brexit and participates in local contingency planning in this regard as well.

Well-led

An external review of the how the Trust is led was undertaken by management consultants Price Waterhouse Coopers in October 2017. Since then, the Trust has been working to progress the recommendations included in the report and the Trust Board receives regular updates on all the actions. In line with good practice the Trust will be reviewing annually how the Trust is led against the Well-led domains that are stipulated as part of the CQC's review methodology. The Trust received a rating of "Good" by the CQC at the Well-led inspection in 2018. The Trust has a comprehensive action plan in place following the inspection that is monitored by the Quality Committee and Trust Board.

Remuneration Report

Annual Statement on Remuneration

As Chairman of the Remuneration and Terms of Service Committee, I am pleased to present the Remuneration Report for 2018/19.

The NHS Foundation Trust Code of Governance and NHS policy required that remuneration committees ensure levels of remuneration are sufficient to attract, retain and motivate directors of the quality needed to run the organisation successfully but to avoid paying more than is necessary for this purpose. In order to fulfil these requirements, Executive Director salaries are nationally benchmarked against similar trusts and this benchmarking information is used to inform the deliberations and decisions of the Remuneration and Terms of Service Committee.

For 2018/19 the Committee approved the recommendation to apply consolidated payments of £2,075 for all Executive Directors apart from those appointed in year (Alastair Hutchison, Paul Goddard and Inese Robotham). The payments will be backdated to 1st April 2018. In addition, the Committee approved the recommendation to increase the salary of the Director of Strategy and Transformation by £3,950 bringing his salary to the median benchmark of £110,000.



Mark Addison
Remuneration and Terms of Service Committee Chair
21 May 2019

Senior Managers Remuneration Policy

Policy on Remunerations of Senior Managers

The Trust's senior management remuneration policy requires the use of benchmark information and the Trust makes reference to the Foundation Trust Network Annual Salary Comparison Report.

With the exception of Executive Directors, the remuneration of all staff is set nationally in accordance with the NHS Agenda for Change (for non-medical staff) or Pay and Conditions of Service for Doctors and Dentists. Performance Related Pay is not applicable for any Trust staff, including Executive Directors. Future policy on senior manager remuneration will remain in line with national terms and conditions.

Senior managers are employed on contracts of service and are substantive employees of the Trust. Their contracts are open ended employment contracts which can be terminated by either party with three months' notice, or six months' notice in the case of the Chief Executive. The Trust's normal disciplinary policies apply to senior managers, including the sanction of instant dismissal for gross misconduct. The Trust's redundancy policy is consistent with NSH redundancy terms for all staff.

The total remuneration for each of the Trust's Executive Directors comprises the following elements:

Salary + Pension and Benefits = Total remuneration

Future Policy Table

The Trust's remuneration policy in respect of each of the above is outlined in the tables on the next page.

Salary – (Fees and Salary)

Purpose and Link to Strategy

- Helps to recruit, reward and retain
- Reflects competitive market level, role, skills, experience and individual contribution

Operation

Base salaries are set to provide the appropriate rate of remuneration for the job, taking into account relevant recruitment markets, business sectors and geographical regions.

The Remuneration Committee considers the following parameters when reviewing base salary levels:

- Pay increases for other employees across the Trust
- Economic conditions and governance trends
- The individual's performance, skill and responsibilities through appraisals
- Base Salaries at NHS organisations of similar size are benchmarked against Dorset County Hospital NHS Foundation Trust
- Base Salaries are paid in 12 equal monthly instalments via the regular monthly employee payroll
- The Executive Directors do not receive performance related pay.

Opportunity

The Remuneration Committee ensures levels of remuneration are sufficient to attract, retain and motivate directors of the quality needed to run the organisation successfully but avoid paying more than is necessary though using benchmarking.

National and Local benchmarking data was reviewed by the Remuneration Committee who reviewed the relative position of each Executive.

Performance Conditions

None, although performance of both the Trust and the individual are taken into account when determining whether there is a base salary increase each year. The individual receives an annual appraisal to review performance and set objectives.

Performance Period

Annual Appraisal covers a 12 month period

Pension and Benefits

Purpose and Link to Strategy

- Help to recruit and retain
- NHS Pension scheme arrangements provide a competitive level of retirement income

Operation

Executive Directors are eligible to receive pension and benefits in line with the policy for other employees.

Executive Directors are entitled to join the NHS Pension Scheme, which from April 2015 is a Career Average Revalued Earnings scheme.

Where an individual is a member of a legacy NHS defined benefit pension scheme section (1995 or 2008) and is subsequently appointed to the Board, he or she retain the benefits accrued from these schemes.

The principal features and benefits of the NHS Pension Scheme are set out in a table in the Remuneration Report.

Pension related benefit is the annual increase in pension entitlement accrued during the current financial year from total NHS career service.

Opportunity

The maximum Employers' contribution to NHS Pension Scheme is 14.38% of base salary for all employees including Executive Directors.

Performance Conditions

None

Performance Period

None

Differences in Remuneration for Other Employees

The remuneration approach for Executive Directors is consistent with The UK Corporate Governance Code, NHS Foundation Trust Code of Governance and NHS Policy. This guidance requires that remuneration committees ensure levels of remuneration are sufficient to attract, retain and motivate directors of the quality needed to run the organisation successfully.

The Structure of the reward package for wider employee population based on the national NHS remuneration frameworks for Medical, Dental and Non-Medical Staff. Non-Medical Staff remuneration is in line with the Agenda for Change Framework, which assesses remuneration is in line with the framework for Medical and Dental Staff remuneration. All staff are eligible to join and participate in the NHS Pension Scheme.

Where one or more senior managers are paid more than £150,000, the committee is required to ensure this remuneration is reasonable. The Trust has one senior manager paid more than £150,000. The committee is satisfied the salary of this individual is reasonable when compared to the benchmarking provided in setting the senior managers' salaries.

Policy on Remuneration of Non-Executive Directors

Element	Purpose and link to strategy	Overview
Fees	To provide an inclusive flat rate fee that is competitive with those paid by other NHS organisations of equivalent size and complexity	The remuneration and expenses for the Trust Chairman and Non-Executives are determined by the Council of Governors.
Appointment		The Council of Governors appoint the Non-Executive Directors in accordance with the Trust's constitution which allows them to serve two three year terms. Any term beyond six years is subject to rigorous review, and takes into account the need for progressive refreshing of the board and their independence. This is subject to annual re-appointment approved by the Council of Governors.

Annual Report on Remuneration

The following sections of the Remuneration Report are not subject to audit

Remuneration and Terms of Service Committee

Remuneration and Terms of Service for the Chief Executive and Executive Directors is considered by a Remuneration and Terms of Service Committee consisting of the Chair and Non-Executive Directors. During 2018/19 the Committee met to review Executive Directors' Remuneration, the Very Senior Manager Reward Policy and Clinical Excellence Awards.

The Committee's attendance record is set out in the table below:

Name	Attendance/Meetings eligible to attend
Mr M Addison (Trust Chair) (Chair)	4/4
Mr M Rose	3/4
Mr P Greensmith	2/4
Mr I Metcalfe	4/4
Prof S Atkinson	3/4
Ms V Hodges	3/4
Ms J Gillow	3/4

Senior Managers Service Contracts

The table below contains contract information on the Trust's Senior Managers for the financial year 2018/19.

Name	Title	Current Tenure	Notice Period
Non- Executive Directors			
Mr Mark Addison	Chair	First term: 24/03/16 – 23/03/19. Second term: 24/03/2019-23/03/22	3 months
Mr Peter Greensmith	NED, Vice Chair	01/06/17 – 31/05/20	3 months
Mr Matthew Rose	NED	17/06/17 – 16/06/20	3 months
Ms Victoria Hodges	NED	01/09/16 – 31/08/19	3 months
Ms Judy Gillow	NED	01/09/16 – 31/08/19	3 months
Prof Sue Atkinson	NED	01/09/16 – 31/08/19	3 months
Mr I Metcalfe	NED	01/11/17 – 30/10/20	3 months
Executive Directors			
Ms Patricia Miller	Chief Executive	Commenced 15/09/14	6 months
Ms Libby Walters	Director of Finance and Resources	Commenced 12/09/12 Left the Trust 04/06/18	6 months
Mr Paul Goddard	Director of Finance and Resources	Commenced 18/06/18	6 months
Mr Alastair Hutchison	Medical Director	Commenced 02/07/18	6 months

Ms Julie Pearce	Chief Operating Officer	Commenced 26/05/15 Left the Trust 30/09/18	6 months
Ms Linda Power	Interim Chief Operating Officer	From 05/09/18 To 04/12/18	not applicable
Ms Inese Robotham	Chief Operating Officer	Commenced 19/11/18	6 months
Mr Mark Warner	Director of Organisational Development and Workforce	Commenced 02/03/15	6 months
Ms Nicky Lucey	Director of Nursing and Quality	Commenced 01/09/16	6 months
Mr Nick Johnson	Director of Strategy and Business Development	Commenced 01/02/16	6 months

Expenses of Governors and Directors

The expenses incurred or reimbursed by the Trust relating to Governors and Directors were:

	2018/19 Number receiving expenses / total	£	2017/18 Number Receiving Expenses / total	£
Governors	9 / 23	1,511	9 / 23	1,026
Chairman and non-executive directors	2 / 7	2,117	5 / 7	3,298
Executive directors	10 / 12	7,007	7 / 7	9,479
Total expenses		10,635		13,803

The following sections of the Remuneration Report are subject to audit

The total remuneration of directors and senior managers for 2018/19 was £935,600 (2017/18: £819,600).

Remuneration of Directors - 2018/19	Fees and salary (Bands of £5,000) £ 000s	Taxable benefits (nearest £100) £100s	Pension related benefits (Bands of £2,500) £ 000s	2018/19 Total (Bands of £5,000) £ 000s
Chairman				
Mr M Addison	40 – 45	-	-	40 – 45
Non-executive Directors				
Mr P Greensmith	10 – 15	-	-	10 – 15
Ms J Gillow	10 – 15	-	-	10 – 15
Prof S Atkinson	10 – 15	-	-	10 – 15
Ms V Hodges	10 – 15	-	-	10 – 15
Mr M Rose	10 – 15	-	-	10 – 15
Mr I Metcalfe	10 – 15	-	-	10 – 15
Executive Directors				
Ms P Miller, Chief Executive	165 –170	-	32.5 – 35	200 –205
Mr A Hutchison, Medical Director ¹	145 –150	-	17.5 – 20	165 –170
Ms L Walters, Director of Finance & Resources ²	15 –20	-	90 – 92.5	110 –115
Ms N Lucey, Director of Nursing & Quality	120 –125	-	-	120 –125
Ms J Pearce, Chief Operating Officer ³	60 –65	-	-	60 –65
Mr P Goddard, Director of Finance and Resources ⁴	95 –100	-	105 – 107.5	200 –205
Ms L Power, Acting Chief Operating Officer ⁵	25 –30	-	10 – 12.5	35 –40
Ms I Robotham, Chief Operating Officer ⁶	40 –45	-	67.5 – 70	110 –115
Mr M Warner, Director of Organisational Development and Workforce	115 –120	-	20 – 22.5	135 –140
Ms R King, Acting Director of Finance ⁷	15 –20	-	17.5 – 20	35 –40
Mr N Johnson, Director of Strategy and Business Development	105 –110	-	0 – 2.5	110 –115
Mr P Lear, Medical Director ⁸	0 –5	-	-	0 –5

Remuneration of Directors - 2017/18	Fees and salary (Bands of £5,000) £ 000s	Taxable benefits (nearest £100)	Pension related benefits (Bands of £2,500) £ 000s	2017/18 Total (Bands of £5,000) £ 000s
Chairman				
Mr M Addison	40 – 45	-	-	40 – 45
Non-executive Directors				
Mr P Greensmith	10 – 15	-	-	10 – 15
Ms J Gillow	10 – 15	-	-	10 – 15
Prof S Atkinson	10 – 15	-	-	10 – 15
Ms V Hodges	10 – 15	-	-	10 – 15
Mr M Rose	10 – 15	-	-	10 – 15
Mr G Stanley ⁹	5 – 10	-	-	5 – 10
Mr I Metcalfe ¹⁰	5 – 10	-	-	5 – 10
Executive Directors				
Ms P Miller, Chief Executive	160 – 165	-	50 – 52.5	210 – 215
Mr P Lear, Medical Director	75 – 80	-	-	75 – 80
Ms N Lucey, Director of Nursing & Quality	120 – 125	-	22.5 – 25	145 – 150
Ms J Pearce, Chief Operating Officer	120 – 125	-	15 – 17.5	135 – 140
Mr M Warner, Director of Organisational Development and Workforce	115 – 120	-	55 – 57.5	170 – 175
Ms L Walters, Director of Finance & Resources	110 – 115	-	25 – 27.5	135 – 140
Mr N Johnson, Director of Strategy and Business Development	105 – 110	-	-	105 – 110
1 – Appointed on 2 July 2018				
2 – Resigned on 4 June 2018				
3 – Resigned on 30 September 2018				
4 – Appointed on 18 June 2018				
5 – In post between 5 September 2018 to 4 December 2018				
6 – Appointed on 19 November 2018				
7 – Acting between 31 July 2019 to 30 September 2019				
8 – Resigned on 31 March 2018 includes outstanding annual leave payment				
9 – Resigned on 31 October 2017				
10 – Appointed on 1 November 2017				

There were no annual performance related or long term performance related bonuses paid during the year 2018/19 or 2017/18.

There have been no payments during 2018/19 to individuals who were senior managers in the current or in a previous financial year for loss of office.

There has been one payment to a past senior manager during 2018/19 as reported in the Remuneration of Directors 2018/19 for P Lear.

Fair Pay Multiple Statement

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director of the Trust and the median remuneration of the Trust's workforce.

The banded remuneration of the highest-paid director in the Trust in financial year 2018/19 was £165,001 to £170,000 (2017/18: £160,001 to £165,000). This was 6.17 times (2017/18: 6.11 times) the median remuneration of the workforce, which was £27,146 (2017/18: £26,614).

In 2018/19, 7 (2017/18: 6) employees received remuneration in excess of the highest paid director. Remuneration ranged from £172,700 to £192,200 (2017/18: £167,600 to £189,200).

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions or the cash equivalent transfer value of pensions. The median remuneration of the workforce is the total remuneration of the staff member lying in the middle of the linear distribution of the total staff in the Trust, excluding the highest paid director. This is based on an annualised full time equivalent remuneration as at the reporting period date.

The multiple for 2018/19 has increased due to the change in the median remuneration and the salary adjustment to the Chief Executive.

The median remuneration of the workforce in 2018/19 falls within the salary range of a Foundation Doctor year 1 (2017/18 falls within the salary range of a Foundation Doctor year 1). The actual salary of staff within each band is dependent on a number of factors, the most significant being the number of years they have served in that position.

All employees receiving remuneration in excess of the highest paid director were medical consultants.

Pension Arrangements

All executive directors of the Trust are eligible to join the NHS Pension Scheme. The Chairman and non-executive directors are not eligible to join the scheme and are not accruing any retirement benefits in respect of their services to the Trust. The Trust did not make any contributions to any other pension arrangements for directors and senior managers during the year.

The principle features and benefits of the NHS Pension Scheme are set out in the table below.

	1995 section	2008 section	2015 section
Member contributions	5% - 13.3% depending on rate of pensionable pay		
Pension	A pension worth 1/80th of final year's pensionable pay per year of membership	A pension worth 1/60th of reckonable pay per year of membership	A pension worth 1/54 th of Career Average Re-valued Earnings of pensionable pay per year of membership
Retirement lump sum	3 x pension. Option to exchange part of pension for more cash up to 25% of capital value	Option to exchange part of pension for cash at retirement, up to 25% of capital value. Some members may have a compulsory amount of lump sum	Option to exchange part of pension for a lump sum up to 25% of capital value
Normal retirement age	60	65	Equal to an individuals' State Pension Age or age 65 if that is later
Death in membership lump sum	2 x final years' pensionable pay (actual pensionable pay for part-time workers)	2 x reckonable pay (actual reckonable pay for part-time workers)	The higher of (2 x the relevant earnings in the last 12 months of pensionable service) or (2 x the revalued pensionable earnings for the Scheme year up to 10 years earlier with the highest revalued pensionable earnings)
Pensionable pay	Normal pay and certain regular allowances		

The tables on the next page set out details of the retirement benefits that executive directors have accrued as members of the NHS Pension Scheme. All of the executive directors that are accruing benefits under these Schemes with their normal retirement age in line with the table above.

	Real Increase / (decrease) in pension at retirement (bands of £2,500) £000	Real Increase / (decrease) in lump sum at retirement (bands of £2,500) £000	Total accrued pension at retirement at 31/03/2019 (bands of £5,000) £000	Related lump sum at retirement at 31/03/2019 (bands of £5,000) £000
Ms P Miller, Chief Executive	2.5 - 5.0	0 - 2.5	40 – 45	85 – 90
Mr M Warner Director of Organisational Development and Workforce	0 - 2.5	0 - 2.5	20 – 25	-
Ms J Pearce, Chief Operating Officer	0 - 2.5	0 - 2.5	55 – 60	165 – 170
Ms L Power Acting Chief Operating Officer	0 - 2.5	0 - 2.5	35 – 40	105 – 110
Ms Inese Robotham Chief Operating Officer	0 - 2.5	0 - 2.5	25 – 30	60 – 65
Ms L Walters, Director of Finance & Resources	0 - 2.5	0 - 2.5	40 – 45	105 – 110
Mr P Goddard Director of Finance & Resources	2.5 - 5.0	7.5 - 10	50 – 55	125 – 130
Ms N Lucey, Director of Nursing & Quality	0 - 2.5	0 - 2.5	45 – 50	140 – 145
Ms R King, Acting Director of Finance	0 - 2.5	0 - 2.5	5 – 10	-
Dr Alastair Hutchison Medical Director	0 - 2.5	2.5 - 5	65 – 70	195 – 200
Mr Nick Johnson Director of Strategy and Transformation	0 - 2.5	0 - 2.5	0 – 5	-

	Cash Equivalent Transfer Value at 31/03/2019 £000	Cash Equivalent Transfer Value at 01/04/2018 £000	Real increase in Cash Equivalent Transfer Value £000	Employer's contribution to stakeholder pension £000s
Ms P Miller, Chief Executive	741	594	129	24
Mr M Warner Director of Organisational Development and Workforce	304	240	57	17
Ms J Pearce, Chief Operating Officer	N/A	N/A	N/A	9
Ms L Power Acting Chief Operating Officer	793	688	21	4
Ms Inese Robotham Chief Operating Officer	509	360	50	6
Ms L Walters, Director of Finance & Resources	739	570	27	3
Mr P Goddard Director of Finance and Resources	964	751	150	14
Ms N Lucey, Director of Nursing & Quality	954	819	110	18
Ms R King, Acting Director of Finance	111	79	5	2
Dr Alastair Hutchison Medical Director	1598	1387	126	21
Mr Nick Johnson Director of Strategy and Transformation	2	0	2	1

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. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries. CETVs are not disclosed for scheme members who have reached their normal retirement date.

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 that 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.

The real increase in CETV represents 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 year.



Patricia Miller
Chief Executive
21 May 2019

Staff Report

Valuing Our Staff

As a major local employer of 2,000 staff, who fulfil a wide range of professional and multidisciplinary roles, we recognise that our workforce defines who we are and how we are viewed by the patients and carers we serve. We strive to ensure our staff are highly skilled and well supported in their working environment, in order that they are able to deliver the highest standards of compassionate and safe care. Investment in the recruitment, education, training, support and well-being of our staff is an important consideration for us.

Recruitment

The national shortage of nursing and medical staff has meant that recruitment in to these posts has continued to remain challenging. The Trust employed a number of measures to increase recruitment activity including attending recruitment events across the country as well as hosting another local Nursing event advertised through radio and social media. The Trust is committed to recruiting overseas nurses through Yeovil District Hospital and 14 nurses joined the Trust in 2018/19. The Trust Preceptorship programme has proved popular this year with 34 newly qualified nurses joining the Trust. It is anticipated that overseas in conjunction with domestic recruitment will fill our nursing vacancies in 2019/20. In relation to medical recruitment the Trust is now progressing with recruiting temporary overseas staff on placement through the Medical Training Initiative to supplement our domestic recruitment, as well as offering a variety of flexible options to fill posts.

Employment Policies

The Trust has in excess of 50 employment policies in place which have been designed to provide guidance to our staff and to ensure we meet our legal obligations to them. The effectiveness of each policy is reviewed in conjunction with staff representatives every three years as a minimum, but most are reviewed more frequently due to changes to employment law or best practice or in response to feedback from staff. During 2018, 19 of our employment policies were reviewed to ensure effectiveness and adherence to legal requirements.

Appraisal Process

Our values based appraisal process continues to support the Trust values being embedded into the training, development and support for non-medical staff; the appraisal process now includes the collation of feedback in relation to the demonstration of the Trust values within the workplace. Through the staff opinion survey, 84% of staff confirmed they had clear objectives set for their work and 80% of staff confirmed their recent appraisal left them feeling valued by the organisation.

Staff Gender Analysis (as at 31 March 2019)

At 31 March 2019	
Board directors by gender;	
Male	8
Female	6
Employee headcount by gender	
Male	618
Female	2,215
Total	2,833

Staff Sickness

The Staff sickness information contained in the table below has been calculated and supplied by the Department of Health. The information has been calculated on a calendar year basis.

	2017	2018
Total days lost	16,228	18,116
Total staff employed (Full-time equivalent basis)	2,291	2,347
Average working days lost per employee	7.1	7.7

Diversity and Inclusion

The Trust is committed to ensuring that people do not experience inequality through discrimination or disadvantage either in the health care they receive or as members of staff in their employment with the Trust. In this context, our Equality Policy defines the approach that we take to promoting and championing a culture of diversity and equality of opportunity, access, dignity, respect and fairness in the services we provide and in our employment practices. The policy also sets out our commitment to compliance with relevant equality legislation and the NHS Equality Delivery System 2 (EDS2) to support the delivery of its commitment to equality. In accordance with our legal obligations, we collate staff data and this forms part of an annual Equality and Diversity and Workforce Race Equality Standard Reports on compliance to the Trust Board. This information is also published on our website and through this analysis we are able to identify good practice and areas for improvement. During the summer of 2018 we held a public consultation in conjunction with Dorset CCG, Dorset Healthcare, Poole Hospital and Bournemouth & Christchurch Hospitals to ask for assistance in grading us on how the public felt our organisations were performing in regard to the objectives and goals set out in the Refreshed Equality Delivery System. The results have been analysed and our Diversity & Inclusion Steering group will be finalising our refreshed equality objectives at their March 2019 meeting

In 2018, we were pleased to renew our Disability Confident accreditation, which replaced the 'Two Ticks' symbol in 2016. This guarantees an interview for any disabled person who meets the minimum criteria for a role. Disability Confident status is awarded by Job Centre Plus to employers and signifies our positive attitude towards employing and retaining disabled staff and developing their abilities. The Trust policies aim to help prospective and current employees who may become disabled with a range of reasonable adjustments that enable them to return to and remain in work.

The Trust provides on-going skills training in Equality and Diversity to all staff; this covers steps that the Trust and staff must take in order to promote equality of opportunity for staff and patients across all protected characteristics. The Trust seeks to encourage all of our staff to value the possibilities in each other and explore the opportunities that difference brings. We are also in the process of developing our own internal diversity awareness training session which will be delivered in addition to the mandatory training. During 2018 our Diversity & Inclusion Steering Group continued to meet quarterly to oversee this important agenda.

In early 2019 we held a listening event with our BAME (Black Asian and Minority Ethnic staff), as a result of this we have appointed two representatives from this group to our growing body of Freedom to Speak Up Guardians (FTSUG) and have committed to setting up a staff network; which will be led by the FTSUG's.

Consultation, Partnership Working and Staff Engagement

We have a number of established mechanisms of communicating information across the Trust, including a weekly email bulletin, a weekly email briefing from the Chief Executive, monthly team briefing sessions and a quarterly staff magazine. The Trust also communicates stories of interest via social and local media. Our established consulting and negotiating bodies, the Partnership Forum (for non-medical staff) and Local Negotiating Committee (for medical staff), continue to make an important contribution to promoting effective staff engagement and partnership working and in ensuring these are underpinned by a commitment to: promoting the success of the organisation; recognising the respective parties' legitimate interests; operating in an honest and transparent manner; focusing on the quality of working life and its benefit to the quality of patient care; maintaining, as far as possible, employment security.

We have this year been successful in our bids to be a placement host for the NHS Graduate Management Training Scheme, coordinated by the NHS Leadership Academy and trainees have already commenced placements with the Workforce division and within the Informatics department.

People Strategy

Over the last three years our People Strategy has focussed on establishing core values across the Trust, strengthening our approach to workforce planning and providing strong leadership development approaches. Our refreshed People Strategy will take us to 2021, and will build on these areas - taking as its focus our need to be caring in everything we do with our staff, to enable them to deliver great care to our patients. Our new plan has three strategic priorities; workforce deployment, workforce development and health and well-being; all underpinned by a commenced an engagement programme to reinforce the People Strategy. We summarise our Strategy with one phrase: "Cared About / Caring For".

Health and Wellbeing

All our staff have access to occupational health and wellbeing services provided by our partner organisation, Dorset Healthcare University Foundation NHS Trust. Providing proactive and preventative support, the service undertakes health checks, vaccinations and immunisation programmes besides dealing with work related issues such as needlestick injuries. Advice and support are offered to employees and managers in relation to the rehabilitation of staff returning to work following illness or with a known disability.

During 2018 we continued to promote Care First; our Employee Assistance Programme. Care First are a leading provider of professional counselling, information and advice offering support for issues arising from home or work. They employ professionally qualified Counsellors and Information Specialists, who are experienced in helping people to deal with all kinds of practical and emotional issues.

All staff can access Care First, who will provide additional support in both work and non-work related matters. From work-life balance to childcare information, relationships to workplace issues, health & wellbeing. Topics include (but are not limited to) debt, disability & illness, bereavement & loss, stress, elder care information, life events, anxiety & depression, family issues, education, consumer rights. Care First is free of charge and staff don't need to ask their manager, they can call them directly to speak to a professional counsellor or information specialist in confidence. All staff also have access to confidential counselling via Care First and can self-refer themselves for fast track physiotherapy treatment for joint or muscle pain. Staff are encouraged to take a proactive approach to their wellbeing. During the latter part of the year, the Trust took part in the seasonal flu campaign, aiming to vaccinate as many frontline staff as possible against the influenza virus in order to protect patients, visitors to the hospital, staff and their families. 79.1% of staff received the vaccine at work, a significant (16%) improvement on last year's uptake rate.

In February 2019 we launched a financial wellbeing platform all staff can access, provided by the organisation 'Neyber'. Staff are able to create their own profile on the web portal and have access to personalised online financial education for free. Additionally, if staff have a financial goal like saving money on debt repayments, a new car or some home improvements, they can also access affordable, salary-deducted loans.

Countering Fraud and Corruption

The Trust's Counter Fraud Policy sets out the standards of honesty and propriety expected of staff and encourages employees to report any suspicious activity that might indicate fraud or corruption promptly. The policy links to the Trust's Raising Matters of Concern (Whistleblowing) and Disciplinary policies and various NHS publications on this subject.

The Trust's counter fraud service continues to be provided by TIAA who report directly to the Director of Finance and Resources and also report regularly to the Audit Committee throughout the year. Raising awareness of the need to counter fraud and corruption is taken seriously by the Trust and is communicated via a variety of methods, including leaflets, counter fraud newsletters and notices, staff bulletins, staff awareness presentations, induction training and the Trust's intranet. TIAA undertake a number of proactive work fraud check streams throughout the year to support the Trust's commitment to this area.

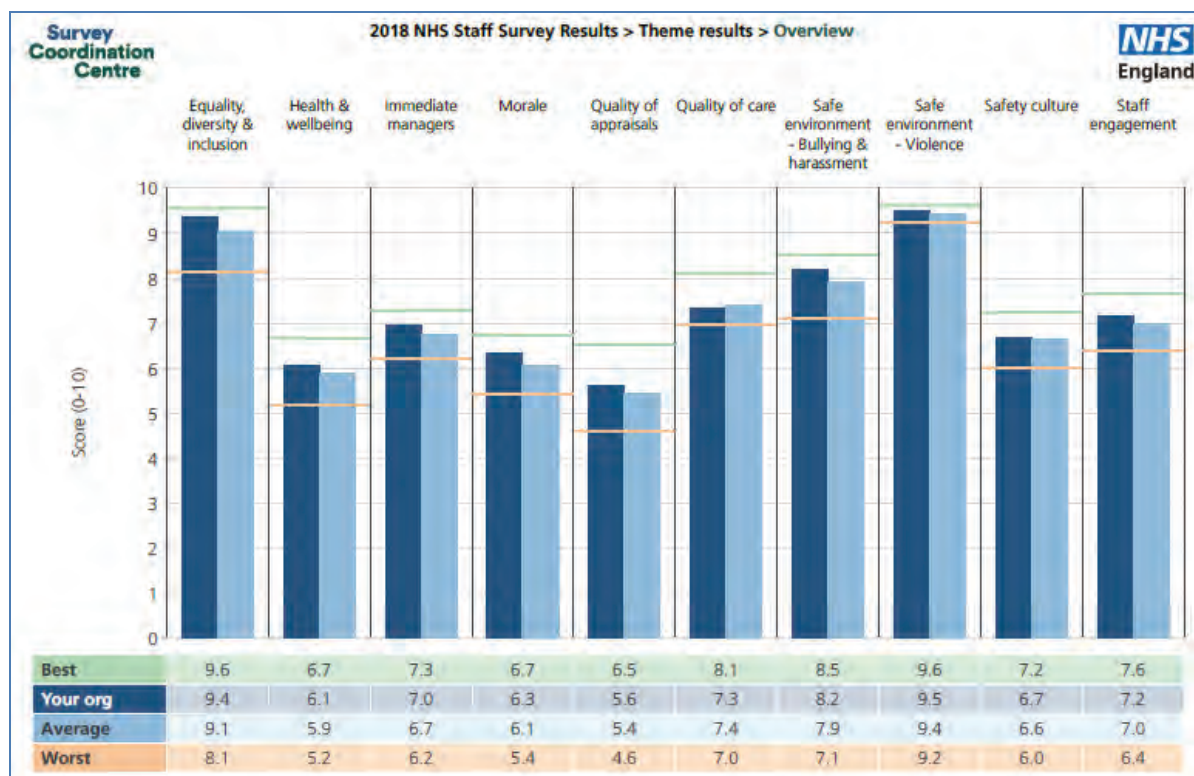
Within 2018, the Trust appointed three further Freedom to Speak Up Guardians (FTSUG) who undertake this role alongside their substantive post. The FTSUGs have a regular meeting with the Chief Executive, Director of Workforce and Organisational Development and Senior Independent Officer, to discuss and raise any concerns. The Trust now has five FTSUGs.

The Trust's Senior Independent Officer (SIO) and Whistleblowing Lead is one of our Non-Executive Board members. This role is in place to ensure there is a direct point of contact on the Board, and to provide Board level visibility of any potential issues.

What our Staff Say

Annually, we participate in the NHS national staff survey. In 2018 we surveyed all our staff. The Trust's overall score for staff engagement (measured on a scale of 1 to 10, where ten is the best score) was 7.2, which was above the national average of 7.0 for Acute Trusts. Overall the results show a relatively good overall picture with most findings in line with national norms. The latest results show that no significant changes have been made across any of the 10 themes, showing sustained levels of staff engagement. Results show high consistency with acute national averages. Whilst this is encouraging, it is clear that key areas require further development and we will continue to work with staff representatives to address concerns raised through staff surveys held at national and local level with the aim of improving the working lives of staff. The response rate to the staff survey and performance against the themes were as follows:

	2016/17			2017/18	
	Trust	National Average	Trust	National Average	Trust Improvement / Deterioration
Response Rate	49%	44%	49%	44%	No change



The Trust also gauges staff responses in each quarter as to whether they would recommend the Trust to family or friends as a place to work. In quarters 1, 2 and 4 this information is gathered via the staff friends and family test (Staff FFT); in quarter 3 this test forms part of the national staff survey.

	2015	2016	2017	2018
Dorset County Hospital	63%	65%	66%	63%
National Average	59%	59%	61%	66%

The Trust has taken a number of actions to improve staff satisfaction and in turn the quality of its services. Actions taken in 2018 in response to staff feedback include an increase in the number of Freedom to Speak Up Guardians and reminding staff the importance of raising concerns. We have also created a Health & Wellbeing Steering Group of which the members are health and wellbeing champions; we hope this will provide staff with a further channel of support. Our leadership development training has continued to be rolled out to staff within bands 4-6 and the development of a number of initiatives focusing on staff wellbeing.

Celebrating Success

Every day, individuals and teams within the Trust go above and beyond the call of duty. Our annual Going the Extra Mile (GEM) Awards have become a well-established means of recognising and honouring staff and volunteers for their service and outstanding contribution to the care of patients and running of the hospital. Staff, patients, their relatives, members of the public and volunteers took the opportunity of nominating those individuals who they judged met the criteria for each of the Trust's nine award categories and best exemplified our values. The hard work and dedication of the nominees were celebrated at a presentation ceremony held in June at the Weymouth and Portland national sailing Academy. The event was hosted by the Chairman, Mark Addison and Patricia Miller, Chief Executive, who personally congratulated staff on their achievements. This year's winners were:

Award	Winner
Chairman's Award	Ann 'Woody' Woodruff, ED Senior HCA
Leadership Award	Wendy Woodland, Lead Discharge Facilitator
Patient Safety	Sarah Sedgbeer, ED Junior Sister
Innovation	Dr James Richards, Consultant & AHAH Team
Lifetime Achievement	Mr Hugh Bellis, Orthodontics Consultant
Student/Apprentice of the Year	Paula Russ, Senior Radiology Assistant
Volunteer	Rose Stone, Lead Volunteer Guide
Team of the Year	Discharge Team
Charity Fundraiser of the Year	Abigail Orchard, Lead Cancer Nurse

In early 2018 we replaced the WOW! Award scheme, a national employee recognition scheme external to the NHS with our own Hospital Heroes Scheme. We believe in delivering outstanding care for people in ways which matter to them. This is achieved through our commitment to the Trust's Values of teamwork, respect, integrity and excellence. To help honour our Hospital Heroes, we encourage patients, carers, family member and colleagues to thank both teams and individual members of staff who have provided outstanding care to patients. All Hospital Hero Thank You's are published on the staff intranet page and the best nominations will be honoured during a monthly ceremony with a member of the executive team.

Volunteering

Following the Volunteer Support Teams move from HR to the Patient and Public engagement team, work has been carried out from November 2018 to assess the volunteer experience from point of enquiry through to point of leaving. Research of current practice, other hospital practice and talking to our current volunteers identified that we needed to look at changing the volunteer policy and the recruitment and training process for the volunteers.

Following a successful bid for funding made to the Pears Foundation the Trust will be launching our first young volunteer programme this year. This will give individuals between the ages of 16 and 24 the opportunity to take on a volunteer role, committing to 30 hours over a period of 8 weeks. This will serve to offer young people the opportunity to obtain valuable experience in a healthcare environment. This will enable them to build on their key skills and acts as an introduction to the Trust.

The team are also concentrating on a Volunteer Expansion Programme, which involves the volunteer co-ordinators working closely with managers to establish where volunteers can be placed, with the aim to improve the patient experience. The team have been focusing on ensuring there is support across the board and that ultimately volunteers are appropriately trained and integrated into their chosen area, giving them confidence to thrive in their environment. The Volunteer Support Team comprises of volunteer co-ordinators Hannah Robinson and Louisa Plant. Potential volunteers considering joining the Trust can contact the team via volunteering@dchft.nhs.uk.

Education, Learning and Development

We are committed to developing the capability and skills of our multi-professional workforce to enable staff to deliver high quality, safe patient care. The implementation of our Education, Learning and Development Strategy supports this commitment.

The Trust's Education Centre offers a wide range of education, learning and development opportunities, not only for our staff, but also for the wider healthcare community and is constantly developing new and innovative ways of delivering ongoing learning. An annual training needs analysis is conducted each year to ensure that the resources are targeted to areas that will directly benefit patients and link to workforce transformation or service redesign.

Preceptorship

The Preceptorship Programme continues to run with two intakes a year; we had a large intake of 34 Preceptees in September 2018 across several areas including, Adult Nursing, Therapies, Midwifery, ODP and Radiology. In February 2019 we had another large group of 26 Preceptees of Adult Nurses including 9 Overseas Nurses and Midwives. We have offered 19 places for September 2019 With recruitment events ongoing and will continue to welcome overseas nurses throughout 19/20.

Apprenticeships

In 2018/19 we saw 59 apprenticeship sign-ups across many areas in the Trust including Nursing, Medical, Radiology, Support Services, Administration, Education and Management. The Trust has staff undertaking apprenticeship courses from Level 2 to Level 7. Timely completion rates were achieved throughout the period. New apprenticeship roles are being planned in 2019/20 including the Registered Nurse Degree Apprenticeships for school leavers. The Trust is working with the Dorset Wide Apprenticeship Group for procurement of providers for all apprenticeship courses. To support staff progressing within their roles we also offer free Functional Skills courses in Maths & English, workshops in interview skills and study skills.

The Care Certificate

The Care Certificate continues to achieve a high rate of timely completions, and leads directly into the apprenticeship standards for those staff who wish to continue with their healthcare education. A more concise version had been devised to meet the needs of existing staff who wish to progress onto to further training in health care.

Leadership Development

The Leadership Development programme continued in 2018/19 with further Leadership Engagement sessions for our senior leaders and a programme of modules for our team leaders and aspiring leaders.

More than 500 staff in supervisory or team leader roles attended a range of modules on Effective Leadership, Personal Resilience, Coaching Skills, and Difficult Conversations. These were supplemented by workshops on service improvement delivered by the Transformation Team and essential people management processes delivered by HR – all were well attended and received.

In line with the new People Strategy, a revised leadership strategy has been drafted and is currently being consulted upon, recognising that all supervisors and managers have an impact on our culture in supporting a committed, compassionate and productive workforce and senior managers have a key role in leading and managing this strategically. Its adoption will help ensure that the Trust continues to deliver outstanding care for patients, service users, their families and carers, our partners and workforce.

A new suite of leadership development programmes has been proposed consisting of 3 core programmes: Fundamentals; Advanced and Clinical. All three will be underpinned by the use of self-awareness tools and quality & service improvement interventions. These core programmes will be supplemented by a range of other opportunities, such as external programmes, as well as coaching & mentoring, e-learning and an expanding range of workshops which form part of our Management Toolbox. These changes should be fully operational by September 2019.

A formal talent management programme got underway during 2018, with a further review of the Trust senior roles to ascertain key workforce challenges and succession planning requirements, as well as identifying specific senior leadership development requirements. Action plans have been established and this exercise will enable us to take full advantage of the new Dorset System Talent Management Programme starting in April 2019. It will also enable us to contribute into the SW Regional Talent Board which has recently been launched.

Library

The Library at Dorset County Hospital offers a high quality professional service to local NHS staff and students on placement. We provide the evidence base for service improvement, ways to keep up to date with the latest research and guidance and assist with the management and organisation of knowledge.

The service achieved 100% compliance with the NHS Library quality standards for 2018 (one of only four services to achieve this). In 2018 we launched ward-based Shared Reading sessions that are having a positive impact on patient wellbeing. New for this year is the Discovery portal that brings together all our resources in one place making it easier to find evidence for clinical practice and service improvement.

Medical Education

This year has seen the appointment of our first Chief Registrar, our first Less Than Full Time (LTFT) Champion from the Consultant body and our first LTFT Trainee Champion. We have signed up to the BMA Fatigue and Facilities Charter, allying with the Trust Strategy focus on Wellbeing, and our Junior Doctors' Forum continues to be a well-attended, meaningful event where Execs can hear concerns, leading to actions. The Foundation Doctor Buddy scheme set up by our Doctors' Mess Pastoral Lead (herself an F2 doctor) is proving successful, enabling peer support for our newest doctors. Looking back at the data from the GMC Survey issued in March 2018, DCH was ranked among the top 10 in the UK for the quality of Foundation Programme induction. We continue to be aware of our vulnerability with regard to attracting doctors to our organisation so we are actively engaged in exploring other avenues including schemes to recruit from overseas

Work Experience and Supported Interns

During this year we have continued to welcome a range of different students to undertake work experience across the trust. Alongside our Work Experience we continue to work collaboratively with Weymouth College in supporting students with additional learning needs to experience work placements in the trust.

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	FTE employee number
8	2119

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1-50%	8
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	Figures
Provide the total cost of facility time	£7,305
Provide the total pay bill	£118,201,307
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.006%

Paid trade union activities

Time spent on paid TU activities as a percentage of total paid facility time hours calculated as:	
(total hours spent on paid TU activities by TU representatives during the relevant period ÷ total paid facility time hours) x 100	16%

Consultancy

The NHS has additional controls for spending on consultancy contracts over the value of £50,000 to ensure value for money. The Trust had one contract which exceeded the £50,000 limit within the finance section. The contract is to assist the Trust with delivering plans for cost improvement to address its financial position.

	2018/19 £000s
Finance	308
Human Resources	17
Procurement	7
Property and Construction	9
Strategy	86
Legal	15
Technical	24
Total	466

Reporting High Paid Off-payroll Arrangements

The Trust has a policy on the engagement of staff off-payroll to ensure compliance with employment law, tax law and HM Treasury guidance for government bodies. This contains a procedure to ensure appointees give assurances to the Trust that they are meeting their Income tax and National Insurance obligations.

The policy includes controls for highly paid staff including board members and senior officials, individuals under these sections require Accounting Officer approval and should only last longer than six months in exceptional circumstances.

For any off-payroll engagements as of 31 March 2019, for more than £245 per day and that last for longer than six months	Number of engagements
Number of existing engagements as of 31 March 2019	1

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019, for more than £245 per day and that last for longer than six months	Number of engagements
Number of new engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019	2
Of which...	
No. assessed as caught by IR35	1
No. assessed as not caught by IR35	1
No. engaged directly (via PSC contracted to the entity) and are on the departmental payroll	Nil
No. of engagements reassessed for consistency/assurance purposes during the year.	Nil
No of engagements that saw a change to IR35 status following the consistency review	Nil

For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2018 and 31 March 2019	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. This figure includes both off-payroll and on-payroll engagements	19

The Trust has made no payments for off payroll arrangements to individuals through their own companies during 2018/19.

The following sections of the Staff Report are subject to audit

Average number of employees (WTE basis)

	Average for year ended 31 March 2019		
	Total number	Permanent number	Other number
Medical and dental	341	333	8
Administration and estates	392	390	2
Healthcare assistants and other support staff	793	787	6
Nursing, midwifery and health visiting staff	699	667	32
Nursing, midwifery and health visiting learners	2	2	-
Scientific, therapeutic and technical staff	220	220	-
Healthcare science staff	75	75	-
Social care and staff	2	-	2
Other	6	6	-
Total	2,530	2,480	50
Of which: Engaged on capital projects	8	8	-

The average number of employees is calculated on the basis of the number of worked hours reported. This means that the reporting of staff numbers and staff costs incurred are on a more consistent basis.

Employee Expenses

	Total £000	Permanent employed £000	Other total £000
Salaries and Wages	93,762	92,707	1,055
Social security costs	8,666	8,666	-
Apprenticeship levy	448	448	-
Pension cost – NHS pensions	11,310	11,310	-
Pension cost – other	24	24	-
Termination benefits	76	76	-
Temporary staff – Agency/contract staff	4,160	-	4,160
Total Gross Staff Costs	118,446	113,231	5,215
Included within; costs capitalised as part of assets	358	358	-

Exit Packages

2018/19	Number of Compulsory redundancies	Number of Other departures agreed	Total number of exit packages by cost band
Exit package cost band			
< £10,000	-	11	11
£10,001 - £25,000	-	2	2
£25,001 - £50,000	-	1	1
£50,001 - £100,000	-	1	1
Total number of exit packages by type	-	15	15
Total resource cost (£000)	-	148	148

2017/18	Number of Compulsory redundancies	Number of Other departures agreed	Total number of exit packages by cost band
Exit package cost band			
< £10,000	-	12	12
£10,001 - £25,000	-	2	2
£25,001 - £50,000	1	-	1
Total number of exit packages by type	1	14	15
Total resource cost (£000)	26	56	82

The payments included in 'Other departures' agreed for 2018/19 are thirteen in respect of contractual payments made in lieu of notice and two in respect of exit payments following employment tribunals or court orders (2017/18 Fourteen payments for lieu of notice). Where the Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS pension scheme. Ill-health retirement costs are met by the NHS pension scheme and are not included in this table.

Disclosures Set Out in the NHS Foundation Trust Code of Governance

Dorset County Hospital 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 issues in 2012.

The requirements of section C1.1 of the code of Governance are covered within the Directors' Report and the Annual Governance Statement contained within this document.

The Board reviews its effectiveness of systems of internal control via assurance from the Chair of the Audit Committee in relation to their annual work programme.

Board of Directors

The Board of Directors' primary role is to lead the Trust and set the Trust's strategic direction and objective and ensure that delivery of these is achieved within planned resources. The Board composition is as follows:

- Chair
- Six Non-Executive Directors
- Six Executive Directors
 - Chief Executive
 - Director of Finance and Resources
 - Medical director
 - Director of Nursing and Quality
 - Chief Operating Officer
 - Director of Organisational Development and Workforce

The Trust also has one non-voting Executive Director who is in attendance at Board meetings.

- Director of Strategy and Business Development

The Chair and Non-Executive Directors come from a range of professional backgrounds and succession planning is kept under review to ensure that Non-Executive Directors skills and experience reflect the evolving needs of the Trust. The Trust is confident that Non-Executive Directors and Chair are independent in character and there are no relationships or circumstances which are likely to affect, or could appear to affect, their judgment.

The Trust has made the following appointments to the Board during 2018/19:

- Two Executive Directors who commenced:

The Board has in place a Scheme of Delegation and a Schedule of Powers and Decisions Reserved to the Board to ensure that decisions are taken at the appropriate level. Governors are provided at induction with full details of the roles and responsibilities of the Council of Governors.

To Board has the following key functions:

- To formulate strategy;
- To ensure accountability by holding the organisation to account for the delivery of the strategy and through seeking assurance that systems of control are robust and reliable;
- Shaping a positive culture for the Board and the organisation;
- To, individually and collectively, act with a view to promoting the success of the Trust so as to maximise the benefits for the members as a whole and for the public;
- To maintain and improve quality of care;
- To ensure compliance with all applicable law, regulation and statutory guidance;
- To work in partnership with patients, carers, local health organisation, local government authorities and others to provide safe, effective, accessible and well governed services for patients.

Non-Executive Director appointments, including that of the Chair, are made by the Council of Governors. The Council of Governors is also responsible for approving the appointment of the Chief Executive. All Board level appointments are made using fair and transparent selection processes, with specialist Human Resources input and external assessors as required.

In accordance with the NHS Foundation Trust Code of Governance, the Chair and Non-Executive Directors have a fixed tenure of three years renewable with a further period of three years, subject to satisfactory annual performance appraisal and the agreement of the Council of Governors. Any term beyond six years for a Non-Executive Director would be subject to particularly rigorous review, and would take into account the need for progressive refreshing of the board. Non-Executive Directors may, in exceptional circumstances, serve longer than six years but this would be subject to annual re-appointment to a maximum of nine years in total. The circumstances in which a Non-Executive Director contract may be terminated early are set out in the Trust's Constitution and included in Non-Executive Director Terms and Conditions.

The Trust has in place a formal annual appraisal process for both Executive and Non-Executive Directors carried out against agreed objectives. The Chief Executive appraises other Executive Directors, the Chair appraises the Chief Executive and Non-Executive Directors. The appraisal of the Chair is led by the Senior Independent Director. The outcomes of Executive Directors' appraisals are shared with the Remuneration and Terms of Service Committee, and those of the Chair and Non-Executive Directors with the Nominations and Remuneration Committee.

Board of Directors' Profiles

Chair

Mark Addison – first term 24/3/2016 – 23/3/2019, second term 24/3/2019 – 23/3/2022

Mark has had an executive career in central government, working in senior operational and policy roles in a number of departments. He was the Chief Executive of the Crown Prosecution Service, Director General for Operations in the Department of Environment, Food and Rural Affairs, and was for a short spell the permanent Secretary of that Department and Chief Executive of the Rural Payments Agency. He has previously held non-executive roles, sitting on the boards of The National Archives and the Which? Council. He was the Chair of the Nursing and Midwifery Council. Mark remains a Public Appointments Assessor and a member of the Advisory Committee on Business appointments. These commitments have no impact upon his ability to chair Dorset County Hospital NHS Foundation Trust.

Chief Executive

Patricia Miller – appointed substantive Chief Executive 15 September 2014

Patricia holds a Masters degree in Health Care Management from Manchester Business School, and is a graduate of the East of England aspiring Directors Programme. She is also a graduate of the Kings Fund Athena Programme – a leadership programme for executive women from across the public sector. She has worked for the NHS for over 20 years and was a member of the senior management at Bedford Hospital NHS Trust where she worked for nine years: her last role there was as Interim Chief Operating Officer. She has led a range of innovative and successful initiatives to improve patient safety and quality and has a proven track record in turning around hospital departments in financial difficulty, without impacting on service provision. Patricia joined the Trust in 2011 as Director of Operations and was appointed Chief Executive in 2014. Patricia is also a member of the NHS Providers Board.

Non-Executive Directors

Peter Greensmith – first term 1/6/14 – 31/05/17. Vice Chair from 1/10/16 second term – 1/6/17 – 31/5/20

Peter has extensive experience as a Board Director having served on six Boards. He has working in the UK food and drink sectors, most recently on the board of Hall and Woodhouse Ltd as Chief Executive from 1991 to 2005. He also ran the Cow & Gate baby foods UK operation. He has previously been a Non-Executive Director for Avon and Wiltshire Mental Health Partnership NHS Trust.

Matthew Rose – first term 17/6/14 – 16/6/17 second term 17/6/17 – 16/6/20

Matthew is a qualified accountant and a member of the Chartered Institute of Management Accountants. He has had a number of senior finance roles including previously working for Portsmouth Hospitals NHS Trust. He is a highly experience senior commercial finance professional and has worked for New Look retailers based in Weymouth for the last 17 years. In his roles as Head of Finance he has the responsibility to implement the financial strategy to optimise the trading performance across all channels. He has extensive experience on strategic financial planning and budgeting and has a strong track record of challenging existing resources, systems and ways of working.

Victoria Hodges – first term 1/9/16 – 31/8/19

Victoria has had an executive career of over 25 years in the retail sector, with her remit covering all aspects of Human Resources and in particular organisation design, culture, change and leadership development. She has extensive experience of working with boards to drive business strategy and performance. Her most recent role was as People & Culture Director at White Stuff, which was ranked in the 'Times Top 100 Best Companies To Work For' for nine successive years under her leadership. She is a Trustee of the White Stuff Foundation.

Judy Gillow – first term 1/9/16 – 31/8/19

Judy has had an extensive and successful career in the NHS in clinical, operational management, educational and Executive Director roles. She was awarded an MBE in 2010 for her work on improving hospital infection rates and in 2016 she was awarded an honorary doctorate by Southampton University for her work on developing clinical academic careers for nurses and health professionals. Her most recent post was Director of Nursing at University Hospital Southampton where she led the quality improvement agenda. She is currently Senior Nurse Advisor for Health Education England, Wessex Branch, as well as a lay member of West Hampshire Clinical Commissioning Group. In addition she is a Specialist Advisor for the Care Quality Commission.

Sue Atkinson - first term 1/09/16 – 31/8/19

Sue has considerable experience in Public Health, clinical medicine, commissioning, as a chief executive, executive director and non-executive director in the NHS and DoH. She was Regional Director of Public Health (RDPH) for London and developed the role as Health Advisor to the Mayor and Greater London Authority. She was previously RDPH and Medical Director of South Thames, South West Region and Wessex. Her work includes health strategy, inequalities and partnership working, including with national and local government and the third sector. Sue holds a number of non-executive and academic posts, including founding Director and Chair of PHAST (Public Health Action Support Team – a not for profit social enterprise). She is a Board Member of the Faculty of Public Health, Visiting Professor at UCL, Co-Chairs the Climate and Health Council and was a board member of the Food Standards Agency.

Ian Metcalfe - first term 1/11/17 – 30/10/20

Ian is an experienced Finance Director and a qualified management accountant who started his career in the commercial sector, but for the past twenty years has worked as an executive and non-executive director in the not-for-profit, charity and health sectors, and more recently in arts organisations. Ian has served on a number of Boards, including eight years as a non-executive director with Royal Bournemouth Hospital, where he was Chair of a number of committees, including the project board which led the re-build of Christchurch Hospital as a health and care community. He is currently a trustee of Lighthouse, Poole's centre for the arts, and has just rejoined the Board of Activate, an arts enabling organisation based in Dorchester.

Executive Directors**Medical Director: Professor Alastair Hutchison – appointed July 2018**

Alastair joined the Trust in July 2018 from Manchester Royal Infirmary, where he was Clinical Head of Division for Specialist Medicine and Clinical Professor of Kidney Medicine (University of Manchester). He has worked in clinical leadership roles in Manchester for over 15 years, including being Clinical Director for Renal Medicine, the Royal College Tutor in Medicine, Associate Clinical Head of the Division of Medicine, and most recently the Clinical Head for Specialist Medicine. He has clinically supervised the development and introduction of new IT systems as well as having a major interest in infection control. Alastair has wide-ranging experience in managing complex clinical services, and is actively involved in research into acute and chronic kidney disease with around 100 publications in peer-reviewed journals and books. He has written chapters for both the Oxford Textbook of Medicine and the Oxford Textbook of Clinical Nephrology.

Chief Operating Officer: Julie Pearce – appointed 26 May 2015 resigned on 30 September 2018

Julie joined the Trust in May 2015 from East Kent Hospitals University Foundation Trust where she held a combined role of Chief Nurse and Chief Operating Officer. Julie is a first level Registered Nurse with specialist qualification in critical care nursing and holds BSc and MSc in Nursing Studies. She has worked in a number of acute teaching hospitals in Leeds, London, Birmingham, Cardiff and Southampton before becoming the nursing advisor for acute and specialist services at the Department of Health. In 2004 Julie took up her first Director post as Chief Nurse for Hampshire and Isle of Wight Strategic Health Authority and then moved to East Kent Hospitals in 2007. Julie's passions are the provision of person-centred, high quality services through continuous service improvement and innovation. She has a good track record in leading and developing clinical services across a network of acute and community hospitals.

Acting Chief Operating Officer: Linda Power – from 5 September 2018 to 4 December 2018

Chief Operating Officer: Inese Robotham – from 19 November 2018

Inese joined the Trust in November 2018 from Worcestershire Acute Hospitals NHS Trust where she held a variety of roles, the last one being Acting Chief Operating Officer. She has worked for the NHS for over 18 years in both highly performing and challenged organisations and has led a number of complex service redesign and improvement initiatives. Inese is passionate about improving the quality of patient care and experience and holds a Masters Degree in Leadership for Healthcare Improvement from the University of Birmingham. She is also a Leadership Fellow with the Health Foundation.

Director of Finance and Resources: Libby Walters – appointed 12 September 2012 resigned on 4 June 2018

Libby came to the Trust in September 2012 from Yeovil District hospital NHS Foundation Trust where she was Director of Finance and Deputy Chief Executive. Libby has worked in the NHS for 22 years and has a track record of ensuring strong financial performance. She has a particular interest in ensuring the focus on use of resources is intrinsically linked with improving the quality of care provided.

Director of Finance and Resources: Paul Goddard – appointed 18 June 2018

Paul is a fellow of the Association of Chartered Certified Accountants and has over 30 years' experience in NHS finance. He joined the Trust in June 2019 from University Hospital Southampton Foundation Trust where he spent 10 years rising from Assistant Director of Finance to the role of Director of Finance which included a directorship of the wholly owned subsidiaries. He has worked extensively across the NHS sector at a senior level within both provider and commissioning organisations and also gained valuable experience working in a commercial role within a large US owned facilities management company.

Director of Nursing and Quality: Nicky Lucey – appointed 1 September 2016

Nicky joined the Trust from Kent Community Health NHS Foundation Trust where she was Director of Nursing and Quality. During her career Nicky has held a number of senior roles, including director of clinical standards at Portsmouth Hospitals NHS Trust. Her wealth of experience includes having successfully led many initiatives, such as workforce redesign involving education and career development, as well as patient care improvements. Nicky, who trained at Uxbridge, Middlesex, also has an MBA from Solent University. She has a professional background in cardiothoracic and critical care.

Director of Organisational Development and Workforce: Mark Warner – appointed 2 March 2015

Mark formerly worked for Buckinghamshire Healthcare NHS Trust from July 2013 and was responsible for leading the people agenda for the Trust. Previously, he was Head of Human Resources at West Sussex County Council. Mark has more than 25 years' experience in the field of HR, including 18 years in the airline industry with British Airways.

Director of Strategy and Business Development: Nick Johnson – appointed 1 February 2016 (non-voting)

Nick joined the Trust from University Hospital Southampton NHS Foundation Trust where he was responsible for strategy and commercial development projects, including establishing and innovative commercial development joint venture, for which he was a Board Member. Prior to that, he was responsible for business development and bid management at a large, multi-national infrastructure and support services provider focusing on strategic public private partnerships. Nick has also worked in a number of local authorities delivering innovative strategic partnerships, contract management and service transformation. Nick has an MSc from Warwick Business School and started his career on the National Graduate Management Scheme for Local Government.

Attendance at Trust Board Meetings 2018/19

P= Public																		
C=Confidential																		
	April	May	June	July	August	September	October	November	December	January	February	March						
	C	P	C	C	P	C	C	P	C	C	P	C	C	P	C	C	P	C
Non- Executive Directors																		
Mr Mark Addison	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	A	A
Mr Peter Greensmith	P	A	A	P	A	A	A	P	P	P	P	P	A	P	P	P	P	P
Mr Matthew Rose	A	P	P	P	P	P	A	P	P	P	P	P	P	P	P	P	P	P
Ms Victoria Hodges	P	P	P	P	A	A	P	P	P	A	P	P	P	P	P	P	P	P
Ms Judy Gillow	P	P	P	P	P	P	A	P	P	P	P	P	P	P	P	P	P	P
Prof Sue Atkinson	P	P	P	P	P	P	P	A	A	P	P	P	P	A	A	A	P	P
Mr Ian Metcalfe	P	P	P	P	P	A	A	P	P	P	P	P	A	P	P	P	P	P
Executive Directors																		
Ms Patricia Miller	P	P	P	P	A	A	P	P	P	P	P	P	P	P	P	P	P	P
Ms Libby Walters	P	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
Mr Paul Goddard	N	N	N	P	A	A	P	P	P	P	P	P	P	A	A	P	P	P
Mr Alastair Hutchison	N	N	N	P	P	P	P	A	A	P	P	P	P	P	P	A	P	P
Ms Julie Pearce	P	P	P	P	P	P	N	N	N	N	N	N	N	N	N	N	N	N
Ms Linda Power	N	N	N	N	N	N	N	P	P	A	P	P	N	N	N	N	N	N
Ms Inese Robotham	N	N	N	N	N	N	N	N	N	N	P	P	p	P	P	P	P	P
Mr Mark Warner	P	P	P	P	P	P	P	P	P	P	P	P	N	P	P	P	P	P
Ms Nicky Lucey	P	P	P	P	A	A	P	P	P	P	P	P	p	P	P	P	P	P
Mr Nick Johnson	P	P	P	P	A	A	P	P	P	P	P	P	p	P	P	P	P	P

P – Present, A – Apologies, N – Not in post

Council of Governors

The Council of Governors is made up of elected and appointed representatives from members of the public, staff and stakeholder organisations. It consists of 28 Governors (16 elected Public Governors, 4 elected Staff Governors and 8 Appointed Governors). The Trust membership elects the Public and Staff Governors and it is part of the elected Governor role to represent the members of their constituencies and communicate their views to the Board. The Trust has a duty to ensure that its members are engaged in and kept up to date with developments within the hospital and its services.

The Council of Governors plays a vital part in the work of the Trust including statutory duties. The Council of Governors' specific statutory duties are:

- Appoint and, if appropriate, remove the Chair
- Appoint and, if appropriate, removed the other Non-Executive Directors
- Decide the remuneration and allowance and other terms and conditions of office of the Chair and other Non-Executives
- Approve the appointment of the Chief Executive
- Appoint and, if appropriate, remove the Trust's External Auditor
- Receive the Trust's annual accounts, any report of the Auditor on them and the Annual Report
- Hold the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors
- Represent the interests of the members of the Trust as a whole and the interests of the public
- Approve "significant transactions"
- Approve an application by the Trust to enter into a merger, acquisition, separation or dissolution
- Approve any increase by 5% or more the proportion of the Trust's total income in any financial year attributable to activities other than the provision of goods and services for the purposes of the health service in England
- Approve amendments to the Trust's constitution

The Council of Governors meets on a quarterly basis.

Attendance at Council of Governor Meetings 2018/19 (4 regular quarterly meetings)			
Members and Constituency		Current Tenure	Attendance at Council of Governors
ELECTED GOVERNORS			
Simon Bishop	East Dorset	01/06/17 - 31/05/20 (first term)	3/4
Christine McGee	North Dorset	09/07/18 – 08/07/21 (third term)	4/4
Maurice Perks	North Dorset	09/07/18 – 08/07/21 (first term)	3/3
Sarah Carney	West Dorset	09/07/18 – 08/07/21 (first term)	3/3
David Cove (Lead Governor)	West Dorset	01/06/17 - 31/05/20 (second term)	4/4
Wally Gundry	West Dorset	09/07/18 – 08/07/21 (first term)	3/3
Gavin Maxwell	West Dorset	01/06/17 - 31/05/20 (first term)	4/4
Naomi Patterson	West Dorset	09/07/18 – 08/07/21 (first term)	3/3
David Tett	West Dorset	09/07/18 – 08/07/21 (second term)	4/4
Margaret Alsop	Weymouth and Portland	01/06/17 - 31/05/20 (first term)	3/4
Stephen Mason	Weymouth and Portland	09/07/18 – 08/07/21 (first term)	3/3
Dave Stebbing	Weymouth and Portland	01/06/17 - 31/05/20 (first term)	4/4
Sharon Waight	Weymouth and Portland	09/07/18 – 08/07/21 (second term)	0/4
1 VACANCY	East Dorset		
1 VACANCY	North Dorset		
1 VACANCY	West Dorset		
1 VACANCY	Weymouth and Portland		
1 VACANCY	South Somerset		
STAFF GOVERNORS			
Lee Armstrong	Staff	01/06/17 - 31/05/20	3/4
Tracy Glen	Staff	01/06/17 - 31/05/20	4/4
Tony James	Staff	01/06/17 - 31/05/20	4/4
1 VACANCY			

APPOINTED GOVERNORS

Peter Wood	Age UK		4/4
Jenny Bubb	Dorset Clinical Commissioning Group		2/4
Kevin Brookes	Dorset County Council		2/4
Annette Kent/Barbara Purnell	Friends of DCH		1/4
Davina Smith	Weldmar Hospice Care Trust		4/4

GOVERNORS WHO LEFT DURING THE YEAR

Christine Case	West Dorset	10/07/15 – 09/07/18: end of tenure	1/1
Les Fry	West Dorset	10/07/15 – 09/07/18: end of tenure	1/1
Andy Hutchings	Weymouth and Portland	10/07/15 – 09/07/18: end of tenure	1/1
Jean Spain	Weymouth and Portland	09/07/18 – 19/11/18: resigned	2/2
Ron Martin	Staff	10/07/15 – 09/07/18: end of tenure	1/1
Paul Bithell	Appointed Governor (Dorset Kidney Fund)	06/09/18	2/2

Additionally, the Governors' Working Group meets on a more informal basis four times a year. These meetings are attended by Non-Executive Directors on a rotational basis.

Governor elections took place during 2018/19 which were administered by UK Engage. Elections took place in the following constituencies:

- East Dorset
- North Dorset
- West Dorset
- Weymouth and Portland
- South Somerset/Rest of England
- Staff

Further details are contained in the table above.

During 2018/19 the Council of Governors maintained four committees to progress various aspects of the Council's work:

- Nominations and Remuneration Committee – to develop and deliver the procedures and processes for the selection, recruitment, remuneration and other terms and conditions of the Chair and Non-Executive Directors (NEDs),
- Membership Development Committee – to implement the Membership Development Strategy and develop communication and engagement mechanisms with the membership,
- Constitution Review Committee - to review the Trust's Constitution to ensure it meets current statutory and local and national governance requirements,

- Strategic Plan Committee – this committee was re-instated during 2018/19 to provide Governors with a mechanism for feeding the priorities of the membership and the wider community into the planning process and to engage with the Board of Directors in the formulation of the hospital's strategic plans.

Governors' contact details are available on the Trust's website www.dchft.nhs.uk or correspondence can be sent to the Trust Secretary, Dorset County Hospital NHS Foundation Trust, Trust HQ, Williams Avenue, Dorchester, Dorset, DT1 2JY.

Nominations and Remuneration Committee

The Nominations and Remunerations Committee's duties are to make recommendations to the Council of Governors in respect of:

- Regularly reviewing the terms and conditions, including the Job Description and Person Specification, of the Chair and Non-Executive Directors
- Developing and undertaking the selection processes for any new Chair and/or Non-Executive Director appointments
- Considering any extension of tenure of the Chair and Non-Executive Directors at the end of each term of office
- Reviewing annually the remuneration of the Chair and Non-Executive Directors
- Receiving detail of the annual appraisal of the Chair and Non-Executive Directors
- Regularly reviewing the skill mix of the Chair and Non-Executives to ensure it adequately reflects need
- Being involved in the appointment of the Chief Executive and making recommendation to the Council of Governors for approval.

The Nomination and Remuneration Committee comprises the Chair, Vice Chair (who chairs the Committee when issues relating to the Chair are under discussion), the Lead Governor, four elected Public Governors, two elected Staff Governors and one Appointed Governor. The Chief Executive, Director of Organisational Development and Workforce, and the Trust Secretary are also in attendance as required.

The Nominations and Remuneration Committee convened three times during the period. The meetings took place on 25 April, 11 February and 25 March.

Nominations and Remuneration Committee	Number of meetings attended
Mark Addison (Chair)	1/1
Peter Greensmith (NED/Vice Chair)	2/2
Lee Armstrong (Staff Governor)	2/3
David Cove (Lead Governor)	2/3
Wally Gundry (Public Governor)	2/2
Andy Hutchings (Public Governor)	1/1
Tony James (Public Governor)	0/2
Stephen Mason (Public Governor)	2/2
Christine McGee (Public Governor)	2/3
David Tett (Public Governor)	3/3
Peter Wood (Appointed Governor)	3/3

How the Board and Governors Work Together

Governors are allocated time at the end of each Board meeting to ask questions of the Board on behalf of members or to relay members views. In addition, Governors are able to contact Board members at any time outside of formal meetings in relation to members' feedback or questions.

Nominated Governors are invited to attend Board Committee meetings (with the exception of Remuneration and Terms of Service Committee) as observers.

The Trust encourages its Governors to engage with the public and members through circulation of regular membership newsletters, by holding members' events on topics of interest to the public, by encouraging Governor participation in the hospital open day and by supporting Staff Governors and Public Governors to hold area meetings to engage with their constituents.

Governors provide the Trust with an independent quality assurance mechanism through the conduct of visits to ward areas to assess patients' privacy and dignity, ward cleanliness and other aspects of the ward environment.

Non-Executive Directors are invited to attend formal Council of Governor meetings, Governors' Working Group meetings, the Membership Development Committee and membership events as additional opportunities to develop relationships. The Trust also has a "buddying" system between Non-Executive Directors and Governors based on location.

In the event of a disagreement between the Council of Governors and the Board of Directors, the Dispute Resolution process referred to in the Trust's Constitution (Annex 8) will be invoked.

Director Attendance at Public Council of Governors' Meetings during 2018/19

Name	Title	Attendance/ Meetings invited to or required to attend
Mr Mark Addison	Chair	4/4
Mr Peter Greensmith	Vice Chair	2/2
Mr Matthew Rose	Non-Executive Director	1/1
Ms Victoria Hodges	Non-Executive Director	2/2
Ms Judy Gillow	Non-Executive Director	0/0
Prof Sue Atkinson	Non-Executive Director	0/0
Mr Ian Metcalfe	Non-Executive Director	1/1
Ms Patricia Miller	Chief Executive	4/4
Ms Nicky Lucey	Director of Nursing and Quality	3/3
Ms Libby Walters (to 04/06/18)	Director of Finance and Resources	0/1
Mr Paul Goddard (from 18/06/18)	Director of Finance and Resources	2/3
Ms Rebecca King	Acting Director of Finance and Resources	1/1
Mr Alistair Hutchison (from 02/07/18)	Medical Director	0/0
Ms Julie Pearce (to 30/09/18)	Chief Operating Officer	0/0
Ms Linda Power (from 05/09/18 to 04/12/18)	Acting Chief Operating Officer	0/0
Ms Inese Robotham (from 19/11/18)	Chief Operating Officer	0/0
Mr Mark Warner	Director of OD and Workforce	0/0
Mr Nick Johnson	Director of Strategy and Business Development	0/0

In July 2016 it was agreed that Non-Executive Directors would attend Council of Governors on a rotational basis, prior to this attendance had been on a discretionary basis. Executive Directors attend as appropriate to present specific items. Non-Executive Directors also attend Governors' Working Group (informal) meetings on a rotational basis.

Membership of the Trust

Foundation Trusts have a responsibility to engage with the communities that they service and listen to community views when planning services.

The Trust has two types of membership: public and staff. The Trust encourages people who live within its constituency boundaries to register as public members. Being a member demonstrates support for the hospital and the services it provides and gives the opportunity to share views with the Trust to help it best meet patient needs.

Membership is open to people ages 16+ years who are resident in England. Registration as a member can be via a membership application form, online at www.dchft.nhs.uk, via email to foundation@dchft.nhs.uk, or by phoning 01305 255419.

The Council of Governors has established a Membership Development Committee which meets on a quarterly basis to keep the Membership Development Strategy under review and to oversee membership communications, events and recruitment.

The Trust has maintained a fairly steady level of membership throughout 2018/19 despite efforts by Governors and staff. It is felt that the elderly demographic may contribute to the challenges in recruitment.

Membership engagement rather than size is the Trust's key focus, with a series of membership events held throughout the year, hard copy and electronic membership newsletters and a successful hospital Open Day in October 2018.



Constituency	2018/19	2017/18
East Dorset	239	240
North Dorset	261	268
South Somerset and the Rest of England	95	100
West Dorset	1,264	1,284
Weymouth and Portland	741	758
Total Public Constituencies	2,600	2,650
Staff	3,623	3,507
Total	6,223	6,157

Auditors

The Trust's audit services from 1 April 2018 to 31 March 2019 were provided as follows:

- Internal Auditors – BDO – the internal audit plan is risk based and is developed annually in conjunction with Executive Directors. The draft plan is then agreed by the Audit Committee. The plan comprises both financial and clinical quality audit work, in addition to reviews of areas which are considered by Executive Directors and/or Internal Audit to be high risk or of concern.
- External Auditors – KPMG – external auditors prepare and present an annual plan of work to review the financial management and reporting systems of the Trust and provide assurance that the annual accounts and supporting financial systems are operating effectively. Should external auditors be asked to provide non audit services, this has to be in line with the Trust's policy on Engagement of External auditors for Non-Audit Services.

Audit Committee

The Audit Committee provides assurance to the board on the effectiveness of the Trust's systems of governance and control across the full range of the Trust's responsibilities. It does this by receiving and testing assurance provided in relation to the establishment and maintenance of effective systems of governance, risk management, finance, counter fraud and internal controls and assures itself regarding the Trust's compliance with regulatory, legal and other requirements. The Audit Committee's remit encompasses healthcare assurance as well as the more traditional audit areas of finance and corporate governance.

Internal Audit assists the Audit Committee by providing clear statements of assurance regarding the adequacy and effectiveness of internal control. The Director of Finance and Resources is professionally responsible for implementing systems of internal financial control and is able to advise the Audit Committee on such matters.

The Audit Committee reviews the critical accounting judgements and key sources of estimation uncertainty in preparation for completing the financial statements, the key areas identified for 2018/19 were valuation of land and buildings and depreciation of property, plant and equipment and amortisation of computer software.

At its meetings on 21 May 2019 the Audit Committee considered the financial statements and agreed that they contained no significant issues that required addressing under the terms of the UK Corporate Governance Code 2014, para C3.8.

The Committee has reviewed its performance and in line with other Board Committees nominated Governors are invited to attend and observe Audit Committee meetings.

Arrangements for allowing staff to raise concerns are detailed in the Trust's Whistleblowing Policy which was reviewed during 2018/19 by the Partnership Forum.

Audit Committee Attendance

Name	Title	Attendance/ Meetings eligible to attend
Mr Ian Metcalfe	Audit Committee Chair	6/6
Mr Matthew Rose	Non-Executive Director	5/6
Prof Sue Atkinson	Non-Executive Director	4/6
Ms Judy Gillow	Non-Executive Director	4/6

Single Oversight Framework

NHS Improvement's Single Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at five themes:

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

Based on information from these theses, providers are segmented from 1 to 4, where "4" reflects providers receiving the most support, and "1" reflects providers with maximum autonomy. A Foundation Trust will only be in segments 3 or 4 where it has been found to be in breach or suspected breach of its licence.

Segmentation

NHS Improvement has placed the Trust in Segment 2 as at 31st March 2019. Segment 2 is Providers offered targeted support.

Finance and Use of Resources

The finance and use of resources theme is based on the scoring of five measures from "1" to "4", where "1" reflects the strongest performance. These scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the Single Oversight Framework, the segmentation of the Trust disclosed above might not be the same as the overall finance score here.

Area	Metric	2018/19 scores				2017/18 scores			
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Financial Sustainability	Capital service capacity	4	4	4	4	1	4	4	4
	Liquidity	4	4	4	3	3	4	3	3
Financial Efficiency	I&E margin	4	4	4	4	2	4	4	4
Financial Controls	Distance from financial plan	4	1	1	1	1	1	1	1
	Agency spend	3	3	3	3	1	1	1	1
Overall Scoring		4	3	3	3	2	3	3	3

Sustainability Report

Introduction

In the context of this report, we are referring to environmental sustainability and minimising the impact the Trust has on the environment to future generations. The Trust has continued to recognise its impact on the environment and has continued with measures to improve its energy usage and waste management. The vast size of the NHS means there is significant potential to reduce its emissions and influence attitudes towards sustainability.

The most significant work completed this year was a large capital project delivered through the Carbon Energy Fund (CEF). This work enables the Trust to reduce its energy use by the most significant amount in any one year since the hospital was constructed and probably for the next 15 years looking forward.

With increased interest in sustainability, the Trust employed a Waste Coordinator in 2018 to establish improved methods of waste collection and disposal and to provide a central point of communication for all staff on waste related matters.

Sustainability awareness and education has improved across clinical and non-clinical staff alike. Quarterly meetings take place for Sustainability Champions. Anyone within the Trust can be a Champion to represent and feed back to his or her working environment and bring ideas of change to the meetings for implementation across the Trust. An example of a champion-led scheme has been the introduction of centralised general and recycling bins in some office areas to encourage recycling and reduce the cleaning resource needed.

The Trust ran a competition with local First schools to design a poster to encourage recycling across the hospital. With over 100 entries, the Trust selected two winners along with some runners up who have had their entries professionally printed and put up in key locations across the site.

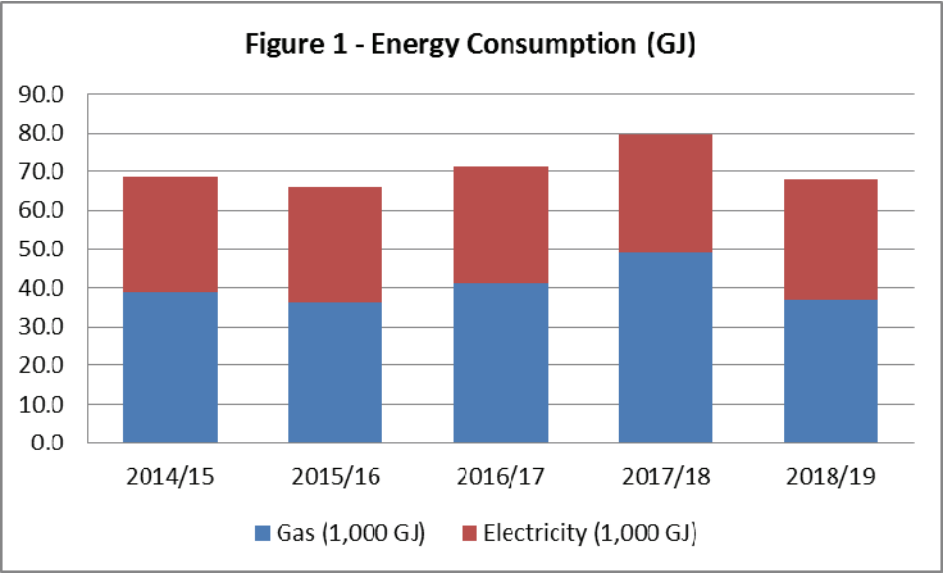


Above: one of the two winning entries of the poster competition

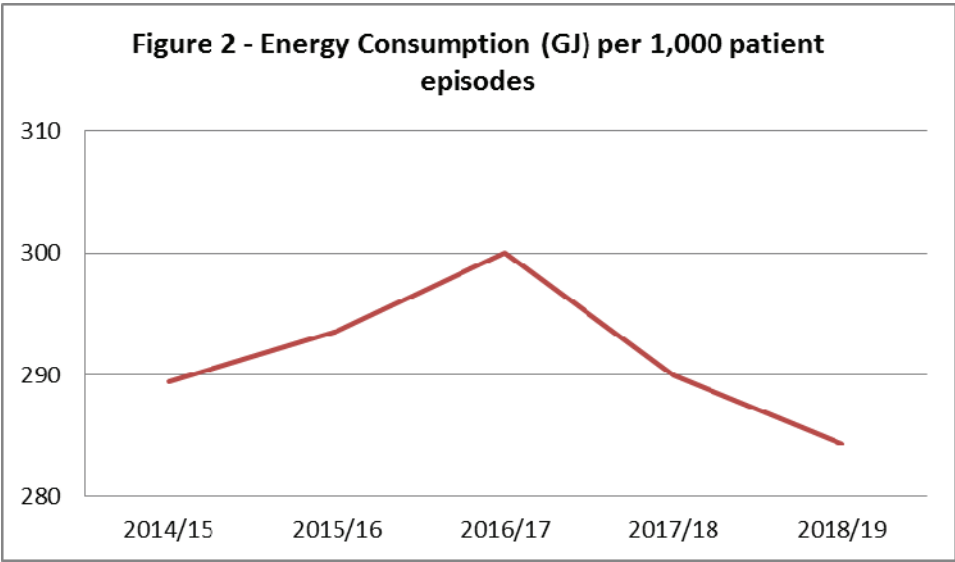
The Trust has continued to promote sustainability to staff and visitors in a number of ways. A sustainability awareness day was held and we attend the induction of new members of staff to promote sustainable ways of working. The Trust's work on sustainability was recognised by Public Health England who awarded the Trust with a certificate of excellence in sustainability reporting.

Energy

Figures 1 and 2 show a summary of energy consumption for the period 2014/15 to 2018/19. For the purposes of NHS and HM Treasury reporting, energy consumption is shown in gigajoules (GJ) and kilowatt-hours (kWh).



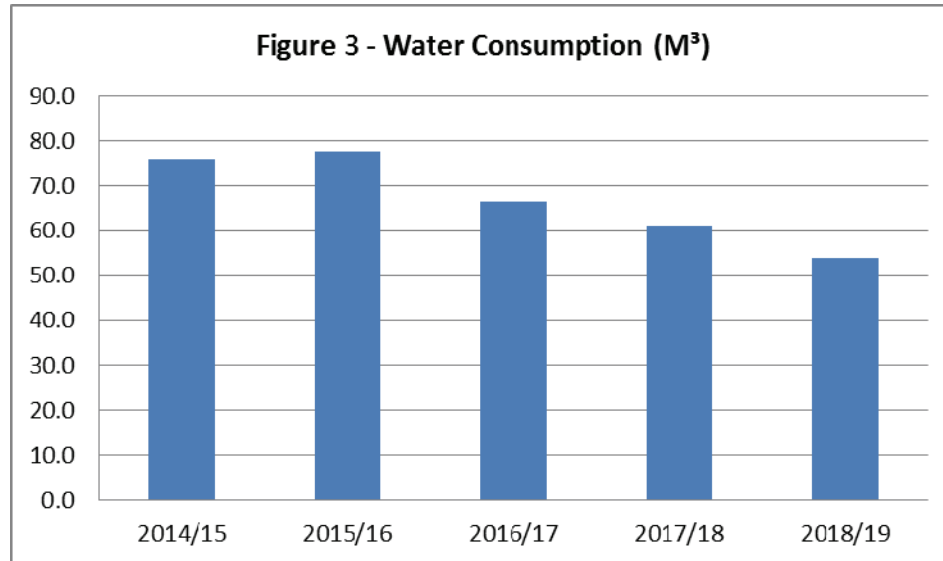
Gas consumption fell by 24.3% from the previous year while electricity remained the same at just below 31,000 GJ. The gas consumption change is attributable to a slightly warmer year and the new boilers that were in use for most of the colder months.



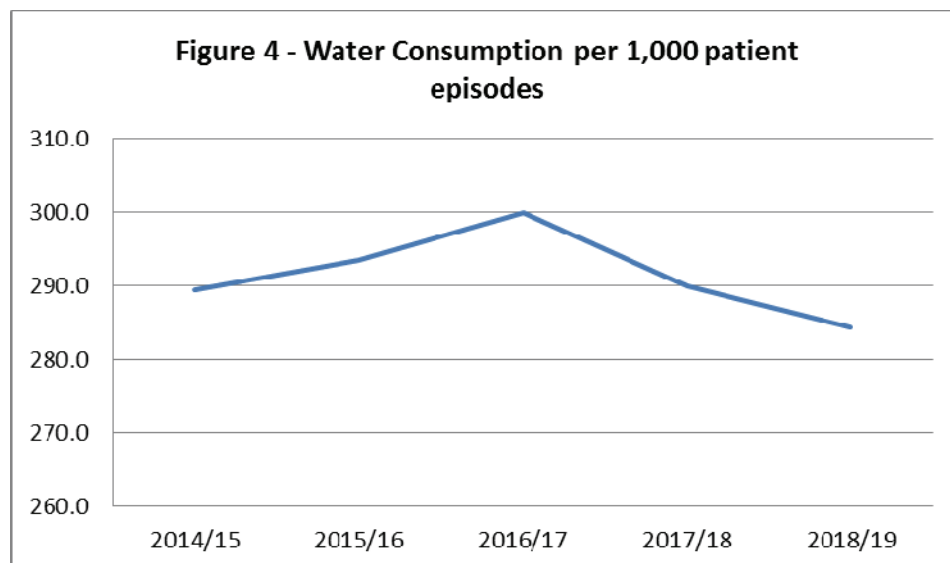
Energy consumption per 1000 patient episodes decreased by 13.1%. This is a direct result of the improved gas efficiency demonstrated in figure 1.

Water Use

Figures 3 and 4 show water consumption during the accounting period. Consumption is shown in cubic metres (M³).



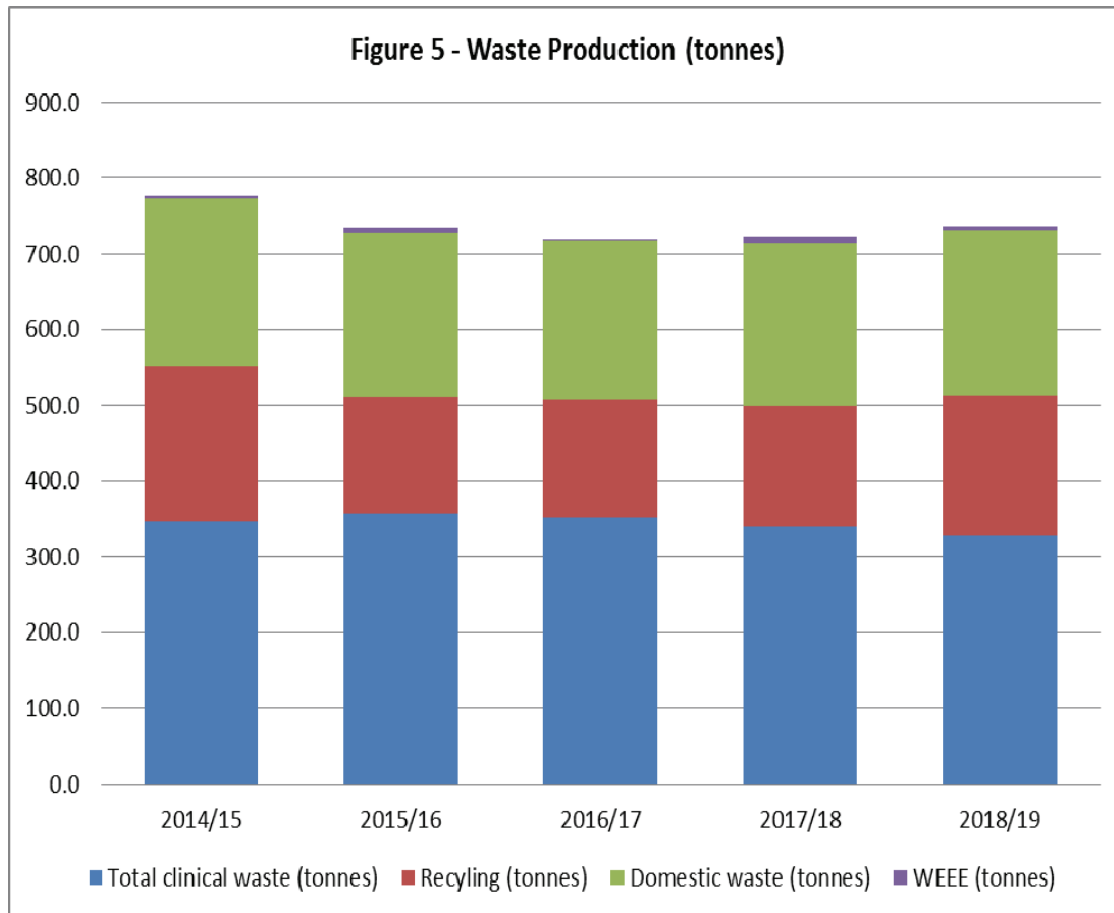
Water consumption fell by 11.9% from the previous year. There is no clear reason for this and the change is likely due to a combination of robust water management processes, better staff education about water usage, reactively repairing water leaks in a timely manner and making better use of the on-site borehole.



Water consumption per patient fell by 10.1% from the previous year. This aligns with the overall consumption fall shown in figure 3.

Waste

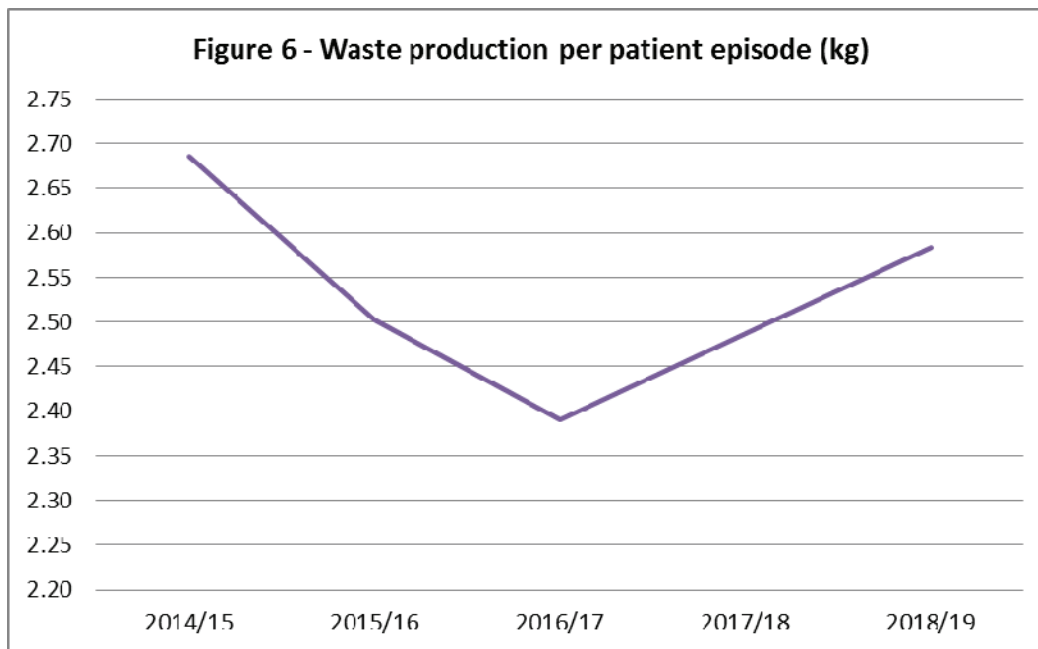
Figures 5 and 6 show waste production in tonnes of the different waste types and the kilos of waste generated per patient.



Compared to the previous year, waste levels changed as follows:

- Total waste – increased by 1.9%
- Clinical waste fell by 3.7%
- Recycling waste increased by 16.5%
- Domestic waste increased by 0.6%
- WEEE waste fell by 20.6%

With a noticeable increase in recycling and fall in clinical waste, it shows that education around waste is improving, helped by the new Waste Coordinator position. While waste overall is up, changes to how clinical waste is graded and disposed of have led to a 39.9% fall in the cost of clinical waste disposal.



Waste per patient episode increased by 3.6% on the previous year, this is an increase of 9 grams per patient episode.

Building and Refurbishment

The Trust completed some significant capital projects throughout the year that have positively impacted on sustainability:

The Robert White Building was constructed in collaboration with Poole NHS Hospital Trust and is now operational. It provides Radiotherapy treatment to patients in West Dorset who would otherwise have to travel to Poole. This facility allows patients to travel significantly less distance to receive their treatment and helps contribute to reductions in vehicle emissions as a result. In addition to this benefit, the building has been designed to be energy efficient and achieved an A rating Energy Performance Certificate.

The Carbon Energy Fund (CEF) was a large capital project funded through the energy savings it will achieve, meaning the Trust has not had to pay direct upfront capital costs. The new major plant equipment helps the Trust reduce its backlog maintenance. The scheme consisted of the following elements:

- 3500 light fittings or approximately 60% of the lights across the Trust were replaced with energy efficient LED fittings. This not only saves on energy consumption but reduces the number of Estates attendances for bulb failures due to the more robust nature of LED fittings
- Five large boilers aged 20-30 years were replaced with three energy efficient units that work in a synchronised manner to provide greater resilience.
- A new combined heat and power (CHP) unit to re-use excess heat to power the boilers. This has a significant impact on energy saving
- Three new high voltage electricity transformers replaced old equipment to run at greater efficiency
- Replaced a number of belt driven fan motors on ventilation plant throughout the site with direct drive plug fans that operate at greater efficiency and reliability.

The Mortuary underwent a full refurbishment and increased the capacity from 33 fridges to 57 fridges plus a free standing bariatric fridge that has 3 spaces. Although providing a near 50% increase in function, the energy output is nearly 50% less due to advances in mechanical and electrical technology.

Fugitive Emissions

The Trust has a robust contracted maintenance regime in place to minimise Fluorinated Gas losses. Gas top ups are recorded to indicate where losses may have occurred. Gas losses in 2018/19 are attributable to natural seepage in line with equipment design.

Transport

Total business mileage during 2018/19 was 1,125,135 miles, an increase of 16.3% over the 2017/18 figure of 967,308 miles. Despite an increase in miles travelled, the expenditure fell by 2.7%, which can be attributed to the more efficient systems being in place to ensure greater use of pool cars over employee's own vehicles. Pool cars are smaller engine models that deliver good fuel economy meaning the overall impact on the environment is largely unchanged from the previous year despite the increase in miles travelled.

The Trust continues to promote more sustainable forms of transport via the Sustainability and Travel Working Group and attendance at new starter inductions to encourage alternative transport at an early stage.

Procurement

The Trust continues to ensure that sustainable development is integrated in to the procurement process. Measures implemented to-date to promote this include

- Whole life cycle training for key procurement staff.
- Robust inventory management including working towards Scan for Safety accreditation
- Ensuring key contracts contain sustainability criteria.
- Continued use of sustainable products (e.g. FSC wood)
- Use of local suppliers when economical
- Introduction of quality assurance and sustainable and ethical standards in the procurement of food items.

Sustainable Development Management Plan (SDMP)

The Trust has continued to assess and annually update its SDMP. The Sustainability and Travel Working Group meet regularly to reviews tasks that contribute to the SDMP targets listed below.

1. Energy and Carbon Management
 - Reduce energy consumption to 38 kwh per patient episode by 2020, currently 66.2 kwh
 - Reduce energy consumption from buildings by 34% by 2020 (based on 2007 levels)
2. Low Carbon Travel, Transport and Access
 - Reduce carbon emissions from transport by 34% by 2020 (compared to 2012/13 levels)
3. Water
 - Reduce water consumption to 130 litres/patient episode by 2020
4. Waste
 - Ensure legal compliance with waste legislation
 - Increase recycling rates by 40% by 2020 (based on 2001/02 levels)
 - Reduce waste by 20% by 2020 (based on 2001/02 levels)
5. Designing the Built Environment
 - Ensure that all new builds and refurbishments over £2 million capital costs comply with BREEAM New Construction requirements

6. Organisational Workforce Development
 - Ensure that sustainability is communicated throughout the Trust and ensure that employees receive relevant training
7. Role of Partnerships and Networks
 - To work in partnership with local groups and key stakeholders in line with the Trusts Sustainable Development Policy and Strategy
8. Governance
 - Ensure that sustainable development is consistently managed in line with Trusts Development Policy and Strategy
9. Finance, Procurement and Food
 - Ensure sustainable development is integrated within finance procurement and food departments

Data

The tables below show the data used in the formation of the sustainability section of the annual report.

Table 1

Energy consumption	2014/15	2015/16	2016/17	2017/18	2018/19
Gas (1,000 GJ)	38.9	36.1	41.2	48.9	37.0
Electricity (1,000 GJ)	29.7	29.7	30.1	30.8	30.8
Total Energy (1,000 GJ)	68.6	65.8	71.3	79.7	67.8
Gas (1,000 kWh)	10,769.1	9,999.3	11,414.0	13,556.9	10,269.5
Electricity (1,000 kWh)	10,837.6	10,065.1	11,485.3	8,528.9	8,552.0
Total Energy (1,000 kWh)	21,606.7	20,064.4	22,899.3	22,085.8	18,821.5

Table 2

Energy consumption and emissions per patient episode	2014/15	2015/16	2016/17	2017/18	2018/19
Total Energy (1,000 kWh)	21606.7	2064.4	22899.3	22085.8	18821.5
CO2 Emissions (100 tonnes)	64.8	63.4	66.7	71.6	65.6
Patient episodes (1,000's)	289.4	293.6	300.0	290.0	284.4
kWh per patient episode	74.7	68.3	76.3	76.2	66.2
CO2 Emissions per patient episode (kg)	22.4	21.6	22.2	21.8	23.1

Table 3

Energy financial indicators	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
Energy expenditure (£000s)	1,279.1	1,280.5	1,278.3	1,289.1	1,435.8
Carbon reduction commitment expenditure	102.2	96.5	95.7	110.2	82.2

Table 4

Water use & costs	2014/15	2015/16	2016/17	2017/18	2018/19
Water use (1,000m ³)	75.8	77.8	66.2	61.2	53.9
Patient episodes (1,000's)	289.4	293.6	300.0	290.0	284.4
Water use per patient episode (litres)	261.9	265.0	220.7	210.9	189.5
Water and sewerage expenditure (1,000's)	262.0	215.2	176.1	190.3	186.6

Table 5

Waste production	2014/15	2015/16	2016/17	2017/18	2018/19
High temp clinical waste (tonnes)	49.6	42.8	41.0	37.5	41.1
Alternative treatment clinical waste (tonnes)	297.2	314.9	310.2	302.6	286.5
Total clinical waste (tonnes)	346.8	357.7	351.2	340.1	327.6
Domestic waste (tonnes)	222.3	216.0	208.2	215.6	217.0
WEEE (tonnes)	4.2	7.9	1.2	6.3	5.0
Recycling (tonnes)	204.0	153.0	156.5	159.2	185.4
Total waste (tonnes)	777.3	734.6	717.1	721.2	735.0
% of waste recycled	26.2	20.1	21.8	22.1	25.2
Patient episodes (1,000's)	289.4	293.6	300.0	290.0	284.4

Table 6

Waste costs	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
High temp clinical waste (£000s)	28.76	27.51	13.56	20.77	22.88
Alternative treatment clinical waste (£000s)	142.52	113.57	133.61	132.91	69.53
Total clinical waste (£000s)	171.28	141.08	147.17	153.68	92.41
Domestic waste and recycling (£000s)	31.26	39.78	33.43	8.5*	54.77
WEEE (£000s)	6.90	13.40	3.10	4.00	3.17
Total waste costs (£000s)	209.44	194.26	183.70	157.68	150.35

*Black bag waste costs unavailable

Table 7

Business travel	2014/15	2015/16	2016/17	2017/18	2018/19
Business mileage (miles)	956,562	970,440	1,210,274	967,308	1,125,135
Total expenditure on business travel (£)	484,394	462,199	414,108	364,160	354,374

Statement of Accounting Officer's Responsibilities

Statement of the Chief Executive's responsibilities as the Accounting Officer of Dorset County Hospital NHS Foundation Trust.

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Dorset County Hospital NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Dorset County Hospital NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Department of Health and Social Care Group Accounting Manual* and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the *NHS Foundation Trust Annual Reporting Manual* (and the *Department of Health and Social Care Group Accounting Manual*) have been followed, and disclose and explain any material departures in the financial statements
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance
- confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation trust's performance, business model and strategy 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 her to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

To the best of my knowledge and belief, I have properly discharge the responsibilities set out in the *NHS Foundation Trust Accounting Officer Memorandum*.



Patricia Miller
Chief Executive
21 May 2019

Annual Governance Statement

Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Foundation Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS Foundation Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the *NHS Foundation Trust Accounting Officer Memorandum*.

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 Dorset County Hospital NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Dorset County Hospital NHS Foundation Trust for the year ended 31 March 2019 and up to the date of approval of the annual report and accounts.

Capacity to Handle Risk

The Director of Nursing and Quality is the executive lead for risk management and is supported in this by the Head of Risk Management and Quality Assurance. The Trust has a Risk Management Committee, which reports to the Senior Management Team. The Board and Audit Committee receive the Corporate Risk Register and the Board Assurance Framework every two months. The Risk Management Strategy sets out the Board's requirement that a systematic approach to identify and manage risks is adopted across the Trust and that systems are in place to mitigate those risks where possible. The strategy also stipulates that it is essential that all Trust staff are made aware and have an understanding of the procedures in place to identify, report, assess, monitor and reduce or mitigate risk as far as possible.

The Trust's approach to risk management is pro-active and involves the following:

- identifying sources of potential risk and proactively assessing risk situations, and mitigating those risks as far as possible;
- identifying risk issues through the reporting of serious untoward incidents, adverse incidents, near misses, complaints and claims, and internal and external review reports;
- investigating and analysing the root causes of risk events;
- undertaking aggregated root cause analysis (considering risk events, complaints, claims and Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) data);
- taking action to eliminate or at least minimise harmful risks;
- monitoring the delivery and effectiveness of actions taken to control risk;
- learning from near misses, risk events, legal claims and complaints and sharing the lessons learned across the organisation

- RCAs are reviewed at a 'Learning from Incidents' Panel which is chaired by the Medical Director and the Director of Nursing, which enables a positive challenge to the staff regarding the root cause, the learning and helps to identify any notable practice.

The Trust has adopted a coordinated and holistic approach to risk and does not differentiate the processes applied to clinical and non-clinical issues. Common systems for the reporting, identification, assessment, evaluation and monitoring of risk have been developed within the Trust and apply to all risk issues, regardless of type.

The effective implementation of the strategy facilitates the delivery of a quality service and, alongside staff training and support, provides an improved awareness of the measures needed to prevent, control and contain risk. To achieve this, the Trust:

- ensures all staff and stakeholders have access to a copy of the Risk Management Strategy;
- produces a register of risks across the Trust which is subject to regular review at Divisional level, by the Senior Management Team, Risk Management Committee, Risk and Audit Committee and the Board;
- communicates to staff any action to be taken in respect of risk issues;
- has developed policies, procedures and guidelines based on the results of assessments and identified risks;
- ensures that training programmes raise and sustain awareness throughout the Trust of the importance of identifying and managing risk;
- ensures that staff have the knowledge, skills, support and access to expert advice necessary to implement the policies, procedures and guidelines associated with the strategy; and
- monitors and reviews the performance of the Trust in relation to the management of risk and the continuing suitability and effectiveness of the systems and processes in place to manage risk.

Risk training forms part of the Trust Induction training for clinical and non clinical staff. Risk training also form part of the preceptorship and junior doctors training. Specific training in Root Cause Analysis, statement writing and investigations is being developed to support this process.

The Risk and Control Framework

The Trust acknowledges that all members of staff have an important role to play in identifying, assessing and managing risk. This can be achieved proactively, through risk assessment, or reactively, through review of risk events, complaints and legal claims. To support staff in this role, the Trust provides a fair, consistent environment that encourages a culture of openness and willingness to admit mistakes. All staff are encouraged to report when things have, or could have, gone wrong. At the heart of the Trust's Risk Management Strategy is the desire to learn from risk events and near misses, complaints and claims, in order to continuously improve management processes and clinical practice.

The Trust has in place clear policies and systems for identifying, evaluating and monitoring risk. Trust-wide risk profiling is an ongoing process and managers are required to ensure that risk assessment and audit is undertaken within their areas of responsibility and that findings are acted upon and adequately monitored. Managers are also responsible for ensure that all risk assessments are reviewed as required.

The Trust's Risk Event Reporting Policy requires staff to report all adverse incidents, both actual and potential (near misses), and sets out the methodology and responsibilities for assessing and evaluating the risks. The impact of a risk will dictate at which level of the organisation the risk event is investigated and reported, with the lowest category (green) managed at a local level and the highest (red) managed at executive level with reports made to the Board and statutory external agencies.

Financial Sustainability

The lack of access to care in the community increases the number of delayed transfers of care experienced by the Trust. The work with partner organisations has progressed significantly during 2018/19, but is yet to realise a notable reduction in delays.

For 2019/20 both financial sustainability and the Ophthalmology service remain key risks for the Trust. The Trust is also beginning to report risks in respect of medical staffing (ENT, Emergency Department and Gastroenterology).

The Trust recognises that its long term sustainability depends upon the delivery of its strategic objectives and its relationships with its patients, the public and strategic partners. As such, the Trust will not accept risks that materially impact on patient safety. However, the Trust has a greater appetite to take considered risks in terms of their impact on organisational issues. The Trust has a greatest appetite to pursue innovation and challenge current working practices and reputational risk in terms of its willingness to take opportunities where positive gains can be anticipated, with the constraints of the regulatory environment.

The Director of Nursing and Quality is the executive lead for quality governance, supported as appropriate by the Medical Director and the Chief Operating Officer. The Board receives a regular Integrated Performance Report in which areas of good practice, issues of concern, and performance against quality metrics are reported. The Board also review specific examples of patient feedback both positive and negative at each meeting with a view to ensure that appropriate action is taken to safeguard quality and the patient experience and that learning is embedded throughout the organisation.

The Quality Committee scrutinises the detail of quality governance in the organisation and provides additional assurance to the Board. The Quality Committee meets monthly and receives key regulatory and other inspection reports and scrutinises the delivery of associated action plans. The Committee also carries out "deep dive" reviews of any aspects of quality that are causing concern.

The Finance and Performance Committee meets monthly and includes the detailed monitoring of all national and local performance targets within its remit. Many of these indicators contain quality components, for example, cancer standards, emergency department indicators, infection control trajectories and levels of cancelled operations.

The Board is actively engaged in quality improvement and is assured that quality governance is subject to rigorous challenge through Non-Executive Director engagement and Chairmanship of the key board Committees.

The revised Information Strategy recognises data quality as one of the five core elements of the Information Maturity Model. As we gradually move towards a paper light NHS, information is becoming a more integral part of the routine processes used to deliver healthcare across the organisation. Therefore, excellent data quality is pivotal in order to ensure that the data from different systems can be seamlessly joined together and provided to healthcare professionals in a timely, secure and accurate fashion. Specific actions have been taken to strengthen the existing processes around data quality over the last few months, building on the data quality processes and procedures that have been in place for some time the Trust. Current processes and procedures as well as recent initiatives to improve data quality include the following:

- **Information Assurance:** The Data Quality Management Group has provided a robust mechanism to monitor and control data quality measures for the clinical Information Systems. This group has been re-formed into an Information Assurance Group that will extend data quality assurance to cover all aspects of data quality within the Trust including the data items reported on the Trust dashboards.
- **Governance.** Governance improvements around the Information Assurance Group have been made in order to allow other Groups such as the Clinical Coding Task and Finish Group and the Clinical Informatics Group to escalate all data quality issues to Information Assurance Group. Finally, bi-monthly highlight reports to Health Informatics Programme Board will provide appropriate visibility on any major data quality issues.
- **Information Dashboards.** The performance dashboards have been reviewed frequently and appropriate improvements have been implemented. **Ownership.** Improving ownership of data quality issues is a long term objective of the information strategy. The Information Assurance Group with its new governance structure ensure ownership and responsibilities are agreed, supported at executive level and cascaded down through divisional directors and managers who will hold staff accountable. The two Divisional Information Analysts will be expected to work closely with the senior divisional management and clinical teams to identify and resolve any data quality issues that might arise.
- **Regular audit and external assurance.** Audits and in-depth analysis of data quality are conducted in a number of areas, including: mortality; specialist clinical coding areas (on a regular, randomly selected basis as per national best practice recommendations); in addition to departmental clinical audits. Key issues will be discussed at the Information Assurance Group to ensure a culture of continuous improvement on data quality.
- **Information Systems.** As more information is captured in our information systems and business processes change accordingly, it is important to understand the data quality implications from any systems change. The Information Assurance Group has been working closely with the system managers and the key business users to address any data quality issues.

The Trust was inspected by the CQC during July and August 2018 and November 2018 received a rating of good across all domains including Well-led. The Trust has a comprehensive action plan to address those areas identified as requiring further work by the Trust.

The Trust is able to assure itself of the validity of its Corporate Governance statement as required under NHS Foundation Trust Licence condition 4 through the following mechanisms that have been deployed during 2018/19:

- the Board has maintained a strong emphasis on quality in its meeting agendas to ensure that quality is the focus of decision making and planning;
- the Board has an executive lead for quality and clear accountability structures are in place for a quality agenda that is integrated into all aspects of the organisation's work;
- the Board carries out visits to wards to meet with staff and patients and gain feedback. The governors also carry out assurance visits;
- the Board has driven and overseen delivery of the 2018/19 Operational Plan.
- the Board has maintained appropriate oversight of regulatory and inspection regimes including that of NHS Improvement, the Care Quality Commission and the Health Research Authority and has monitored the management of gaps where any have been identified. The

Board encourages close working with regulators and inspectors to ensure that all requirements are met and quality standards are maintained the highest level;

The Trust involves its stakeholders in managing risk in the following ways:

- regular reporting to the council of Governors on quality, finance and performance, with an emphasis on the reporting of risks, current concerns and complaints;
- attendance of Governors at key meetings including Quality Committee, Risk and Audit Committee, Finance and Performance Committee and Clinical Governance Committee;
- regular contract meetings with the Trust's principle commissioners to review performance against and risks relating to delivery of the contract;
- consulting with its membership on key strategic direction decisions and any proposed major changes in service delivery;
- regular attendance at and presentations as required to the local Overview and Scrutiny Committee meetings;
- joint working with other local and regional healthcare providers to shape optimum care pathways and mitigate risks.

The Trust is fully compliant with the registration requirements of the Care Quality Commission.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and the member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

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

The Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The Trust ensures that its 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 produces detailed annual plans reflecting its service and operational requirements and its financial targets in respect of income and expenditure and capital investments. The plan incorporates the Trust's plan for improving productivity and efficiency in order to minimise income losses, meet the national efficiency targets applied to all NHS providers and fund local investment proposals. Financial plans are approved by the Board, having been previously assessed by the Finance and Performance Committee.

The in-year resource utilisation is monitored by the Board and its Committees via detailed reports covering finance, activity, capacity, workforce management and risk.

The board is provided with assurance on the use of resources through a regularly integrated performance report. The Finance and Performance Committee also undertakes a detailed review on a monthly basis. External auditors review the use of resources each year as part of the annual audit programme. Internal audit resources are directed to areas where risk is attached or where issues

have been identified. Any concerns on the economy, efficiency and effectiveness of the use of resources are well monitored and addressed in a timely and appropriate manner.

Information Governance

The Trust operates under the Guidelines and Legislation which govern Information Governance within the NHS and have embedded the processes necessary to meet the standards required and have submitted an Information Governance Toolkit score of 87%. Our Information Risk Management Policy and Risk Management Structure is owned by the Trust's Senior Information Risk Owner and reviewed via the Information Governance Committee, alongside Information Asset Assurance Reports from the Trust's Information Asset Owners and a rolling overview of all Information Security and Information Governance incidents at each bi-monthly meeting. The Trust's Information Risk Policy sits hand in hand with the Trust's Information Security Policy which details the security arrangements in place for systems and devices.

The Trust reported no serious incidents during the 2018/2019 to the Office of the Information Commissioner. The Trust has complied with and responded to the 10 Steps Cyber Security return and is compliant with the new General Data Protection Regulations which came into force in May 2018.

Quality Account

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

The Trust's Quality Accounts priorities for each year are selected following consultation with the Board, Council of Governors, clinicians and other relevant parties. Priorities that will require implementation over a period of years are carried forward into the following year. The Director of Nursing and Quality is the executive lead for the Quality Accounts and preparation of the Quality Report. The Trust's policies, procedures and clinical guidelines provide a robust foundation for and support the delivery of quality care. All policies, procedures and guidelines are stored on databases that are centrally co-ordinated to ensure the documents are kept up to date and only current versions are available to staff.

Data collected to provide assurance of progress against priorities comes from a range of sources both internal and external. These include clinical audit, the VitalPac system, falls risk assessments, the Global Trigger Tool, performance metrics and national patient and staff surveys. Both the CCG and Dorset County Council Health Oversight and Scrutiny Committee provide assurance of the accuracy of this data. BDO, as internal auditors, also provide scrutiny of data quality and Key Performance Indicators.

The Trust Quality Report is shared with key stakeholders including the Council of Governors, Dorset CCG, Dorset County Council Health Scrutiny Committee, all of whom are invited to comment.

The Quality Report for 2018/19 is subject to External Audit.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the quality report attached to this Annual Report and other performance information available to me. My review is also informed by comments made by the

external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Risk and Audit Committee and the Quality Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Trust continually seeks to improve the effectiveness of its systems of internal control and put action plans in place to meet any identified shortfalls. The Board agenda concludes with a reflection session on the conduct of each board meeting. Self-assessments of effectiveness have also been undertaken by the Risk and Audit Committee, Quality Committee and Finance and Performance Committee. Trust Board meetings are open to members of the public and Board Committees are attended by nominate governor observers. The Board reporting cycle ensures that the Board received regular reports from its Committees, operational report from Executives, the Assurance Framework and Risk Register bimonthly and planned reports on business and other operational issues.

The governance structure is as follows:

The Board: The powers reserved to the Board are, broadly, regulation and control; strategy; business plans and budgets; risk management; financial performance and reporting and audit arrangements.

Risk and Audit Committee: Provides assurance to the Board as to the effectiveness of the Trust's systems of governance and control across the full range of the Trust's responsibilities. It reviewed the establishment and maintenance of an effective system of integrated governance, risk management, finance, counter fraud, security management, and internal control across the whole of the organisation's activities, both clinical and non-clinical. It utilises the assurance framework, risk register, internal and external audit reports, the work of the Quality Committee and the ability to question the Chief Executive regarding the Annual Governance Statement to support its work.

Finance and Performance Committee: Provides assurance to the board and does not remove the requirement for the Board to monitor financial, operational and workforce performance. The Committee provides scrutiny and makes recommendations to the Board to assist in decision making. Specific areas scrutinised by the Finance and Performance Committee include financial planning, operational performance, workforce, business case assessments and the delivery of efficiency and cost improvement programmes. The Finance and Performance Committee is able to approve business cases within delegated limits.

Quality Committee: provides assurance that the Trust has an effective framework within which it can work to improve and assure the quality and safety of services it provides in a timely, cost effective way. The Committee assesses reviews and monitors performance, internal control, external validation and assessment, annual report and plans and national guidance and policy.

Workforce Committee: The purpose of the Committee is to be responsible for the consideration of matters relating to Workforce Planning and development, efficiency, human resources policy and the Trust's People Strategy. It also has responsibility for leadership development and talent management; workforce planning and forecasting; recruitment and retention; education and training; people policies, processes and systems; diversity and inclusion and health and wellbeing. The Committee ensures that workforce strategies and staffing systems are in place which assure the Board that staffing processes are safe, sustainable and effective.

The Committee acts as a means of internal assurance for compliance against the Care Quality Commission's fundamental standards of quality and safety and safe, caring, effective and well-led domains.

The trust has published its register of interests for those members of staff deemed to have decision making responsibilities. This is in line with the guidance: *Managing Conflicts of Interest in the NHS*.

My view is further informed by:

- Opinions and reports by Internal Audit, who work to a risk based annual plan. The Head of Internal Audit Opinion for 2018/19 was as follows: "Overall, we are able to provide moderate assurance that there is a sound system of internal control, designed to meet the Trust's objectives and that controls are being applied consistently".
- Opinion and reports from the Trust's External Auditors
- Monthly reports to NHS Improvement
- Full compliance with the Care Quality Commission essential standard for quality and safety for all regulated activities across all locations
- Results of patient and staff surveys
- Investigation reports and action plans following serious incidents
- Council of Governors Assessment Team Reports
- Clinical audit reports

Conclusion

No significant internal control issues have been identified for the year ended 31 March 2019 and up to the date of approval of the annual report and accounts.



Patricia Miller
Chief Executive
21 May 2019

The Accountability Report was approved by the Board of Directors on 21 May 2019 and signed on its behalf by

A handwritten signature in blue ink, appearing to read 'Patricia Miller', is positioned above the printed name.

Patricia Miller
Chief Executive
21 May 2019

Quality Report

Part 1 – Quality Accounts and Approach to Quality

What is a Quality Account?

Every NHS trust is required to produce an annual report and annual accounts. Within the annual report, there is a chapter which reports on our annual quality accounts, and these quality accounts are also published on [NHS Choices](#).

NHS foundation trusts, such as Dorset County Hospital, have to submit these to Parliament and to our independent regulator, NHS Improvement. This happens in July each year and the reports are also published on our website.

The quality accounts are intended to allow people to compare the performance of different trusts as we are all required to report on predominantly the same things. They contain the quality priorities that we set for our hospital and services, and report back on our progress in achieving the priorities that we set ourselves last year.

Dorset County Hospital (DCH) has delivered significant amounts of change to improve both the effectiveness and the quality of its services during 2018/19.

The following report does not reflect the additional improvement's that have been made, but does report on the nine Quality account priorities that were selected for inclusion in 2018/19.

This report covers the period of April 2018 – March 2019.

- There has been a further significant reduction (25%) in the total number of Hospital falls resulting in severe harm or death
- There has been an improvement in Sepsis screening, although this has not reached the standard required. This remains a quality account priority for the forthcoming year.
- Timeliness of complaint responses has significantly improved and delivered above the standard set in quarter 4 of this reporting period
- The nine Quality Account priorities have been selected (and previously agreed by the Quality Committee) for the forthcoming year 2019/20.
- The local indicator for inclusion by the governors has been selected as recommended by NHS Improvement as the 'Summary Hospital Mortality Index' indicator.

Our Approach to Quality

As part of the standards for patient services detailed within the NHS Constitution and the Care Quality Commissions' ('CQC's') fundamental standards of quality and safety, the Trust is committed to the provision of safe, high quality care and achieving a good or outstanding CQC rating. An overall rating of 'Good' was achieved in 2018 and the Trust has developed a supporting action plan in how it aims to improve to 'Outstanding'.

The Quality Account priorities 2019/20 have been selected by the Trust. These build on the recommendations detailed within the independent reviews as well as reflecting the National commissioning needs and the top risks to quality identified internally.

Statement on Quality from the Chief Executive

It gives me pleasure to introduce our Quality Account for Dorset County Hospital NHS Foundation Trust (DCHFT). I am delighted to share the progress and achievements our staff have made during 2018-2019 in conjunction with our patients and stakeholders.

This account will not simply detail the progress made against the priorities set for last year, it will also detail the priorities that we, in collaboration with our patients and our colleagues at the Local Authorities and Clinical Commissioning Group, have committed to deliver for the forthcoming year 2019-2020.

Dorset County Hospital always strives to deliver excellent clinical outcomes for those who use its services, and this was endorsed this year by the Care Quality Commission (CQC) who rated the Trust as an overall GOOD.

I am pleased to confirm that the Board of Directors has reviewed the 2018-2019 Quality Account and are assured that it is an accurate and fair reflection of our performance. We hope that this account will provide you with a clear picture of the improvements we have made, the areas in which we know we will need to enhance further and the true sense of commitment that Dorset County Hospital has to quality improvement, patient and staff safety, and patient and carer experience.

I would like to take this opportunity to assure you that, as a board, we will continue to ensure that services are developed and improved for the benefit of our patients.

On behalf of the Board, I wish to thank our staff for all their dedication and hard work. We recognise the significant contribution individuals and teams make to continually developing and improving the services we provide to our patients and community. I would also like to recognise the commitment from our partner organisations for their support in helping to achieve and deliver these improvements.

Finally, I would also like to thank our patients and their families for the invaluable feedback that they provide. Without this willingness to share ideas and experiences we would not be able to achieve the significant improvements that we do.



Patricia Miller
Chief Executive
21 May 2019

Part 2 – Our Quality Priorities

Priorities for Improvement 2019-2020

Every year we develop our priorities for the forthcoming year following engagement with our clinical staff, our partners, our executive team, local community representatives and, of course, our patients and their families.

The Trust Board has set the following priorities for 2019/20:

Patient Safety:

- Introducing three High Impact Interventions to Reduce Hospital Falls
- Improved Mortality Surveillance and Learning from Deaths
- Improving early identification and treatment of Delirium (linked to Sepsis and the Deteriorating Patient)

Clinical Effectiveness:

- Improving timely access to Mental Health services when needed (joint goal with Dorset HealthCare University Health Care Trust)
- Improving the health and wellbeing of staff
- Reducing unwarranted variation (Implementing best practice linked to clinical audits)

Patient Experience:

- Improved learning from Complaints
- Improving the identification of Nutritional needs and support offered to patients
- Improving the support from Hospital Volunteers to have positive effects on clinical outcomes (Loneliness Agenda)

Progress against these quality account priorities will be monitored and reported through the Trust sub-board Quality Committee. They will also be regularly reported to the Dorset Health Overview Scrutiny Committee and will be reported to the local commissioners.

Quality Achievements 2018/19

Patient Safety

Further 25% Reduction in falls resulting in severe harm or death

NHS Improvement Supportive review of Mortality and Learning from Death guidance



Clinical Effectiveness

Implementation of Volunteer Strategy

Continuation of initiatives to support staff health and wellbeing



Patient Experience

Improved timeliness of responses to complaints

Improved availability of information for Patients



Statement of Assurance from the Board

1. During 2018-19, the Trust provided and/or subcontracted 35 relevant health services.
 - 1.1 The Trust has reviewed the data available to them on the quality of care in all of these relevant services.
 - 1.2. The income generated by the relevant health services reviewed in 2018-19 represents 100% of the total income generated from the provision of relevant health services by the Trust for 2018 – 2019.
2. During 2018-19 53 clinical audits and 5 national confidential enquiries covered relevant health services that the Trust provides.
 - 2.1 During that period the Trust participated in 96% National Clinical Audits and 100% National Confidential Enquiries which it was eligible to participate in.
 - 2.2 The National Clinical Audits and National Confidential Enquiries that the Trust was eligible to participate in during 2018-19 are as follows:
 - 2.3 The National Clinical Audits and National Confidential Enquiries that the Trust participated in during 2018- 2019 are as follows:
 - 2.4 The National Clinical Audits and National Confidential Enquiries that the Trust participated in, and for which data collection was completed during 2018-19, 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.

National Clinical Audits

The NHS England-funded National Clinical Audit and Patient Outcomes Programme (NCAPOP) are a mandatory part of NHS contracts, and as such we are required to participate in those that relate to services provided by this Trust. The following table describes the audits we have participated in, and the relevant compliance. * Please note that in some cases the % of Registered Cases is above 100%; this is because the trust was able to identify additional cases than those identified by the HES (Hospital Episode Statistics) data

Name of Audit	Trust Eligible	Trust Participation	Cases Submitted	% of Registered Cases
Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	Y	Y	151	100%
Cardiac Rhythm Management (CRM)	Y	Y	Figures pending	
National Heart Failure Audit	Y	Y	Figures pending	
Coronary Angioplasty/National Audit of Percutaneous Coronary Interventions (PCI)	Y	Y	324	100%

Diabetes (Paediatric) (NPDA)	Y	Y	100	100%
National Diabetes Audit - Adults	Y	Y	Figures pending	
National Diabetes Foot Care Audit**	Y	Y	88	100%
National Diabetes in Pregnancy Audit	Y	Y	15	100%
National Audit of Care at the End of Life	Y	Y	46	100%
National Audit of Dementia	Y	Y	51	100%
National Asthma and COPD Audit Program	Asthma	Y		
	COPD	Y		
Adult Community Acquired Pneumonia	Y	Y	Data entry ongoing	
Non-Invasive Ventilation Adults (NIV)	Y	Y	Data entry ongoing	
National Lung Cancer Audit	Y	Y	164	100%
Sentinel Stroke National Audit Programme (SSNAP)	Y	Y	Figures pending	
Feverish Children in ED (RCEM)	Y	Y	60	100%
VTE Risk in Lower Limb Immobilisation(Care in ED) (RCEM)	Y	Y	109	100%
Vital Signs in Adults (RCEM)	Y	Y	100	100%
Major Trauma Audit (TARN)	Y	Y	Figures pending	
Management of Massive Haemorrhage	Y	Y	0	100%
PHE Surgical Site Surveillance Audits	Y	Y	Total Hip Replacement and Breast surgery monitored this year	
Mandatory Surveillance of Bloodstream Infections and Clostridium Difficile Infection	Y	y	BSI 36 all types C.diff 3(+3 pending)	
National Audit of Breast Cancer in Older Patients (NABCOP)	Y	Y	257	100%

Bowel Cancer (NBOCAP)		Y	Y	150	100%
Inflammatory Bowel Disease (IBD) Registry Biologics Programme		Y	Y	333	100%
Oesophago-gastric Cancer (NAOGC)		Y	Y	136	100%
National Emergency Laparotomy Audit (NELA)		Y	Y	116	%
National Joint Registry (NJR)	Knees	Y	Y	278	%
	Hips	Y	Y	387	%
Elective Surgery (National PROMs Programme)		Y	Y	Figures pending	
Falls and Fragility Fractures Audit programme (FFFAP)	Fracture Liaison Service	Y	Y	Figures pending	
	Falls	Y	Y	No data collection in 2018-19. From 2019 falls data will be drawn from the Hip Fracture Database	
	Hip Fracture Database	Y	Y	329	
National Prostate Cancer Audit		Y	Y	332 submitted cases Regional data collection submitted via PGH. Data reviewed via regional network meetings.	
BAUS: Nephrectomy; Percutaneous nephrolithotomy & Radical prostatectomy 2017-2021		Y	Y	Regional data collection submitted via PGH; data includes private practice and is reviewed regionally	
National Audit of Rheumatoid and Early Inflammatory Arthritis		Y	Y	Data entry started March 2019 – previously DCH had not participated due to lack of resource	
Endocrine and Thyroid National Audit		Y	Y	49	100%
Case Mix Programme (CMP) ICNARC		Y	Y	705	100%
Maternal, Newborn and Infant Clinical Outcome Review		Y	Y	3 to be confirmed	100%

Programme				
National Maternity and Perinatal Audit (NMPA)	Y	Y	228	100%
Child Health Clinical Outcome Review Programme	Y	Y	Figures pending	
Neonatal Intensive and Special Care (NNAP)	Y	Y	228	100%
UK Cystic Fibrosis Registry	Y	Y	Figures pending	
National Audit of Seizures and Epilepsies in Children and Young People	Y	Y	9	100%
National Cardiac Arrest Audit (NCAA)	Y	Y	Figures pending	
National Ophthalmology Audit	Y	Y	Figures pending	
National Vascular Registry	Amputation		42	100%
Learning Disability Mortality Review Programme (LeDeR)	Y	Y	4	100%
National Mortality Care Record Review Programme (NMCRRP)	Y	Y	198/698	28%
Seven Day Hospital Services	Y	Y	Trust reached 90% threshold for compliance following Spring 2018 survey	
Reducing the impact of serious infections (Antimicrobial Resistance & Sepsis)	Y	Y	Quarterly submissions made to NHS Digital. See Sepsis summary in Patient Safety Section	

National Confidential Enquiries into Patient Outcome and Death (NCEPOD)

NCEPOD's purpose is to assist in maintaining and improving standards of care for adults and children for the benefit of the public by reviewing the management of patients, by undertaking confidential surveys and research, by maintaining and improving the quality of patient care and by publishing and generally making available the results of such activities. * Please note that in some cases the Trust may have been eligible, but 0 cases were submitted; this is because no eligible cases were identified during the period required.

Name of Audit	Trust Eligible	Trust Participation	Cases Submitted	% of Registered Cases
Long Term Ventilation*	Y	Y	0	
Cancer in Children, Teens and Young Adults	Y	Y	0	100%
Perioperative Diabetes	Y	Y	0	100%
Pulmonary Embolism*	Y	Y		
Acute Bowel Obstruction*	Y	Y	1	

* Study still open, figures not yet finalised.

	This year the reports published are:
Medical and Surgical Clinical Outcome Review Programme, National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	Peri-operative Diabetes - There were no eligible patients from DCH for this study. However, the report has been reviewed by Endocrinology and themes from the National results have been noted. There is work ongoing to develop a diabetes pre-assessment process that will feed into the diabetes and surgical pathways. A recent GIRFT (Getting It Right First Time) review suggests that the DCH performance may be better in some places than the national average.
Child Health Clinical Outcome Review Programme (NCEPOD)	Chronic Neurodisability - Areas of good compliance: Multi-Disciplinary Team working - All children will have a named paediatric Consultant at DCH. Under 18 have access to multidisciplinary teams including dietician, physio, speech and language therapy (SALT), occupational therapy. School-based follow-up clinics in the special schools that some (but not all) of the neurodisability patients attend: CPIP (cerebral palsy integrated pathway) – The Trust has recently set up a pilot group for the CPIP. This is an x-ray surveillance protocol in line with NICE guidance led by one of our specialist physio. At DCHFT we want to expand this and have it fully funded. Funding needs to be available for therapy/admin time for CPIP. The Trust has applied for the Wessex Individual Quality Fellowship, which if successful, would free up time to formally set up CPIP and run a joint therapy/paed/radiology clinic. X ray CPIP clinics continue to successfully run approx. every 6 weeks; Ready steady go - use of transition documents and awareness on going;

	CYACP (child and young person advanced care plan) - In children with degenerative or life limiting conditions at DCH these families are encouraged to have a CYACP and the Trust has involvement of the paediatric Community nursing team.
--	--

2.5 The reports of 42 National Clinical Audits were reviewed by the provider in 2018-19.

2.6 The table below summarises the audit outcomes and the actions taken:

Name of audit / Clinical Outcome Review Programme. Report publication date	What this Trust knows
Adult Community Acquired Pneumonia	The Trust is entering data for this audit. A report is not expected until 2019
BAUS Urology Audits: Cystectomy/ Nephrectomy/ Percutaneous nephrolithotomy/ Radical prostatectomy/ Urethroplasty	The data for the British Association of Urological Surgeons(BAUS) audits are reviewed regularly at the Urology Departmental Clinical Governance Meetings. The reports cover services that run jointly across the Urology Network, including private practice.
2018 BHIVA National audit on monitoring of adults with HIV over the age of 50 years.	DCH was in the top quartile(and scored 100%) for: -Recording current medications (and checking medications on the summary care record) -Checking HIV VL (Viral Load) -Performing a risk assessment -Documenting a smoking history -Recording Blood Pressure at clinic visits DCHFT scored below the national average for: -Completing a FRAX assessment (42%) -Enquiring about memory/cognition (8%) We also scored low for documenting if pneumococcus vaccine has EVER been given (46%); further work is required with primary care to ascertain this information
Cardiac Rhythm Management (CRM)	Report due July 2019
Case Mix Management (ICNARC)	DCH continues to continuously upload data to the ICNARC central database and continues to perform well. The data is sent back to allow direct comparison of outcomes with those of similar patients in other units throughout the country.
Elective Surgery (National PROMs Programme)	DCH continue to participate in this national patient outcome measure's programme for patients undergoing hip, knee and shoulder surgery. The data is collated centrally and then reviewed locally at the Orthopaedic clinical governance meetings
Mandatory Surveillance of Bloodstream Infections and Clostridium Difficile Infection	Data for blood stream infections attending ICU's has been collected and reviewed by our Infection Prevention and Control (IPC) team. As there was only one patient with a blood stream infection we fall below national average. DCH

(PHE audit)	IPC team will continue to monitor all blood stream infections and refer any CVC associated to the Anaesthetic Team
Diabetes (Paediatric) (NPDA)	We continue to do well in this audit (although nationally other Trusts are now catching us up). We remain in the top quartile of mean HbA1c results. We do very well in completion of care processes. We remain a positive outlier for completion of all seven checks. The high abnormal screening checks we believe represent the high level of screening catching those with otherwise poor self-care. We only have 2/3rds the number of patients on pumps - which reflect the issues in Dorset with access.
Elective Surgery (National PROMs Programme)	DCH continues to participate in this national patient outcome measure's programme for patients undergoing hip, knee and shoulder surgery. The data is collated centrally and then reviewed locally at the Orthopaedic clinical governance meetings
Endocrine and Thyroid National Audit	All local data is within the expected range and no actions are required
Falls and Fragility Fractures Audit programme (FFFAP) - National Audit of Inpatient Falls	This audit is moving to continuous data collection and will be looking specifically at patients who sustain a fractured neck of femur from a fall in hospital. This will link to the National Hip Fracture Database for case identification. No report is expected until late 2019
National Hip Fracture Database	DCH performs well with time to theatre and a low mortality in patients being treated for neck of femur fractures. A change in best practice tariff has resulted in a reduction of achievement – patients now require daily physiotherapy review, with insufficient physio resource to support this. Accurate reporting of pressure ulcers has been poor in previous years, but a change in data validation will yield an improvement.
Fracture Liaison Service (FLS) Database	DCH data completeness compares favourably with national figures and neighbouring Trusts. DCH has 87% identification of all fragility fractures against our local estimated caseload and again this compares favourably with neighbouring Trusts. DCH has very good times to FLS assessment (98%) which far exceeds national averages. The number of patients who have DXA scan within 90 days of fracture is 67% - this is of some concern. The percentage of patients who received a falls assessment is low (33%). Although the percentage of patients who were recommended anti-osteoporosis medication is only 52%, this is in line with national figures.
Inflammatory Bowel Disease (IBD) programme	There have been no inpatient audits within the last few years
Learning Disability Mortality Review Programme (LeDeR)	<p>The outcomes of this programme are overseen by the Safeguarding Adults Group. A number of suggested targeted actions are outlined:</p> <ul style="list-style-type: none"> Identify reasonable adjustments in Summary Care Record and regularly audit their provision. DCH are working with Dorset Care Record and 'Choose and Book' as part of Referral to Recovery Group (R2R). Introduction of 'reasonable adjustment care plans' for patients with learning disabilities. The Reasonable

	<p>Adjustment Risk Assessment Tool has been reviewed and modified as part of R2R group and LD Policy review, it now forms a care plan incorporating Reasonable adjustments and support around decision making.</p> <ul style="list-style-type: none"> • Focus on preventative measures for falls, constipation, pneumonia and sepsis in people with learning disabilities. • Diabetes UK - Improving care for people with diabetes and a learning disability. Recent guidance has been sent to the Diabetes team. • Strengthen inter-agency collaboration, information sharing, and effective communication. Partnership working with Peer advocacy groups, LD providers, CCG, MCA team • Strengthen adherence to the Mental Capacity Act, and ensure providers of care understand its relevance to their own work setting. This forms Part of the quarterly Adults Safeguarding Audit and Safeguarding Adult Team workplan • Provide accessible information on appointments, procedures, conditions, treatment & care. • Provide mandatory learning disability awareness training to all staff. Same introduction to Learning Disability within Essential Skills workbook for all staff. Targeted training for key areas. Ongoing training and support for LD Champions • Review of safeguarding procedures in relation to discharge planning. • Discussions with Clinical Commissioning Group about funding specialist support for people with learning disabilities when admitted to hospital in an emergency. • Review of joint working arrangements. • Delivery of learning disability awareness training. • Introduction of learning disability and autism 'champions'.
Major Trauma Audit	DCH continues to upload data to this national audit which compares our outcomes in patients who have experienced trauma with other providers.
MBRRACE-UK (Mothers and Babies: Reducing Risk through Audits and Confidential Enquiries across the UK)	<p>MBRRACE is the perinatal confidential enquiry into term, singleton intrapartum stillbirths and intrapartum related neonatal deaths. The annual report shows that:</p> <ol style="list-style-type: none"> 1. There are some shifts where staffing is below expected level. 2. There is MDT training in place with all staff expected to attend PROMPT training (Practical Obstetric MultiProfessional Training), some staff have attended human factors training. 3. All antenatal and intrapartum stillbirths (and unexpected neonatal deaths) are investigated using the RCA format with a multidisciplinary team which includes any parental questions. 4. Currently all staff participate in K2 CTG(cardiotocography – fetal monitoring) training. 5. National guidance is awaited for a standardized risk assessment tool for women who present in labour with ongoing risk assessment throughout.

	<p>6. Currently there is no national guidance for care in the latent phase of labour.</p> <p>7. All senior midwives who work clinically are Neonatal Life Support trained. There is 24/7 paediatric cover.</p> <p>Recruitment processes are in place. DCH are working towards a local risk assessment tool for women who present in labour, and a tool for the latent phase of labour.</p> <p>There are plans to increase skills and drills training on the maternity unit and plans to roll out human factors training.</p> <p>The home birth team are planning to undertake training with specific regard to serious problems in the home environment.</p>
Myocardial Ischaemia National Audit Project (MINAP)	<p>Last year DCH experienced difficulty in data upload so no local results are available.</p> <p>Previously we have had the 4th best door to balloon time in the UK and perform better than the UK average in all measurable parameters i.e.: length of stay; secondary prevention medication given; rates of in patient angiography; and admitted directly to cardiac wards.</p>
National Asthma and COPD Audit Programme	<p>This audit has moved from a snapshot audit to continuous data entry. Asthma is now included as part of this programme, and will be reported on later in 2019.</p> <p>Improvement work is being undertaken through a National Collaborative Quality Improvement program</p>
Potential Donor Audit	<p>This ongoing audit determines whether families are being given the option of organ donation as part of an end of life option involves both ED and ICU. It identifies areas to improve and to ensure that all appropriate families are approached with the option of organ donation. This year, DCH has referred 12 potential organ donors; there have been no missed opportunities. A SNOD (Specialist Nurse Organ Donation) was present for 7 organ donation discussions with families (Gold standard). There was 1 occasion where a SNOD was not present.</p>
National Audit of Breast Cancer in Older Patients (NABCOP)	<p>This audit highlights good compliance at DCH for: data completeness of data items describing types of breast cancer (including WHO performance status completed); triple diagnostic assessment in one visit; Involvement of a breast clinical nurse specialist (CNS); time from the date of diagnosis to first treatment; radiotherapy and chemotherapy considered in line with guidelines.</p> <p>There are no areas of concern for DCH</p>
National Audit of Dementia	<p>DCH areas of good compliance are: overall governance (with our Dementia Action Group, dementia leads, and champions); assessment of nutrition – this was an area of excellence; discharge planning; appointment of a Dementia Nurse/specialist .</p> <p>Our areas for improvement are: carer and staff communication; documentation of the diagnosis of dementia and functional implications; dementia screening rates.</p>
Seven Day Hospital Service (PHE)	<p>This survey has been taking place in its current format since March 2016, on a biannual basis. The survey consists of a self-evaluation of our services in relation to diagnostics</p>

	provision and interventions and key services. These include local and regional pathways with neighbouring Trusts to provide certain types of diagnostic or interventional procedures out of hours. DCH has been compliant with these since the survey began. The top priority has been to improve Standard 2- Consultant review within 14 hours of admission. In September 2018 we achieved the 90% target for this standard.
National Cardiac Arrest Audit (NCAA)	No report received this year
National Chronic Obstructive Pulmonary Disease Audit programme (COPD) - Pulmonary Rehabilitation	This audit has now become a continuous data collection. A report is expected later in 2019. This service is run in partnership with Dorset Healthcare and the report will be reviewed jointly with them.
National Comparative Audit of Blood Transfusion programme <i>*(Numbers too low to allow submission)</i>	Use of Fresh Frozen Plasma, Cryoprecipitate and other Blood Components in Neonates and Children. We did not participate in this audit. DCH do not issue enough of these blood components to enable us to enter the audit
National Diabetes Audit - Adults	DCH did not submit data to this audit in 2018, due to technical issues with the upload process. Local analysis of the data has been carried out and is being reviewed through Endocrinology Governance.
National Diabetes in Pregnancy Audit 2016	DCH has similar rates of patients with pre-existing diabetes and pregnancy compared to 2017. There were similarly low numbers of patients adequately prepared for pregnancy but by percentage, this is higher than national average (which is also low). There are similar rates for fetal and neonatal outcomes, although slightly higher birthweights, but later average gestation at birth as well. DCH perform well for number of patients receiving folic acid prior to last menstrual period 6/15 (40%) compared to 3/14 (21%), which would contribute to the right move towards adequate preparation of pregnancy.
National Diabetes Footcare Audit	Data collection for DCH was incomplete at 12 & 24 week follow-up. At DCH 24.1% of pts had an unknown outcome at 24 weeks compared with 12% nationally. Areas of Concern = Long wait for new referrals to be seen. As evidenced in the national audit, the longer the delay the more likely that patients have an amputation and the more likely they will need a hospital admission. 65.5% of pts referred to DCH were seen > 14 days after referral compared with 28.1% nationally.
National Emergency Laparotomy Audit (NELA)	This audit period represents NELA Year 4. Areas requiring improvement were: 1) Timely review by a consultant surgeon after emergency admission; 2) CT scanning and reporting before surgery; 3) Review by Medicine for Older People specialists. In January 2018, an interim analysis for Year 4 was presented at the combined Anaesthesia / General Surgery CGM. The analysis found improvements in CT scanning and reporting before surgery but worse performance with regards to timely review by a consultant surgeon after emergency admission and review by Medicine for Older People

	specialists.
National Heart Failure Audit	<p>Data collection for this audit continues to be difficult, as all patients with heart failure (not just those admitted under the care of cardiology) are included. Despite this DCH results are good, performing well in: drug prescribing; echo assessment and cardiology/specialist review. Less than half of those patients were admitted to a cardiology ward. Areas of concern are:</p> <ul style="list-style-type: none"> • Too many patients are managed without informing the Heart Failure (HF) nurses or cardiologists • Limited cardiology beds
National Joint Registry (NJR)	Data quality audit for 2018 has been submitted, report pending.
National Lung Cancer Audit (NLCA)	<p>There has been a change in reporting structure with Trusts identified as 'good', 'not significant', 'alert' or 'alarm' for each parameter.</p> <p>DCH lies within the expected range for all parameters except: percentage of patients seen by a Cancer Specialist Nurse (CNS) (80% against a national target of 90%) – this a national issue, there is a national shortage of CNS's and is difficult to resolve locally.</p>
National Mortality and Case Record Review Programme	Responsibility for carrying out Structured Judgement Reviews lies with the divisions. Urgent & Integrated Care carries out a screening process to identify the cases which require a review, as they have the greater proportion of deaths, whilst Surgery & Family Services review all their deaths. Themes raised through this process are reviewed at the Hospital Mortality Group.
National Maternity and Perinatal Audit (NMPA)	Report due July 2019
National Neonatal Audit Programme (NNAP) (Neonatal Intensive and Special Care)	<p>DCH exceeded the National standards in 6 out of the 8 indicators:</p> <p>Consultation with parents = 100% (national rate = 95%) Parents on ward rounds = 88% (national rate = 74%) Screening for retinopathy of prematurity = 100% (national rate = 94%) Mothers milk at time of discharge = 100% (national rate 60%) Follow up at two years of age = 100% (national rate = 63%)</p> <p>Areas of concern:</p> <p>Recording and capturing correct data for the administration of antenatal steroids to mothers who delivered babies between 24 and 34 weeks gestation. This is recommended to help prevent breathing problems in baby. Our rate= 76%, national rate = 89%.</p> <p>Recording and capturing correct data for the administration of magnesium sulphate to mothers who delivered babies below 30 weeks gestation. This is recommended to help prevent cerebral palsy in baby. Our rate= 50%, national rate= 64%</p>
National Ophthalmology Audit	Report due August 2019
Oesophago-gastric Cancer (NAOGC)	DCH has good case ascertainment for this audit. The emergency admission rate is 11% which is comparable with the national average and an improvement from last year. The proportion of patients with initial staging CT scan is 85%,

	which falls just below the national average. This has been discussed regionally. DCH has no mortality rates, as all resections are carried out at the Specialist Centre (Bournemouth). A regional action plan has been developed by the MDT and is reviewed by them.
Vital Signs in Adults (care in emergency departments) (RCEM)	The report for this RCEM(Royal College of Emergency Medicine) audit is not expected until late April 2019
VTE Risk in lower limb immobilisation (care in emergency department) (RCEM)	The report for this RCEM(Royal College of Emergency Medicine) audit is not expected until late April 2019
Feverish Children in ED (RCEM)	The report for this RCEM(Royal College of Emergency Medicine) audit is not expected until late April 2019
Prostate Cancer	Although patients are identified at DCHFT surgery is carried out in Bournemouth so no outcomes in this report. Recommendations from the audit are reviewed at regional network meetings.
Sentinel Stroke National Audit programme (SSNAP)	The Stroke Steering Group receives quarterly reports on our performance in this audit.
We do not participate in the following audits as we do not provide this service:	
Adult Cardiac Surgery Congenital Heart Disease Head and Neck Cancer Audit (Poole enter this data) Mental Health Clinical Outcome Review Programme National Neurosurgery Audit Programme Paediatric Intensive Care Prescribing Observatory for Mental Health Specialist rehabilitation for patients with complex needs National Audit of Intermediate Care (NAIC) National Audit of Psychosis National Bariatric Surgery Registry (NBSR)	

Local Clinical Audits

Local audits are carried out by the specialties in relation to areas of their work. These may be re-audits of past work, new services, audits relating to risk or service evaluations. 229 local audits were registered during 2018-19 and work will continue to see these through to completion.

2.7 The reports of 188 number local clinical audits were reviewed by the provider in 2018 – 2019.

2.8 A selection of these is catalogued below, and the Trust intends to take the following actions to improve the quality of healthcare provided:

Name of Audit	Finding	Outcome
4352 – An audit of iron deficiency in heart failure patients	It has been found that iron deficiency is an independent risk factor for mortality in heart failure patients. Treatment with intravenous iron improves the functional status and reduces hospitalisation from any cardiovascular disease. This audit found that only 60% of heart failure patients were screened for iron deficiency (against our target of 100). 34% of screened patients were found to be iron deficient. 38% of heart failure patients with anaemia were not screened for iron deficiency	Education session will be run for Heart Failure Specialist nurses, the Cardiology team and junior doctors at DCH (Grand Round). An informative poster will be distributed to relevant departments within DCH. A checklist for Heart Failure Specialist Nurses will be used during clinical reviews of patients using the service. A guideline will be created at DCH for iron replacement in heart failure patients
4568 – Gestational Diabetes Audit 2017	This audit looks at the level of service provided to women who develop gestational diabetes during pregnancy, and whether DCH complies with NICE Guidance. The audit concludes that 87% have appropriate HbA1c testing at the appropriate time. For a small percentage of patients (13%), there is a time lag of more than 28 days between diagnosis and joint antenatal clinic. 74% had follow-up glycaemic testing.	From this audit, DCH found just 100 patients per year diagnosed with GDM since the new NICE guidance was released, recommending tighter cut-offs for diagnosis of GDM. Patients were being diagnosed at an appropriate time at 26/40 gestation. Majority (87%) had an HbA1c test as recommended by guidelines
4461 – A re-audit of management of AKI	This audit of patients referred to the DCH renal service between Oct 2017 and Feb 2018 to assess whether the quality of referrals had improved since the introduction of a proforma. There has been a significant improvement in the quality of renal referrals. The majority of referrals are now appropriate and compliant with NICE guidelines.	The results of this audit have been presented at a regional renal service audit meeting. Minor changes to the proforma have been agreed. A teaching session has been organised to improve understanding of AKI referral. A re-audit is planned
4287 - Communication between primary and secondary healthcare on	This audit examines the compliance with completion of and communication about DNACPRs to primary care on discharge following an acute admission at DCH. The audit highlighted poor compliance with	Robust communication of DNACPR status during the patient journey is essential in helping the patient to understand the implications of CPR in their

DNACPR (Do Not Attempt CardioPulmonary Resuscitation) following an acute admission	renewing existing DNACPR on admission, providing DNACPR to appropriate patients on discharge and communication of DNACPR status in EDS (electronic Discharge Summary) and to GP on discharge.	situation, and anticipation of advance care planning. Development of a centralised system for primary/secondary care, education for medical staff regarding information sharing on the EDS and making DNACPR a compulsory field on the EDS are seen as vital in improving performance in this area.
4264 – Communication of bone protection treatment decisions for patients with fractured neck of femur(#NOF)	Anecdotal evidence from pharmacy and the fracture liaison service indicated that bone health protection treatment decisions were being poorly documented on the electronic discharge summaries (EDS) of patients who had #NOF. An initial audit carried out in August 2017 confirmed that only 35% of EDS documented bone health protection. A sticker was developed with tick box options for bone protection treatments to be placed on the EDS of patients with #NOF. In a re-audit carried out in Dec 2017 there had been a small improvement in documentation of bone health protection (45%), however this dropped to 37% in Jan 2018.	Further work is being carried out to prompt use of the sticker.
3978 – An audit of initial inpatient management of decompensated cirrhosis	This audit found that: ascitic taps were not performed frequently enough, soon enough, nor always sent for the appropriate tests; VTE prophylaxis not always given as appropriate; certain blood tests, particularly electrolytes and blood cultures, were not performed often enough; alcohol history taking and pabrinex administration were performed well; variceal bleeding was managed well with terlipressin, Tazocin and early endoscopy; encephalopathy was appropriately managed with lactulose; gastroenterology review occurred within 24 hours allowing for weekend admissions.	As a result of this audit the GastroIntestinal team are considering a decompensated cirrhosis care bundle customised for use at DCH to guide and prompt best management in the first 24 hours, combined with staff education on how to use it. The appointment of a liver/alcohol nurse specialist would also be of assistance with this, as well as more wide-reaching issues.
4220 – An audit of compliance (against Health Care Service	This audit looked at the provision for paediatric patients attending outpatient clinics in the following areas: Medical/Surgical OPD at DCH and WCH,	An action plan has been developed which is overseen by the Matron for Orthopaedics and Outpatients. A risk assessment

Standards in caring for Neonates, Children and Young People (RCN)) of paediatric patients attending adult Outpatient clinics	<p>Women's Health Department, ENT/OMF Out-Patients, Orthopaedics, Dermatology, Ophthalmology Out-Patients, Audiology Department, Diagnostic Imaging, Orthodontics, Neurophysiology.</p> <p>There are 11 standards and DCH were compliant with most of these; paediatric folders are in place, safeguarding training is up to date and there are segregated areas within adult waiting areas.</p> <p>However, DCH had poor compliance with Standard 5 (All staff have basic paediatric basic life support) and Standard 11 (dedicated paediatric clinics in adult out - patient settings).</p>	has been completed and there is a plan to refurbish the ophthalmology department
4511 – A re-audit of management of neutropenic sepsis in ED	<p>This is the 5th Cycle of this audit which measures compliance for patients with suspected neutropenic sepsis with the target of receiving antibiotics within one hour of arrival at ED. Early rounds of this audit were effective in significantly improving DCH compliance with this target. More recently compliance has dropped and in the last round this was attributed to poor documentation. In this round compliance has improved from 42% to 56%; notably though 70% of patients who actually had neutropenic sepsis met the one hour target.</p>	<p>As a result of this audit ED will: increase awareness of the national guidelines for neutropenic sepsis amongst staff at all levels from reception staff, health care assistants, nurses and doctors in early recognition of potentially neutropenic patients; promote use of ED proforma; explore an alert on the departmental board (EDVB) for suspected neutropenic sepsis patients that allows staff to know if antibiotics have been given up to 1 hour after admission; ensure all new staff including junior doctors who rotate through ED receives training; reiterate the importance of prompt treatment to suspected neutropenic sepsis patients presenting to ED and do not wait for blood results to be available before prescribing potentially life-saving IV antibiotics.</p>
4190 – A re-audit of the reliability of diagnosis of urinary tract infection in older people	<p>An initial audit carried out in 2014 found poor local practice in diagnosing urinary tract infections in older people. Guidelines were developed in collaboration with the microbiologists to address this.</p> <p>This re- audit was undertaken to assess current practice and adherence to local and national guidelines. It found that the reliability of diagnosis had not improved - 70% of patients had either none or poor evidence to support the diagnosis.</p>	<p>As a result of this audit the team will: encourage the use of the criteria when diagnosing a UTI by highlighting the UTI Investigation and Management Guidelines available on the Intranet; attempt to obtain urine samples in those patients suspected of having a UTI to a)confirm/refute diagnosis and b) to guide antibiotic use via organism sensitivities; educate clinicians in the limitations of bedside urinalysis using dipsticks,</p>

		and in the prevalence of asymptomatic bacteriuria; review of local guidelines and policy with microbiology department. These actions have already been highlighted at a 'Grand Round' presentation in Jan 2018
4365 – An audit of compliance with the pre-treatment checklist for patients receiving phototherapy	This audit was carried out following a significant patient incident. An audit was carried out in March 2018, which provided reassurance that the pre-treatment safety checklist was fully completed in 100% of patients and that it had been signed a dated. A re-audit in sept 2018 confirmed that this standard was being maintained.	A re-audit is planned in June 2019 to make sure compliance is being maintained
4504 – An audit of paediatric distal radius fractures	This audit measured compliance with NICE Guideline 38 which recommends that paediatric torus fractures are treated with a non-rigid cast or brace and discharged from hospital after fracture assessment. It confirmed that during the 3 month audit period there were 22 unnecessary follow up appointments on the fracture clinic. This not only impacts on fracture clinic capacity but there are time and financial burdens to the Trust and to families	ED and Minor Injuries Unit staff will be educated on guidelines for management of torus distal fractures. A leaflet will be developed for patients
4005 – An audit of right iliac fossa treatment (RIFT)	The results of this national audit were presented at the ASIT (Association of Surgeons in Training) conference. The aim of this project was to determine laparoscopic appendectomy rates in 2017. Nationally 93.9% of patients had laparoscopic appendectomy and the negative appendectomy rate has fallen to 16.2%. This provides reassurance that the negative appendectomy rate has decreased since 2012 whilst the use of the laparoscopic approach has become more accepted.	We will consider participation in further multicentre audits to look at use of imaging and risk scores for appendicitis
4582 – An audit of the assessment of coeliac testing in patients with iron deficiency anaemia	This audit found that only 28.3% of patients being investigated for iron deficiency anaemia have been tested for coeliac disease before referral. This has resulted in a high number (89.8%) of patients having duodenal biopsies being taken to ensure compliance with guidelines.	Referrers (primary and secondary care) will be encouraged to arrange tissue transglutaminase antibody testing for all iron deficiency anaemia patients to exclude coeliac disease before referral

4538 – An evaluation of implementation of a virtual clinic to manage non-acute hearing loss	In 2018 our ENT team set up a ‘virtual’ non acute hearing loss clinic, where patients meeting defined criteria had a hearing test and an MRI scan (when indicated) which were reviewed by an ENT consultant to decide whether an outpatient appointment was required. This evaluation found that patients seen in the virtual clinic: were seen quicker by an average of 17.95 days; had fewer hospital visits than patients seen on normal ENT OPD pathway; had high levels of satisfaction (93% positive feedback). The virtual clinic has freed up ENT slots - in this audit period 94 ENT OPD appointments were spared.	Since the virtual clinic is currently working very effectively, it can be used as a template for future clinics.
4151 – An audit of patient satisfaction in the Surgical Assessment Unit (SAU)	This survey found that: <ul style="list-style-type: none"> • 85% of patients rated the care they received as the highest score of 5 • 90% of patients said they were assessed in a timely manner by a doctor or a nurse practitioner giving the highest score of 5 • 60% of patients said their tests were conducted in a timely manner • Very positive feedback received regarding patient care and treatment in SAU • The majority of patients said nothing needed to be changed in SAU. 	As a result of this audit: prioritised ultrasound and CT scan slots for patients to expedite their treatment decisions and improve patient flow will be explored. Consideration will be given to increasing the size of the unit to alleviate pressure on the Emergency Department
3648 - National Audit Project 6 – Perioperative Anaphylaxis	This national project relates to Perioperative investigation of anaphylaxis related to anaesthetic practice. DCH has good practice in line with the recommendations of this audit both for the management and reporting and ongoing referral of patients suffering perioperative anaphylaxis.	There are no areas for concerns within the Trust in regard to this report.

3. The number of participants receiving relevant health services provided or sub-contracted by the Trust in 2018 -2019 that were recruited during that period to participate in research approved by a Research Ethics Committee was 1153.

In addition to this were a further 214 participants involved in the research study “Scaling Up Quality Improvement for Surgical Teams (QIST)” and 153 to the “home-grown” HEARS study (“Hearing Evaluation of ARthroplasty Surgeons”) led by Mr Simon Garrett, neither of which required Research Ethics Committee approval.

The total of participants involved in research at Dorset County Hospital in 2018-19 was therefore 1,520 and represents another year-on-year increase.

4. A proportion of the Trust's income in 2018- 2019 was conditional on achieving quality improvement and innovation goals agreed between the 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.

4.1 In 2017 – 2018 2.41% of our clinical income depended on achieving these goals. This equated to £3,262,580, of which we secured £3,241,785 (99.4%). **The Trust did achieve 100% of all the payment available, the lower payment reflects changes in activity levels affecting the level required.*

In 2018 – 2019 2.07% of our clinical income depended on achieving these goals. This equated to £3,300,618 of which we secured £3,300,850 (100%)

5. The Trust is required to register with the Care Quality Commission (CQC) under section 10 of the Health and Social Care Act 2008.

5.1 The Trusts current status is registered in full without conditions. The Care Quality Commission has not taken enforcement action against the Trust during 2018- 2019.

(Section 6 was removed from the legislation by the 2011 amendments)

7. The Trust has participated in an inspection by the CQC during the reporting period.

7.1 The Trust was rated 'Good' overall by the CQC following inspection in July –September 2018. The areas identified as both 'Must – do's' and 'Should – do's' were collated into a Trust wide improvement plan, with many of the actions now completed. Evidence has been submitted to ensure that the CQC are satisfied that we have now addressed their recommendations, and this is shared at the local quarterly meetings with the CQC.

The ratings grid below, as published by the CQC on its website, shows the ratings given to the core services and five domains at the time of their inspection (please note some areas were not re-inspected in 2018 following the 2016 inspection):

Ratings for Dorset County Hospital

	Safe	Effective	Caring	Responsive	Well-led	Overall
Urgent and emergency services	Requires improvement ↔ Oct 2018	Good ↗ Oct 2018	Good ↗ Oct 2018	Good ↗ Oct 2018	Good ↑ Oct 2018	Good ↑ Oct 2018
Medical care (including older people's care)	Requires improvement Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016
Surgery	Requires improvement Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016
Critical care	Good Aug 2016	Good Aug 2016	Good Aug 2016	Requires improvement Aug 2016	Good Aug 2016	Good Aug 2016
Maternity	Requires improvement Oct 2018	Good Oct 2018	Good Oct 2018	Good Oct 2018	Good Oct 2018	Good Oct 2018
Services for children and young people	Good Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016
End of life care	Good ↑ Oct 2018	Requires improvement ↔ Oct 2018	Good ↗ Oct 2018	Good ↗ Oct 2018	Good ↑ Oct 2018	Good ↑ Oct 2018
Outpatients	Good Oct 2018	N/A	Good Oct 2018	Good Oct 2018	Requires improvement Oct 2018	Good Oct 2018
Diagnostic imaging	Good Oct 2018	Good Oct 2018	Good Oct 2018	Requires improvement Oct 2018	Good Oct 2018	Good Oct 2018
Overall*	Requires improvement ↔ Oct 2018	Good ↑ Oct 2018	Good ↗ Oct 2018	Good ↗ Oct 2018	Good ↑ Oct 2018	Good ↗ Oct 2018

8. The Trust submitted records during 2018 -2019 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data which included the patient's valid NHS number was:

	2014/15	2015/16	2016/17	2017/18	2018/19	National Average
Admitted Patient Care	99.9%	99.9%	99.9%	99.9%	99.9%	99.4%
Outpatient Care	99.9%	100%	100%	100%	100%	99.6%
Accident and Emergency Care	99.3%	99.2%	99.2%	99.1%	99.0%	97.6%

The percentage of records which included the General Medical Practice Code was:

	2014/15	2015/16	2016/17	2017/18	2018/19	National Average
Admitted Patient Care	100%	99.9%	99.9%	100%	100%	99.9%
Outpatient Care	100%	99.9%	100%	100%	100%	99.8%
Accident and Emergency Care	100%	99.5%	99.7%	100%	99.8%	99.3%

9. The Trust's Data Security and Protection Toolkit Assessment for 2018-19 has been submitted to NHS Digital alongside an Action Plan for improvement in the 2019-20 year. The Data Security and Protection Toolkit takes a different format to the previous Information Governance Toolkit, with 40 individual assertions based on the National Data Guardian's 10 Data Security Standards. These Assertions contain within them 100 mandatory pieces of evidence and 49 non-mandatory pieces of evidence. The Trust has submitted an assessment of 'Standards not met', with 37 of the 40 Assertions completed, and 93 of the 100 mandatory pieces of evidence provided. The Trust's assessment will change to 'Standards not fully met (Plan Agreed)' pending approval of our Action Plan by NHS Digital. This Action plan will be monitored through the Information Governance Group, alongside the 2019-20 Data Security and Protection Toolkit, and will be reported to the Risk and Audit Committee.

10. The Trust was not subject to the Payment by Results clinical coding audit during 2018 – 2019.

11. The Trust will be taking the following actions to improve data quality:

- Spot checks of validation of non breach times for Referral to Treatment times to ensure accuracy
- Audit to ensure that scanning of electronic records captures 100% of patient information
- Validation of the coding applied to day case procedures
- Completion of a full coding action plan to support the review of hospital mortality indicators

Learning from Deaths

The Trust reviews all patients that have died and identifies from those patients that require further in depth reviews, using the Learning from Deaths national guidance. (*'National Guidance on Learning from Deaths'*, National Quality Board, March 2017).

During 2018-2019 a total of 698 DCH patients died. This comprised the following number of deaths which occurred in each quarter of that reporting period:

165 in the first quarter;
164 in the second quarter;
177 in the third quarter;
192 in the fourth quarter.

By 31st March 2019, 198 systematic judgement reviews (SJR's) had taken place.

57 in the first quarter;(34.5%)
92 in the second quarter;(56%)
33 in the third quarter;(18.6%)
16 in the fourth quarter;(8.3%)

Of those SJR's, 6 obtained a score of 3 or less (judged to have been more likely than not due to problems in the care provided)

2 in the first quarter;(1.2%)
3 in the second quarter;(1.8%)
1 in the third quarter;(0.5%)
0 in the fourth quarter;(0%)

The Trust publish the outcomes of these reviews through the Public Board papers and have a Hospital Mortality Group to review findings from the reviews to ensure good practice and learning is shared. This feeds into the quality improvement plans in the Trust, as part of the overall Trust objective to deliver outstanding services every day.

Overall positive good practice themes are noted to be in a high proportion of the record reviews, which are summarised below:

- Rapid escalation to appropriate specialities
- Good support from Critical Care Outreach team
- Excellent GP referral
- Good Use of Neck Of Femur pathway booklet
- Excellent communication with relatives regarding patients wishes
- Prompt review by appropriate speciality

Themes noted for improvement have been identified in a few case reviews, these include:

- Failure to escalate a deteriorated patient in a timely manner
- Delay switching from oral antibiotics to intravenous antibiotics
- Substandard clerking by junior doctors
- Substandard documentation and legibility of some written records

As a consequence of what the Trust has learned during the reporting period, a brief summary of the actions taken is provided below:

- Sepsis bundle usage – Further work with the Wessex Patient Safety Collaborative in re-design of the Sepsis Six screening tool. Clinical Governance meetings and the Sepsis/ Deterioration Group to highlight the importance and raise awareness amongst staff.
- Poor documentation and legibility – This has been highlighted in junior doctor training and cascaded through Divisional newsletters and Divisional Governance meetings, with examples identified. The Trust has invested in and is implementing a Digital Patient Record which will eliminate this in the future.
- Clinical supervision with junior doctors to support and develop clerking skills and abilities

The Trust takes pride in the vast majority of the mortality reviews which show good quality care. However as the Trust strives for continuous improvement any areas that are identified as concerns report into the overall appropriate forum to make those improvements. As such, while actions are ongoing, there have been real improvement areas such as the Sepsis screening (referred to in the quality account priorities).

There have been no case record reviews or investigations completed after 31 March 2019 which related to deaths which took place before the start of the reporting period.

Clinical Standards for Seven Day Hospital Services

Clinical standard	Self-Assessment of Performance	Weekday	Weekend	Overall Score
Clinical Standard 2: All emergency admissions must be seen and have a thorough clinical assessment by a suitable consultant as soon as possible but at the latest within 14 hours from the time of admission to hospital.	The patient survey takes place over the course of 7 days, from Wednesday 00:01 to Tuesday 24:00. A list of all emergency admissions is generated from PAS. The list is filtered to exclude patients meeting the following criteria: <ul style="list-style-type: none"> • Patients admitted to short stay ambulatory care • Patients who are admitted as an emergency but who stay in hospital for fewer than 14 hours from arrival • Patients on an inpatient pathway on which care for the entire patient group is, by design, routinely delivered by non-consultants e.g. Midwife led care on a maternity unit Patient groups for whom: <ul style="list-style-type: none"> • There is a clear written local protocol for the pathway the patient is on which has been agreed within the trust clinical governance system and supported by the commissioners AND • The protocol describes actions to be taken in the event of clinical concern, including robust and rapid escalation to a consultant where appropriate: eg a maternity patient who develops the need for an emergency Caesarean section, or a patient with a superficial abscess who appears to be developing sepsis AND • The patient's care is still recorded as being under a named consultant for the purpose of clinical governance (excluding patients specifically on midwife-led care pathways). 	Yes, the standard is met for over 90% of patients admitted in an emergency	Yes, the standard is met for over 90% of patients admitted in an emergency	Standard Met

Clinical standard	Self-Assessment of Performance		Weekday	Weekend	Overall Score
Clinical Standard 5: Hospital inpatients must have scheduled seven-day access to diagnostic services, typically ultrasound, computerised tomography (CT), magnetic resonance imaging (MRI), echocardiography, endoscopy, and microbiology. Consultant-directed diagnostic tests and completed reporting will be available seven days a week: <ul style="list-style-type: none">• Within 1 hour for critical patients• Within 12 hour for urgent patients	Q: Are the following diagnostic tests and reporting always or usually available on site or off site by formal network arrangements for patients admitted as an emergency with critical and urgent clinical needs, in the appropriate timescales?	Microbiology	Yes available on site	Yes mix of on site and off site by formal arrangement	Standard Met
		Computerised Tomography (CT)	Yes available on site	Yes available on site	
		Ultrasound	Yes available on site	Yes available on site	
	Each service is covered by a 7 day roster in the relevant dept. In addition ED and the Acute Medical Assessment Units have their own ultrasound capability. MRI is currently under review as only available 6 days a week consistently with Sundays only covered as part of an elective care provision.	Echocardiography	Yes available on site	Yes available on site	
		Magnetic Resonance Imaging (MRI)	Yes available on site	No the test is not available	
		Upper GI endoscopy	Yes available on site	Yes mix of on site and off site by formal arrangement	

Clinical standard	Self-Assessment of Performance		Weekday	Weekend	Overall Score
Clinical Standard 6: Hospital inpatients must have timely 24 hour access, seven days a week, to key consultant-directed interventions that meet the relevant specialty guidelines, either on-site or through formally agreed networked arrangements with clear written protocols.	Q: Do inpatients have 24-hour access to the following consultant directed interventions 7 days a week, either on site or via formal network arrangements?	Critical Care	Yes available on site	Yes available on site	Standard Met
		Interventional Radiology	Yes mix of on site and off site by formal arrangement	Yes mix of on site and off site by formal arrangement	
		Interventional Endoscopy	Yes mix of on site and off site by formal arrangement	Yes mix of on site and off site by formal arrangement	
		Emergency Surgery	Yes available on site	Yes available on site	
	Each dept has a 7 day roster. Cardiology is in a formal network with another acute provider for out of hours support. Radiotherapy takes place at the Cancer Centre for Dorset and an agreed urgent pathway is in place to support patient transferral in urgent cases.	Emergency Renal Replacement Therapy	Yes available on site	Yes available on site	
		Urgent Radiotherapy	Yes available off site via formal arrangement	Yes available off site via formal arrangement	
		Stroke thrombolysis	Yes available on site	Yes available on site	
		Percutaneous Coronary Intervention	Yes available on site	Yes available off site via formal arrangement	
		Cardiac Pacing	Yes available on site	Yes available on site	

Clinical standard	Self-Assessment of Performance	Weekday	Weekend	Overall Score
Clinical Standard 8: All patients with high dependency needs should be seen and reviewed by a consultant TWICE DAILY (including all acutely ill patients directly transferred and others who deteriorate). Once a clear pathway of care has been established, patients should be reviewed by a consultant at least ONCE EVERY 24 HOURS, seven days a week, unless it has been determined that this would not affect the patient's care pathway.	Ongoing review is captured for all patients included in the survey, for up to 5 days following day of admission, unless discharged before this. The requirement for twice-daily review depends on the acuity of the patient, and can be delegated by the consultant to other grades of staff. There is no threshold to reach for this standard. Ideally, it should be documented in the patient record as to the level and frequency of review, but in practice, this is rarely done. During the survey, there was no evidence that there was a failure to escalate a deteriorating patient, or that a review was missed, or carried out an inappropriate grade of staff.	Once daily: Yes the standard is met for over 90% of patients admitted in an emergency	Once daily: Yes the standard is met for over 90% of patients admitted in an emergency	Standard Met
		Twice daily: Yes the standard is met for over 90% of patients admitted in an emergency	Twice daily: Yes the standard is met for over 90% of patients admitted in an emergency	

Response to the Gosport Independent Panel Report

The Trust Board has received assurance that there are mechanisms to manage, monitor and escalate issues for medicines in the Trust with the appropriate triangulation of governance to support this.

The Trust's medicines committee is chaired by an Executive Director, (Director of Nursing and Quality who holds senior responsible officer for Medicines management), and has multi Professional leads as members. Trends in reporting of incidents, medicines or prescribing are raised via this group, which exception reports to the Quality Committee. In addition, a separate Executive Director is the senior responsible officer (Medical Director) for the Hospital Mortality Group, that reviews any trends in deaths and learning from death reviews (following the national structured judgement review process). Membership of the Hospital Mortality Group is also multi-professional and includes sharing learning from cases that have been reviewed. This group also exception reports to the Quality Committee. In addition, there are many opportunities for staff and patients to speak out about concerns where they feel their line management have not demonstrated taking their concerns seriously.

These include:

- Senior Multi-professional leadership at Divisional and Care Group level
- Board visibility on clinical floor
- Medication Safety Officer and department pharmacy support
- Freedom to Speak Up Guardians
- Whistleblowing procedures and policies
- Staff Governors
- Governors
- Patient Experience Team
- Risk Management Team







Reporting Against Core Indicators

Mandatory Statement 12: Mortality

The Summary Hospital-level Mortality Indicator (SHMI) is the ratio between the actual number of patients who die following hospitalisation at the trust and the number that would be expected to die on the basis of average England figures, given the characteristics of the patients treated there.

It covers all deaths reported of patients who were admitted to non-specialist acute trusts in England and either die while in hospital or within 30 days of discharge.

A lower score indicates better performance. In addition to individual scores, trusts are categorised into one of three bandings: 1 (SHMI higher than expected); 2 (SHMI as expected); 3 (SHMI lower than expected).

Summary Hospital-level Mortality Indicator	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19*	Trend
Banding	2	2	2	1	2	1	N/A	
Value	1.07	1.11	1.10	1.16	1.12	1.17	N/A	
% of patient deaths with palliative care coded at either diagnosis or speciality level	12.0%	13.5%	15.7%	24.9%	35.6%	32.3%	N/A	
<i>National Average</i>	19.9%	23.6%	25.7%	28.5%	30.7%	32.5%	N/A	
<i>Lowest</i>	0.1%	0.0%	0.0%	0.6%	11.1%	12.6%	N/A	
<i>Highest</i>	44.0%	48.5%	50.9%	54.6%	56.9%	59.0%	N/A	

**Data published 5 months in arrears, 2018/19 to be published August 2019*

The England average SHMI is 1.0 by definition, and this corresponds to a SHMI banding of 'as expected'. For the SHMI, a comparison should not be made with the highest and lowest trust level SHMIs because the SHMI cannot be used to directly compare mortality outcomes between trusts and, in particular, **it is inappropriate to rank trusts according to their SHMI**.









Source

<https://beta.digital.nhs.uk/search/category/summary-hospital-level-mortality-indicator--shmi->

The Trust has engaged with NHS Improvement to undertake a supportive review and full analysis of mortality parameters

Mandatory Statement 18: PROMs

Patient Reported Outcome Measures (PROMs) assess the quality of care delivered to NHS patients from the patient perspective. Currently covering four clinical procedures, PROMs calculate the health gains after surgical treatment using pre- and post-operative surveys.

Patient Reported Outcome Measures (PROMs)	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18*	2018/19*	Trend
Groin Hernia								
Dorset County Hospital	0.076	0.076	0.066	N/A	0.068	N/A	N/A	
National Average	0.085	0.085	0.084	0.088	0.086	N/A	N/A	
Lowest								
Highest								
Hip replacement								
Dorset County Hospital	0.461	0.445	0.466	0.471	0.462	0.506	N/A	
National average	0.438	0.436	0.437	0.438	0.445	0.458	N/A	
Lowest								
Highest								
Knee replacement								
Dorset County Hospital	0.304	0.297	0.305	0.341	0.299	0.356	N/A	
National average	0.318	0.323	0.315	0.320	0.324	0.337	N/A	
Lowest								
Highest								
Varicose Vein								
Dorset County Hospital	N/A	N/A	0.099	0.127	0.043	N/A	N/A	
National average	N/A	0.093	0.095	0.096	0.092	N/A	N/A	
Lowest								
Highest								

*2018/19 to be published February 2020

*NHS England discontinued the mandatory varicose vein surgery and groin-hernia surgery national PROM collections from October 2017



Source

<https://digital.nhs.uk/patient-reported-outcome-measures>

A higher number demonstrates that patients have experienced a greater improvement in their health.

Mandatory Statement 19: Readmissions

The table below shows the percentage of emergency readmissions to the Trust within 28 days of a patient being discharged.

Readmissions within 28 days	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Trend
Aged 0 to 15 years								
Total Spells	5,147	4,749	4,676	4,948	4,975	4,778	TBC	
Of which, readmitted as an emergency within 28 days	456	393	442	471	488	478	TBC	
Dorset County Hospital	8.9%	8.3%	9.5%	9.5%	9.8%	10.0%	TBC	
National average	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Lowest	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Highest	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Aged 16 years and over								
Total Spells	16,832	16,103	17,567	18,263	18,837	17,957	TBC	
Of which, readmitted as an emergency within 28 days	1,741	1,695	1,994	2,222	2,295	2,142	TBC	
Dorset County Hospital	10.3%	10.5%	11.4%	12.2%	12.2%	11.9%	TBC	
National average	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Lowest	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Highest	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

*2018/19 data available May 2019





Source Internal DCH report which follows the guidance as stated on p22 of:

https://improvement.nhs.uk/uploads/documents/Detailed_req_for_assurancefor_qual_repts_16-17_.pdf

NHS Digital has not published the recommended source reports since December 2013

Mandatory Statement 20: Responsive

The indicator is a composite, calculated as the average of five survey questions taken from the annual national inpatient survey.

Responsiveness to the personal needs of patients	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18*	2018/19*	Trend
Dorset County Hospital	66.9	69.9	71.1	69.6	70.2	69.0	N/A	
National average	68.1	68.7	68.9	69.6	68.1	68.6	N/A	
Lowest	57.4	54.4	59.1	58.9	60.0	60.5	N/A	
Highest	84.4	84.2	86.1	86.2	85.2	85	N/A	

Source

<https://beta.digital.nhs.uk/data-and-information/publications/clinical-indicators/nhs-outcomes-framework/current/domain-4-ensuring-that-people-have-a-positive-experience-of-care-nof/4-2-responsiveness-to-inpatients-personal-needs>

The indicator value is based on the average score of five questions from the National Inpatient Survey, which measures the experiences of people admitted to NHS hospitals.

*2018/19 data published August 2019

The overall score can range from 0 to 100, a higher score indicating better performance. If all patients were to report all aspects of their care as 'very good' this would equate to an overall score of 80. A score of approximately 60 would indicate 'good' patient experience.

Mandatory Statement 21: Staff Friends and Family Test

The Trust gauges staff responses in each quarter as to whether they would recommend the Trust to family or friends as a place to receive treatment. In quarters 1, 2 and 4 this information is gathered via the staff friends and family test (Staff FFT); in quarter 3 this test forms part of the national staff survey.

Staff survey feedback - staff who would recommend the Trust as a place to receive treatment to family or friends	2016	2017	2018
Dorset County Hospital	76%	76%	80%
National Average (median)	70%	71%	71.3%

Staff FFT feedback - staff who would recommend the Trust as a place to receive treatment to family or friends	Quarter 1	Quarter 2	Quarter 4
Dorset County Hospital	95%	43%	61%
National Average (mean)	81%	80%	80%
Highest	100%	100%	100%
Lowest	55%	43%	36%




**Quarter 3 information is not included as the national staff survey takes place during quarter 3*

The Trust has taken a number of actions to improve staff satisfaction and in turn the quality of its services. Actions taken in 2018 in response to staff feedback include the refresh of the Trust-wide leadership development programme; which delivers training to all staff including those within bands 4-6 alongside investment in coaching, training and development for staff. A Management Toolkit has been created which consists of HR & Finance training for managers and supervisors to equip them for the changing workplace. Further work continues this year to continue to improve based on staff feedback, in line with the Trust's Staff Engagement Action Plan and the Workforce Development strand of the refreshed people strategy.

Mandatory Statement 23: VTE

Venous thromboembolism (VTE) is an international patient safety issue and a clinical priority for the NHS in England.

VTE is a collective term for deep vein thrombosis (DVT) – a blood clot that forms in the veins of the leg; and pulmonary embolism (PE) – a blood clot in the lungs. It affects approximately 1 in every 1000 of the UK population and is a significant cause of mortality, long term disability and chronic ill-health problems.

Rate of admitted patients assessed for VTE	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19*	Trend
Admissions	24,026	87,426	91,462	96,063	96,797	98,692	99,447	
Of which, VTE risk assessed	22,077	85,211	87,371	92,847	92,813	94,793	94,134	
% VTE risk assessed	91.9%	97.5%	95.5%	96.7%	95.9%	96.0%	94.7%	
NHS Standard	92.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	
National Average	94.0%	95.8%	96.1%	95.8%	95.6%	95.3%	95.6%	
Lowest	80.2%	66.7%	88.6%	76.9%	0.0%	75.1%	0.0%	
Highest	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

**2018/19 nationally published data upto December 2018. Q4 data to be published June 2019*

Source





<https://www.england.nhs.uk/statistics/statistical-work-areas/vte/>

<https://improvement.nhs.uk/resources/vte/>

The Trust observed a slight decrease in this measure during this reporting year. Full analysis has been undertaken.

Mandatory Statement 24: C-Difficile

Clostridium difficile, also known as **C. difficile** or **C. diff**, is a bacterium that can infect the bowel and cause diarrhoea. The infection most commonly affects people who have recently been treated with antibiotics, but can spread easily to others.

C-difficile rates per 100,000 bed-days	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19*	Trend
Bed-days	101,156	102,674	98,654	105,719	99,883	97,140	N/A	
C-difficile cases	22	27	15	24	13	9	N/A	
C-difficile rate	21.7	26.3	15.2	22.7	13.0	9.3	N/A	
National Average	17.4	14.7	15.0	14.9	13.2	13.7	N/A	
Lowest	0.0	0.0	0.0	0.0	0.0	0.0	N/A	
Highest	31.2	37.1	62.6	67.2	82.7	91.0	N/A	

*2018/19 data published July 2019










Source

<https://www.gov.uk/government/statistics/clostridium-difficile-infection-annual-data>

Although the Trust did experience an increase in C-difficile rates (as consistent with the national picture), significant reductions were made in 2016/17 and further again in 2017/18.

Mandatory Statement 25: Incidents

A patient safety incident is any unintended or unexpected incident which could have or did lead to harm for one or more patients receiving NHS care.

Patient safety incidents reported	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19*	Trend
Number of patient safety incidents reported to NRLS	2,945	1,736	2,116	4,609	4,493	4,838	N/A	
Admissions	51,184	50,530	98,666	105,413	99,883	99,491	N/A	
Incident rate per 100 admissions	5.8	3.4	2.1	4.4	4.5	4.9	N/A	
National Average	7.1	7.7	3.6	3.9	4.1	4.3	N/A	
Lowest	2.5	3.0	1.7	1.6	1.9	1.6	N/A	
Highest	27.8	30.4	10.2	13.0	14.8	16.7	N/A	
Incidents resulting in severe harm or death	25	3	19	25	24	22	N/A	
Percentage of incidents resulting in severe harm or death	0.85%	0.17%	0.90%	0.54%	0.53%	0.45%	N/A	
National Average	0.65%	0.55%	0.49%	0.41%	0.37%	0.34%	N/A	
Lowest	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	
Highest	3.34%	3.90%	4.18%	1.74%	1.58%	1.76%	N/A	

*Data published 5 months in arrears, 2018/19 data published August 2019

Source

<https://digital.nhs.uk/data-and-information/indicators/indicator-portal-collection/quality-accounts/domain-5>

The trust actively encourages staff to report incidents and 'near-miss' episodes to ensure that key learning points are shared throughout the organisation and an increase in reporting was observed for the 2017/18 reporting period.

Part 3 – Other Information

This section of the report provides further detail on the quality of services provided or subcontracted by the Trust in the period 2018/19.

Patient Safety – Reducing avoidable harms from Hospital Falls

Goal for 2018-2019:

We will reduce the number of hospital falls resulting in severe harm by 10% compared to 2017-2018. (This is based on a nationally defined standard).

What is a hospital fall?

Hospital Falls have a major impact on patients experience of care, cause unnecessary pain, cost significant resources to treat and increase the length of hospital stay. The human cost of falling includes distress, loss of confidence, loss of independence and increased morbidity and mortality.

As in previous years, falls were the most commonly reported type of incident in acute and community hospitals.

The National Reporting and Learning System (NRLS) requires reported to assign one of five degrees of severity of harm:

- No Harm – no harm came to patient, no visible bruising
- Low Harm – required first aid, minor treatment e.g. Graze on hand
- Moderate Harm – likely to require outpatient treatment, surgery or longer hospital stay e.g. Fractured Pubic Rami
- Severe Harm – where permanent damage, such as brain damage or disability was likely to result from the fall e.g. Fractured Neck of Femur
- Death – where the death was a direct result of the fall

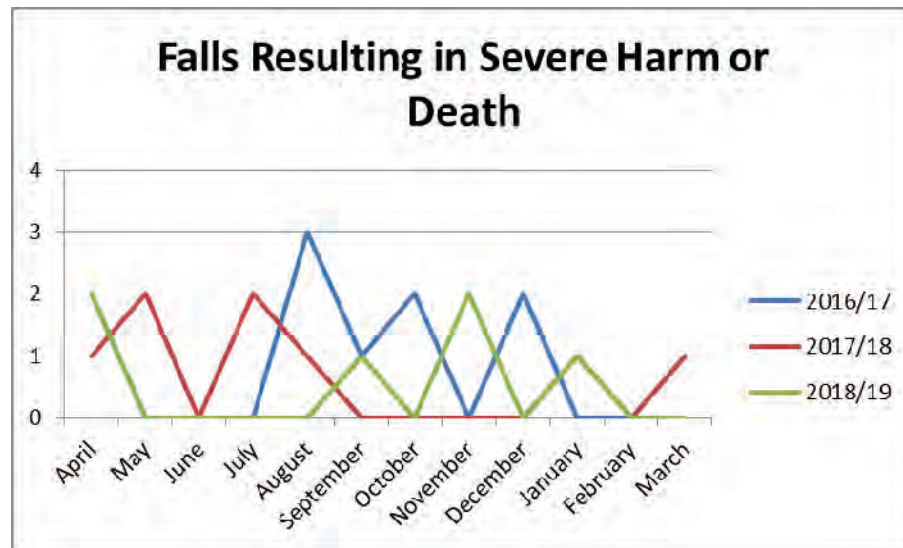
Although the reasons why patients fall is often multifactorial, some measures can be put in place to reduce the risk of falls, or likelihood of injury during a fall. Guidance from NHSI '*The Incidence and costs of inpatient falls in hospitals*' (July 2017) recommended that trusts should be ambitious in setting targets to reducing avoidable falls, but reducing falls to zero will not be a realistic target for any hospital due to:

- Trusts will always have to make a challenging trade-off between encouraging patient mobility and independence and minimising the risk of falls
- In some cases, falls will be a necessary part of a patients rehabilitation process
- The cost of trying to eliminate all risk is likely to be prohibitively high

How did we perform?

Total numbers:

	2016-2017	2017-2018	2018-2019	Percentage Reduction in Year
Falls resulting in severe harm or death	11	8	6	25%



In summary, the Trust has seen a consistent decrease in the number of falls. The Trust will be working on the themes associated with this for 2019/20 to identify any factors that may assist with further reductions. This will continue to be monitored through the internal Quality Committee.

Patient Safety – Improved Mortality Surveillance and Reducing Variation

What is mortality surveillance?

Mortality surveillance is the ongoing systematic monitoring and analysis of mortality data, and the sharing of information that leads to actions being taken to address either data quality issues (the way things are recorded and coded) or health concerns/care delivery.

What is the Summary Hospital-level Mortality Indicator?

The Summary Hospital-level Mortality Indicator (SHMI) reports on mortality at trust level across the NHS in England using a standard and transparent methodology. It is produced and published quarterly as a National Statistic by NHS Digital.

The SHMI is the ratio between the actual number of patients who die at the trust or 30 days post discharge and the number that would be expected to die given the total risk of the patients treated there using a nationally approved methodology.

How did we perform?

The goal for 2017-2018 was to ensure that the Trust had robust mechanisms in place for the reviewing of the mortalities, data and associated coding. The Trust achieved this by establishing a mortality surveillance group and agreeing a standardised approach to mortality and morbidity meetings to be carried out at speciality level.

The goal for 2018-19 was to build on this and ensure that actions were taken to address any data quality issues (the way activity is recorded and coded) or health concerns/care delivery.

The main mortality measure, published nationally by NHS Digital, is the Summary Hospital-level Mortality Indicator (SHMI) which reports at trust level across England using a standard and transparent methodology. The SHMI is the ratio between the actual numbers of patients who die at the trust or 30 days post discharge and the number that would be expected to die given the total risk of each inpatient stay using nationally approved methodology.

We constantly monitor our performance and that of our peers against the National Standards and have been aware that our performance on SHMI has been consistently in the 'higher than expected' category since April 2012. A 'higher than expected' SHMI should not immediately be interpreted as indicating bad performance. Instead, it should be viewed as a 'smoke alarm' which requires further investigation by the trust.

The latest data from NHS Digital was published in February 2019 for patients discharged between October 2017 to September 2018. (The next publication is due out in May and will cover January to December 2018.) The Trust's 'expected' deaths during this period was 964, however 'observed' deaths were 1,163 with a SHMI value of 1.21. This does **not** mean that there were 199 more deaths than there should have been.

Figure 2 – Comorbidity Scores (for latest SHMI period October 17 to September 18).

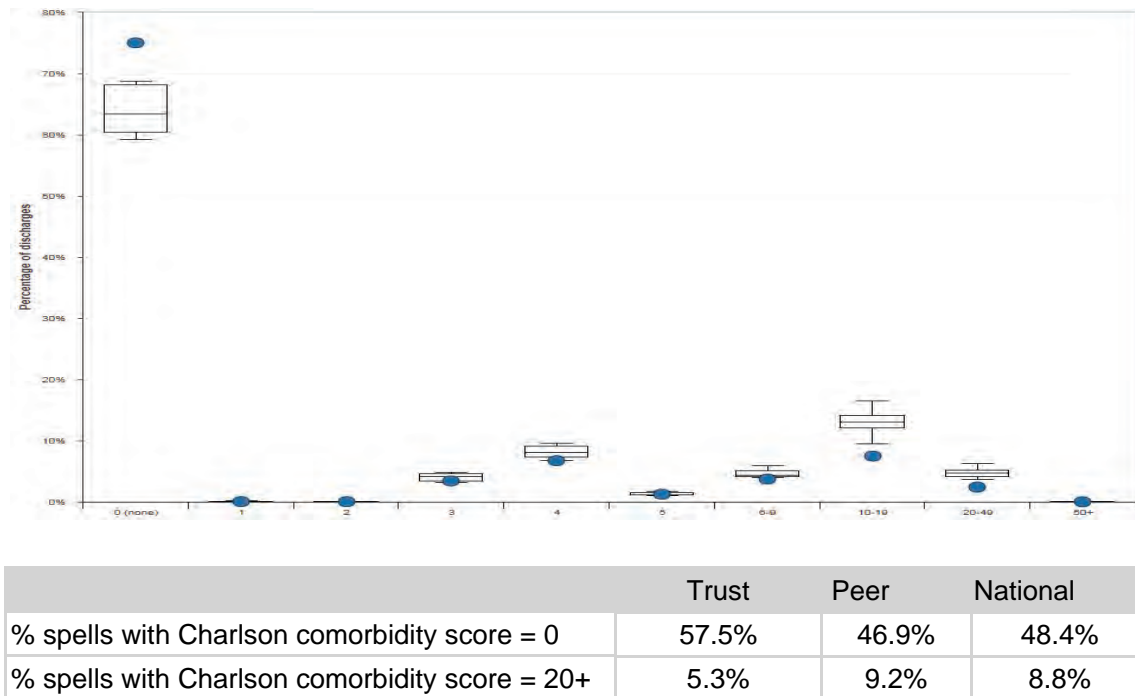
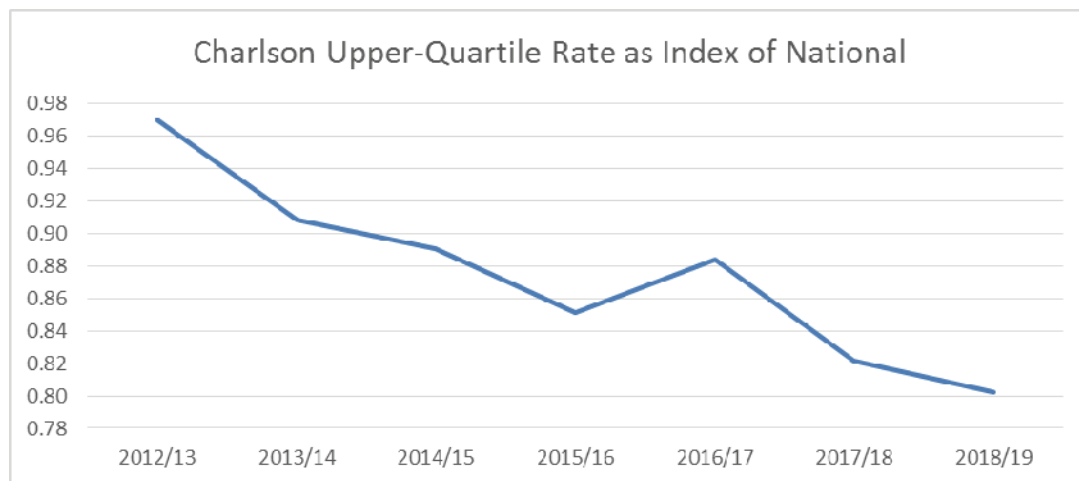


Figure 2 is a comparison of Dorset County Hospital's comorbidity score (represented by the blue circle) against trusts of a similar size and casemix to the Trust. It highlights that the Trust has a much higher proportion of spells with a Charlson score of zero. The Trust also has a much lower percentage of spells with a Charlson score of more than 20.

These could both have resulted in the Trust being attributed with a lower level of 'expected deaths' which in turn could lead to a higher SHMI. The increase in coding from Electronic Discharge Summaries rather than medical notes due to resource issues could have contributed to this and a mitigation plan is being developed.

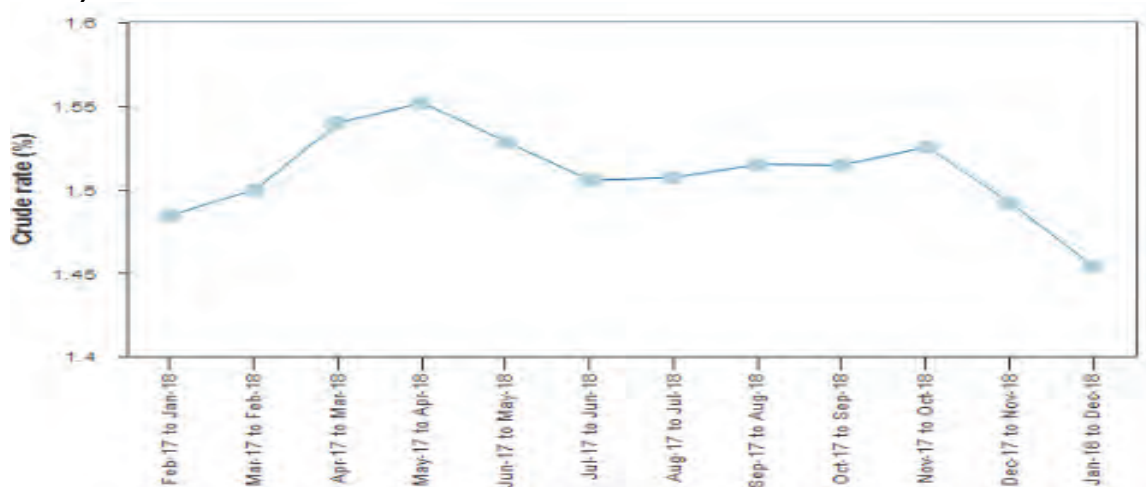
The graph in figure 3 below shows that the percentage of Dorset County Hospital's co-morbidity scores which fall into the national upper quartile has significantly reduced over time. This could be due to co-morbidities not being captured against patient spells as they were previously, or fewer comorbidities being captured for patients. Patient spells with lower or no comorbidity scores will not then fall into the national upper quartile. This is another indication that the risk rate is potentially being underestimated which will affect SHMI.

Figure 3 – Upper-quartile comorbidity as index of national (1)



SHMI should not be looked at in isolation and we have been monitoring crude mortality in parallel. A hospital's crude mortality rate looks at the number of deaths that occur in a hospital in any given year and then compares that against the amount of people admitted for care in that hospital for the same time period. The crude mortality rate can then be set as the number of deaths for every 100 patients admitted.

Figure 4 - % crude mortality rolling 12 months (different monitoring periods to SHMI)



For Dorset County Hospital this has remained fairly stable indicating that the quality of care has not changed just because the SHMI had increased. However, whilst the Trust is confident that the higher than expected SHMI rate can be attributed to coding issues (for example comorbidity capture), more robust process for reviewing all deaths which occur in hospital have been introduced (please see Learning from Deaths report for more information). Deep dive investigations into some of the alerting areas (e.g. pneumonia and congestive heart failure) will help to understand the scale of the data quality issues and seek to provide assurance around quality of care and any areas where things could be improved.

The Trust has recently changed the benchmarking software it has been using in order to facilitate more in-depth analysis of mortality data. This software (Dr Foster) will enable the Trust to monitor another nationally recognised mortality index – the Hospital Standardised Mortality Ratio (HSMR). The key differences in methodology between the two indicators are:

- SHMI includes all deaths, while HSMR includes a basket of 56 diagnoses (around 85% of deaths).
- SHMI includes post-discharge deaths (30 days), while HSMR focuses on in-hospital deaths.
- HSMR is adjusted for more factors than the SHMI, most significantly palliative care but also including CCS sub groups, social deprivation, past history of admissions, month of admission and source of admission.
- SHMI includes deaths up to 30 days after discharge and requires linkage that incurs a time lag (via a separate dataset that comes from the Office for National Statistics).
- SHMI attributes a death to the last spell within an acute non-specialist trust, whereas the HSMR attributes a death across a continuous in-patient spell.

HSMR complements the SHMI by focussing on deaths whilst in the care of the hospital, using more sophisticated risk models for individual diagnoses. As it only looks at in-hospital deaths, HSMR is produced more timely than the SHMI, therefore giving an earlier indication of any potential issues.

Using the latest data available for this measure, the Trust is showing as an outlier against the national position and similar casemix peer groups.

January to December 2018 (latest 12 month rolling data)

Performance	Trust	Peer	National
HSMR	112.8	100.0	97.5
Elective (HSMR)	83.0	109.6	100.9
Non-elective (HSMR)	113.3	99.8	97.4
Weekday, non-elective (HSMR)	115.2	98.2	96.0
Weekend, non-elective (HSMR)	108.0	104.8	101.7

Patient Safety – Improving early identification and treatment of Sepsis

Goal for 2018-2019:

We will increase our sepsis screening rates up to 90% or above and administer antibiotics within 1 hour for those patients who require them.

What is Sepsis?

Sepsis is a life-threatening condition in which the body is fighting a severe infection that has spread via the bloodstream and begins to injure its own tissues and organs. If a patient becomes "septic," they will likely have low blood pressure leading to poor circulation and lack of perfusion of vital tissues and organs.

The early identification and treatment of sepsis has been demonstrated to reduce mortality from sepsis.

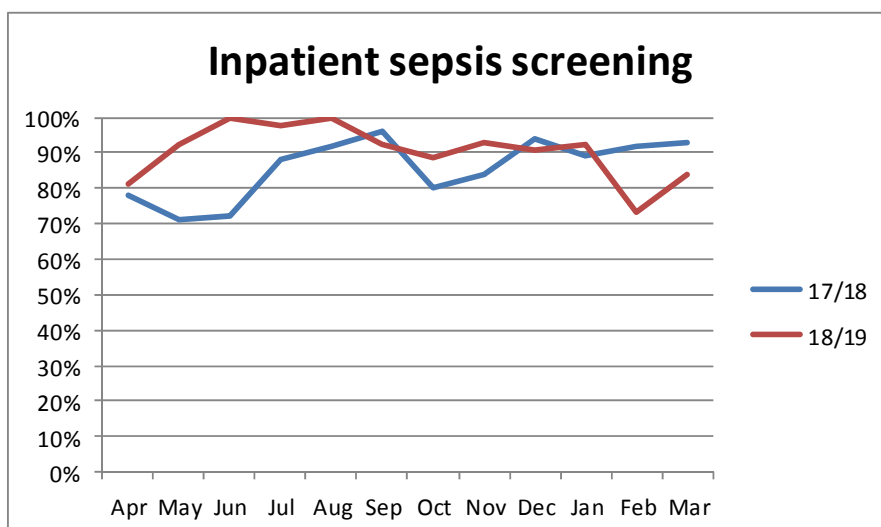
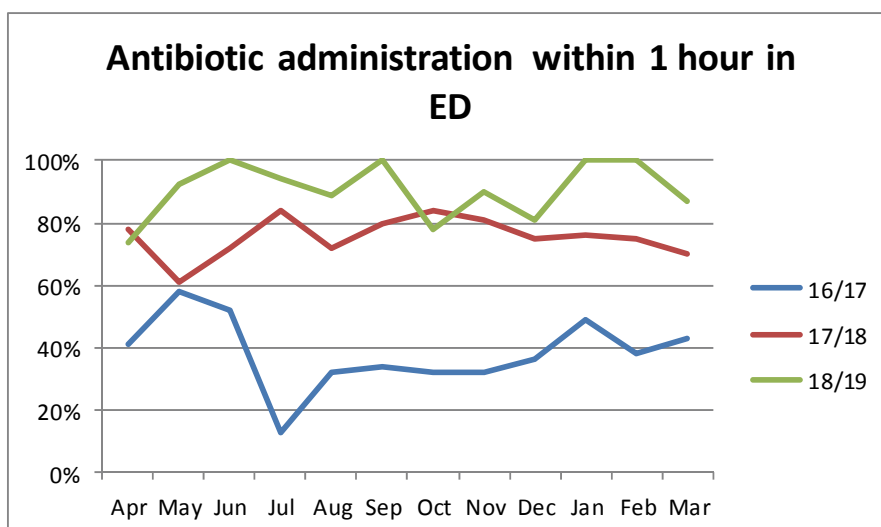
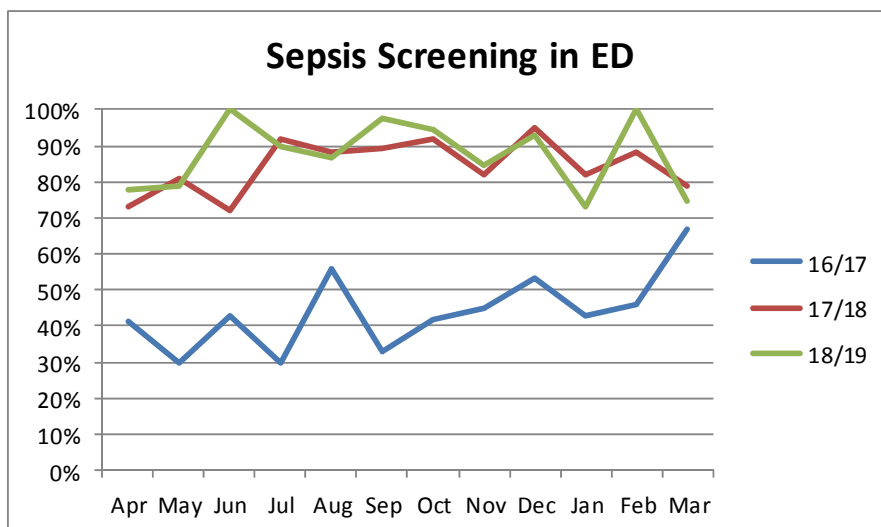
How did we perform?

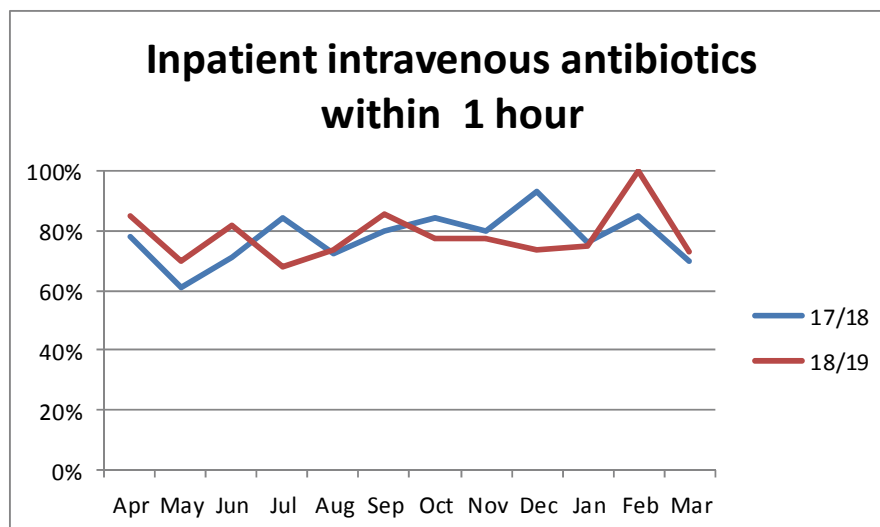
The Trust has been committed to awareness raising events to support staff in the identification and screening of Sepsis. Regular training is ongoing and the next update of our VitalPAC system will include an alert to staff that a patient may need further screening for sepsis, depending on their observations.

We continue to work closely with the Wessex Academic Health Science Network deteriorating patient workstream. An 'all cause deterioration' flow chart is being developed and we will be looking to introduce this as another way to identify and manage this group of patients.

The sepsis screening tool is a national tool and is still evolving and has been updated to reflect feedback from those who use it regularly. We are also looking at where this form is located to make it easier for staff to access for both newly admitted patients and those who may develop sepsis whilst an inpatient.

Although the Trust recognises that there have been significant improvements made, there is further progress required in this area we have not managed to sustain our improvement. The sepsis group continues to meet and has good attendance from across the Trust.





Although the Trust recognises that there have been significant improvements made, there is further progress required in this area we have not managed to sustain our improvement. The sepsis group continues to meet and has good attendance from across the Trust.

Clinical Effectiveness – Improving the support from Hospital Volunteers to have positive effects on clinical outcomes

Goal for 2018-2019:

Young Volunteer Programme

We will develop a Young Volunteer Programme with the funding received from the Pears foundation as part of the #iwill campaign and commit as a beacon centre for the project to the three key themes of Supporting our community, Having your say and Keeping healthy.

Volunteer Development

We will work with wards and departments across the hospital to identify where volunteers can provide a positive contribution to the overriding objective and launch a recruitment campaign to fulfil the need.

Volunteer Experience

We will review all aspects of the Volunteer journey from point of enquiry to point of leaving and update policy and procedure to ensure we are giving them a safe and excellent volunteer experience.

How did we perform?

Young Volunteer Programme

Recruitment into the Volunteer Co-ordinator post through the Pears Foundation funding was delayed with appointment made in September 2018 and commencement in post from the start of November 2018, thus delaying project start by 11 months.

Since then the Volunteer Co-ordinator team have carried out a period of research to identify best practice across the NHS with Young Volunteer Programmes and developed a programme for DCHFT, (See Figure 1 for an overview of the Young Volunteer Programme).

The initial budget for the Pears Foundation funding has been adapted to show a detailed breakdown for how the money will be used to ensure effective promotion and delivery of the programme and change approval process for use of this funding has been agreed with the Pears Foundation.

An extension of the programme to November 2020 has also been agreed to ensure the project runs for the required 2 year period and giving time to implement a sustainability plan as agreed through the bid for funding proposal

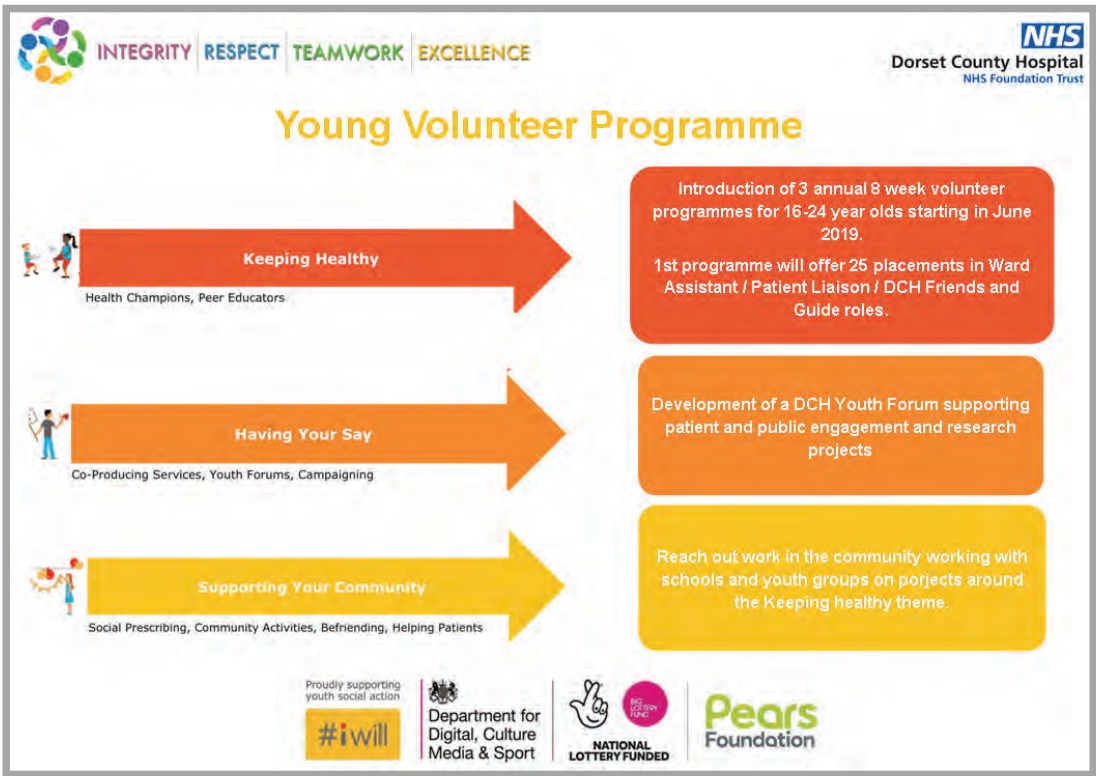


Figure 1 - Overview of the Young Volunteer Programme at DCHFT

Volunteer Development

Figure 2 below shows the breakdown of volunteers across the hospital – correct October 2018.

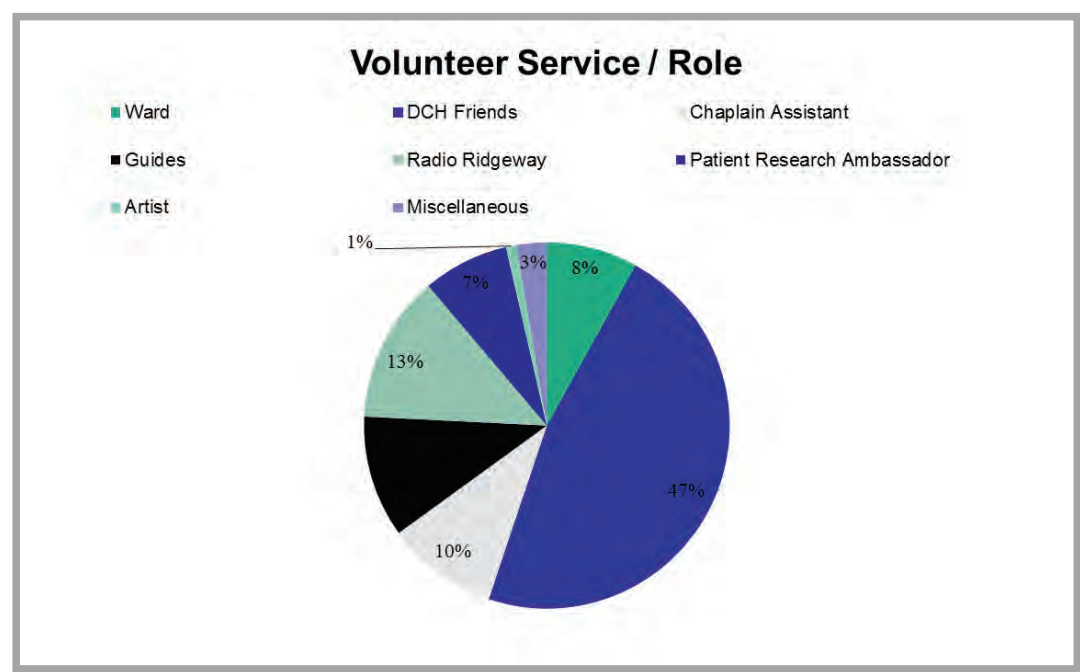


Figure 2 – Breakdown of Volunteers at DCHFT correct October 2018

Having compiled this data from ESR and through meeting with various people it became apparent that there are some volunteers across the hospital who have been volunteers for a number of years who are not on the ESR system and work is now underway to ensure that all volunteers are accounted for. The breakdown also showed that there were fewer than 15 people volunteering as Ward Assistants and so meetings took place from November to December inclusive 2018 with wards and departments across the hospital to determine the volunteer need in these areas. Having established that volunteer support within wards and departments was wanted a volunteer expansion programme has now been developed to focus on specific areas to recruit volunteers. The Volunteer expansion Programme overview can be seen below at Figure 3.

Volunteer Expansion Programme

The focus areas will not restrict recruitment for similar roles in areas not identified below. Where there is a need we will work with the ward / department to place volunteers. The focus areas identified are those where meetings with managers have taken place and a plan for volunteering is already underway.

2019 Volunteer Recruitment – Focus Areas

Role	Focus Areas
Ward Assistant (Including Day Rooms)	Purbeck / Ridgeway / Prince of Wales / Ilchester / Barnes / Fortuneswell Outpatients / Kingfisher
Patient Liaison	Eye Unit / CCU / Robert White / Endoscopy / Surgical Admissions.
Sitting Companion (EOL)	Initial Pilot in: Barnes / Day Lewis / Stroke Unit
Meal Time Helpers	Throughout the hospital Department / Ward Partnerships as required.
Patient Voice	Throughout

2020 Volunteer Recruitment – Focus Areas

Role	Focus Areas
Ward Assistant (Including Day Rooms)	Wards as identified through ongoing meetings.
Patient Liaison	Departments as identified through ongoing meetings
Sitting Companion (EOL)	Expand across hospital
Guide	Expansion of number of locations for guides to be stationed

Figure 3 – Volunteer Expansion Programme Overview

The volunteer co-ordinator team are working closely with managers where volunteers are being placed to ensure that there is support across the board and that ultimately volunteers become an asset to the team once trained and confident in their environment and are not a hindrance or creating extra work in the long term.

A new tracking system has been put in place to track new volunteer enquiries and since January 2019 we have had 28 enquiries regarding volunteering, 6 of which are interested specifically in the Young Volunteer Programme and 14 who are currently going through the recruitment process. The remaining 8 are still in the application process or are no longer in a position to volunteer.

The Volunteer team are also now part of the Helpforce Learning Network following a successful application to join and we have also signed up to the Daily Mail Helpforce volunteer recruitment campaign in December and are working with them now to process volunteers who signed up to this campaign.

Volunteer Experience

With a move from HR to the Patient and Public engagement team, work has been carried out from November 2018 to assess the volunteer experience from point of enquiry through to point of leaving. Research of current practice, other hospital practice and talking to our current volunteers identified that we needed to look at changing the volunteer policy and the recruitment and training process for the volunteers.

The policy has been carefully looked at and is currently going through the necessary checks to bring in the changes. This includes the introduction of a volunteer expenses policy so that those who want to can get reimbursement for travel and the introduction of a volunteer uniform which ensure volunteers can be more easily identified across the hospital and which essentially gives our volunteers an identity.

The volunteer recruitment process is in the middle of being streamlined with simple changes being made to improve this experience for volunteers. For example we now get a new volunteer in for one visit to meet the volunteer team, carry out ID checks and to meet the manager for the potential placement rather than getting them in for separate visits. We have also moved from processing volunteers through the TRAC system to allow for a more personable approach and to eliminate the number of emails a new volunteer receives through the system.

We are currently working with the education centre and mandatory training subject matter leads to change the induction training for volunteers. This again is as a result of research into best practice and through talking to our volunteers which has determined that we could be making our training for volunteers much more focused towards their roles whilst at the same time ensuring we are achieving the aims set out through the Skills for Health UK Core Skills Training Framework. We hope to have the new induction and training package for volunteers in place for June 2019.

Saying thank you to volunteers has also become a key focus for the team and following a successful event in the run up to Christmas, a programme of annual events is now being put in place to enable volunteers to get together and for us to be able to thank them for everything they do. We are also working on a reward and recognition policy for our volunteers.

We are also working with the Dorset CCG on a project to introduce a digital platform for recruitment and management of volunteers through the Our Dorset initiative. This will see us working with other Trusts across Dorset to provide a collaborative and consistent approach to volunteer management.

Clinical Effectiveness – Increase the percentage of Electronic Discharge Summaries (EDS) sent within 24 hours

Goal for 2018-2019:

We will increase the percentage of EDS sent within 24 hours and 7 days and reduce the number of incidents reported where this does not occur. This standard is based on best practice and contractual requirements.

What is an Electronic Discharge Summary (EDS)?

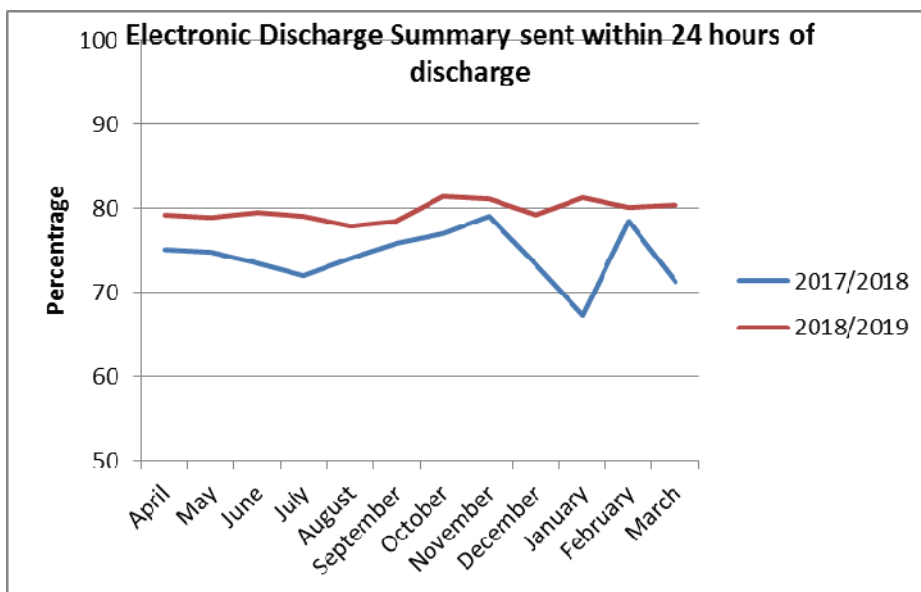
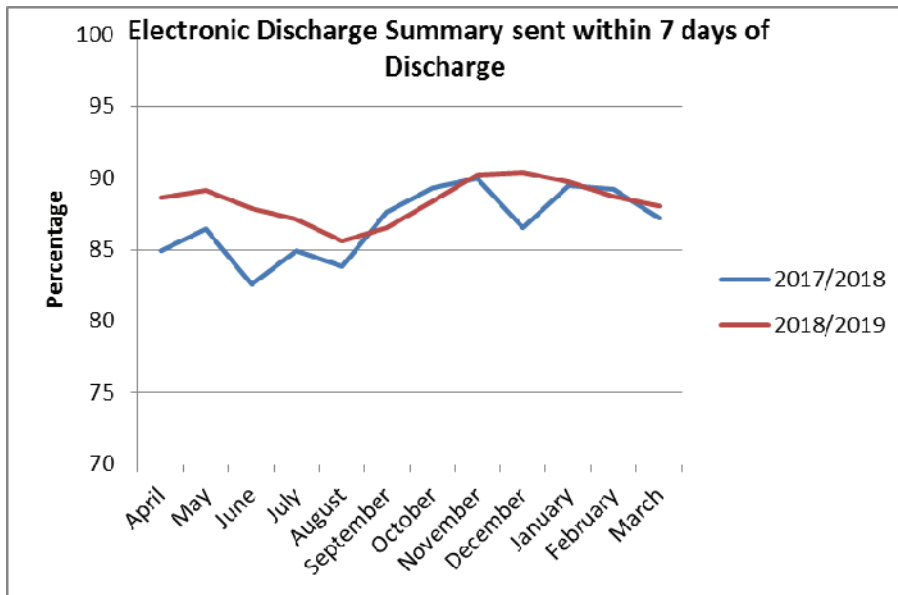
A discharge summary is an electronic letter written by the doctor (or nurse) caring for the patient in hospital. It contains important information about the hospital visit, including:

- Why the patient came into hospital
- The results of any tests
- The treatment the patient received
- Any changes to medication
- What follow-up is needed

The main aim of the discharge summary is to inform the GP about what happened during the hospital visit. This means that the GP can change prescription(s) according to the advice of the hospital doctors, chase any test results which weren't available whilst the patient was in hospital, and arrange further investigations or referrals as necessary.

Ultimately, a discharge summary helps all staff provide the best possible care.

How did we perform?



The Trust recognises the importance of supplying this information to our GP colleagues on patients discharge from secondary care. The medical team are currently working on plans to improve the Trust performance in this area and recognises that this is an area in need of further development in the forthcoming year. This will continue to be monitored and evaluated through the Trusts' sub-board Quality Committee.

Clinical Effectiveness – Promoting the Health and Well-being of staff

Goal 2018-2019:

To identify and promote schemes available for staff at the Trust to improve or enhance their health and wellbeing.

What is the promotion of health and well-being?

The Trust recognises that its employees play a vital role in its aim to provide 'outstanding care for people in ways which matter to them'. The staff have a direct impact on the clinical outcomes and the experience of our patients. We are clear that when our staff are feeling well and satisfied with their work, the experiences of our patients improves. It is for these reasons that the trust has worked with local businesses and initiatives to offer staff the ability to improve their health and wellbeing.

A Health & Wellbeing Steering Group has been formed and staff from across the organisation have volunteered to become Health & Wellbeing Champions, whose role is to support and publicise events and initiatives which benefit the health and wellbeing of staff.

The intranet site has been expanded to include a dedicated section to health & wellbeing all relevant information is published here to allow staff to have access to it at all times.

How did we perform?

Some of the schemes implemented by the trust include:

Occupational Health & Wellbeing

The role of the Occupational Health (OH) and Wellbeing Department is to act in an advisory capacity to both staff and managers to promote and maintain the highest possible levels of health and wellbeing in the workplace. The OH and Wellbeing service is both confidential and impartial.

Care First

Care first are a leading provider of professional counselling, information and advice offering support for issues arising from home or work. They employ professionally qualified Counsellors and Information Specialists, who are experienced in helping people to deal with all kinds of practical and emotional issues.

All Staff can access Care First, who will provide additional support in both work and non-work related matters. From work-life balance to childcare information, relationships to workplace issues, health & wellbeing. Topics include (but are not limited to) Debt, disability & illness, bereavement & loss, stress, elder care information, life events, anxiety & depression, family issues, education, consumer rights.

Physiotherapy

All staff can access physiotherapy services via self-referral or through their line manager.

Stress Management

The Trust recognises that work-related stress is a health and safety issue and acknowledges that there are potential risks to the mental and physical health of employees from prolonged exposure to stress.

The Management of Stress at Work Policy and procedural guidance applies to all Trust employees and, in common with all Workforce and Human Resources policies and procedures, forms an integral part of contracts of employment. In line with this the Trust will identify causes of workplace stressors and conduct risk assessments to eliminate stress where reasonably practical or control the risks associated with stress.

Counselling Support

The Trust provides access to both telephone and face-to-face counselling services, via Care First which is available to all staff.

Chaplaincy Service

Chaplains are employed by the Trust to provide confidential support and pastoral care to patients, carers and staff. This support is completely confidential and available to people of all faiths and none.

The Chapel is also available at all times of the night and day as a place of quiet reflection and prayer.

Financial Wellbeing

From 20 February 2019 staff have access to Neyber, a financial wellbeing service . Staff can personalise their view of an electronic portal by setting their financial priorities. This will then allow them to receive personalised online financial education for free.

Patient Experience – Improving the identification, assessment and referral for patients with Dementia

Goal 2018-2019:

We will improve our screening for dementia, appropriate assessment of those patients identified as having possible dementia and our onward referral to specialist services to greater than 90%. This standard is based on best practice and a previous CQUIN (Commissioning for Quality and Innovation) nationally defined standard.

What is Dementia?

The word 'dementia' describes a set of symptoms that may include memory loss and difficulties with thinking, problem-solving or language. These changes are often small to start with, but for someone with dementia they have become severe enough to affect daily life. A person with dementia may also experience changes in their mood or behaviour.

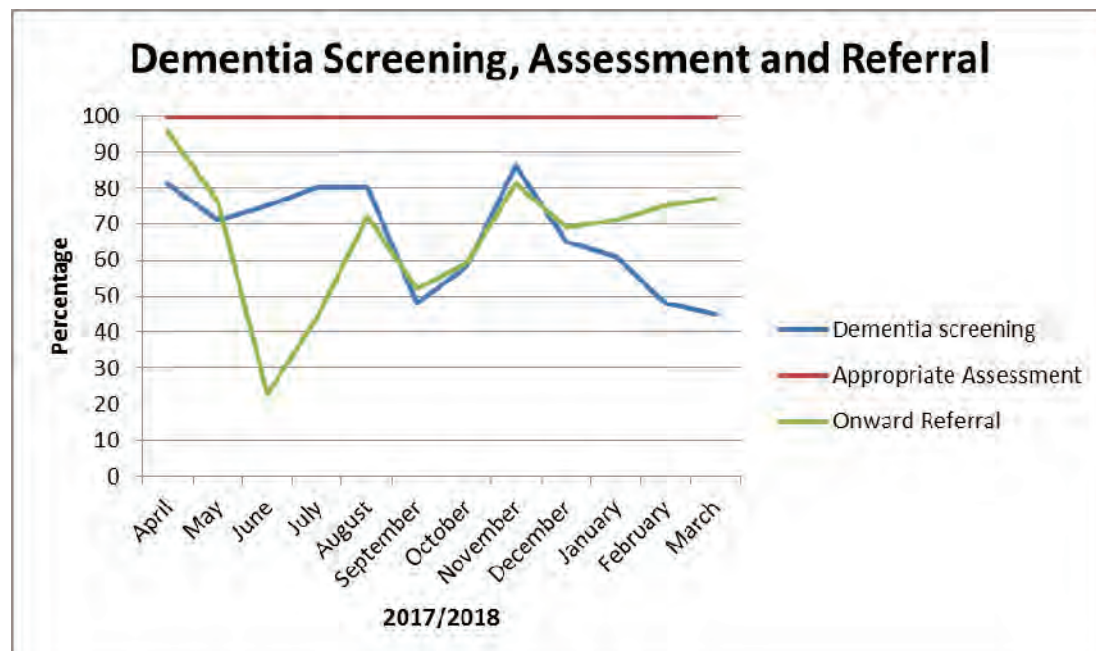
Dementia is caused when the brain is damaged by diseases, such as Alzheimer's disease or a series of strokes.

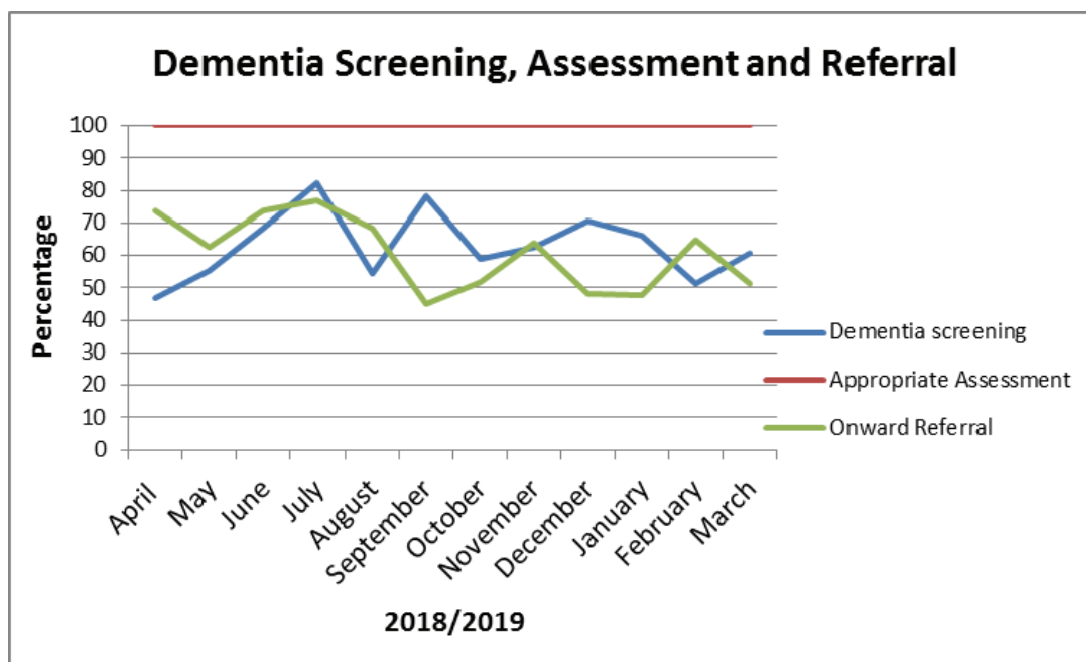
Around 850,000 people in the UK have dementia. By 2025 this number is expected to rise to over one million, with a projected rise to over 2 million by 2050

Successful screening, assessment and referral onto specialists can help patients to have access to services which may help the deterioration of the memory loss.

How did we perform?

Although the trust has consistently achieved the appropriate assessment indicator associated with this quality priority, the identification (screening) and subsequent onward referral to specialist services have not demonstrated the improvements that were hoped.





Over the last year the screening rates have continued to fluctuate and the identification (screening) and subsequent onward referral to specialist services have not demonstrated the improvements that were hoped for despite action plans and reminders to staff.

The development of the Frailty service has been an important vehicle in keeping Dementia and Delirium on the agenda for the trust. The Frailty services aim is to provide an in-reach service to the Integrated Admissions Unit and Emergency Department. The aim of the team is to provide a Comprehensive Geriatric Assessment (CGA) to all frail patients admitted to hospital. CGA is the gold standard for the management of frailty in older people. It involves a holistic, multidimensional, interdisciplinary assessment of an individual by a number of specialists of many disciplines in older people's health and has been proven to improve patient outcomes in many settings. The frailty team aims are based on the 'Fit for Frailty' guidance, as set out by the British Geriatric Society (BGS).

The Dementia Specialist Practitioner has much more of a presence on Ilchester (admissions ward) and is able to assess and put plans in place for Dementia patients much earlier into their hospital admission, and with good links to the community services have been able to discharge patients safely who potentially would have had an extended length of stay due to the complexities of the discharge.

The Dementia Specialist also attends the MDT and Ward Round on Barnes ward (Elderly care) once a week with a view to assessing and assisting with the complex discharges. Dementia "rounds" are also being established on Day Lewis Ward (Elderly Care) and Purbeck Ward (Trauma Orthopaedic).

The HCA (Health Care Assistant) for Dementia (secondment for 6 months) has taken a proactive role in reminding staff on the wards when dementia screening is due for patients as well as prompting the use of the dementia checklists, delirium management plans and the use of the "My Care Passport" or a "This is Me" document. The role will also see patients who require follow up, until discharge in order that the patients, ward staff and relatives feel supported which frees up the dementia specialist time to see the more complex patients.

Throughout the year the Dementia Specialist has attended Frailty events as well as Dementia conference in relation to NICE guidance and has been able to implement learning into practice including helping to write the Frailty pathway for the trust.

Staff from all disciplines including student nurses and Junior Doctors, in different areas of the hospital have received bespoke training on Dementia, Delirium and Managing Challenging Behaviour.

Preparation is currently underway for World Delirium Awareness day as well as Dementia Action Week in order to continue to raise awareness of both Delirium and when to refer to the Memory services, and Dementia and how staff can be supported when caring for a patient living with Dementia.

Patient Experience – Timely and Compassionate Response to Complaints

Goal 2018-2019:

We will contact all patients or relatives who make a complaint and agree a timescale in which to work. Our target will be to achieve this agreed timescale on 95% or more occasions.

Why is a timely response important?

Complaints are an important way for the management of an organisation to be accountable to the public, as well as providing valuable prompts to review organisational performance and the conduct of people that work within and for it.

A complaint is an expression of dissatisfaction made to or about an organisation, related to its products, services or staff.

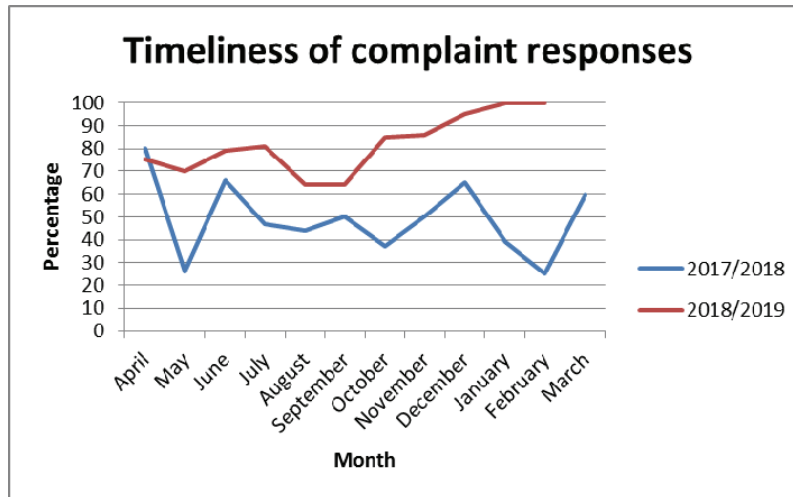
An effective complaint handling system provides three key benefits to an organisation:

- It resolves issues raised by a person who is dissatisfied in a timely and effective way;
- It provides vital information that can lead to improvements in service delivery, which over the last year we have used to improve our services in relation to End of Life Care;
- Where complaints are handled properly, a good system can improve confidence in an organisation's administrative processes.

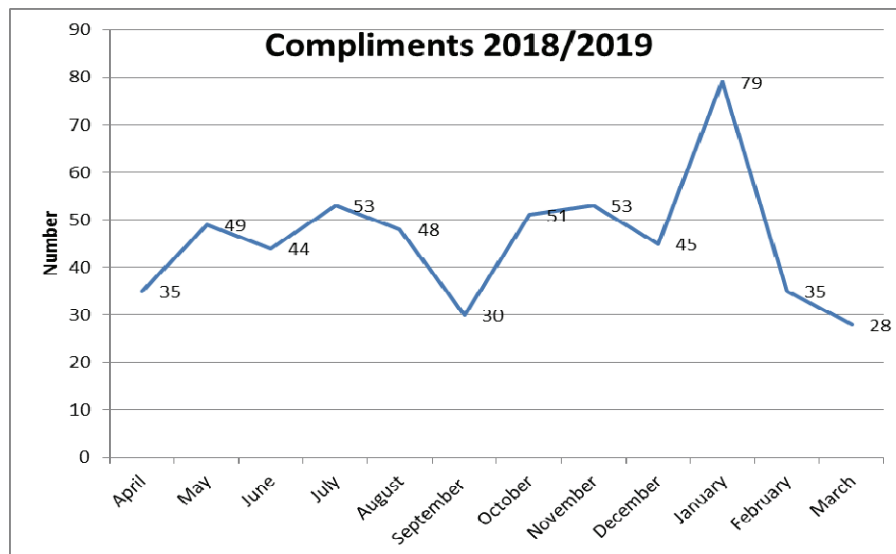
How did we perform?

Although a lot of work has been undertaken in the last year around improving the management of complaints, the results show that improvements in timeliness significantly improved and have been sustained towards the end of the financial year.

Trust wide Performance



Much work has been undertaken in the last year to improve the management of complaints and the results show that improvements in timeliness have been successful. During Quarter 4 it is pleasing to report that the Trust achieved the 95% target in the timeliness of complaint responses, and exceeded this for 2 consecutive months achieving 100%. This is partly due to close monitoring of the complaints between the Divisions and the Complaints Officer. If an extension is requested due to unforeseen circumstances preventing the response being completed, the complainant is contacted by letter or telephone to update them on the progress of their complaint and inform them of the revised response date. The roll out of the Datix web-based system which enables complaints to be managed centrally in an open and accountable manner has also helped to achieve this target.



Patient Experience - Improving Accessibility of Information to our Patients

Goal 2018-2019:

We will make changes to policy, procedure, human behaviour and, where applicable, electronic systems which will lead to improved outcomes and experiences for our patients.

Why is accessibility of information important?

We believe information that is clear, accurate, evidence-based, up-to-date and easy to use allow people, patients and communities to become better informed and more involved in their health and care.

People may need information presented in a particular way because of a particular impairment. Examples might include visual impairment, hearing impairment or a learning disability. It might be necessary to offer spoken versions, braille, phone calls, sign language, Makaton or easy read to make information accessible.

How did we perform?

An in-house leaflet scheme, called Information for Patients is a streamlined approval process so that departments may quickly adopt leaflets developed by other organisations, or write their own bespoke leaflets.

Steps of the approval process are available on the Trust intranet page, reducing the number of approval forms previously required, and allowing all forms to be completed electronically. All Trust approved leaflets are posted on the Trusts' public leaflet webpage so that both patients and staff can access them. Staff are also asked to consider giving patients internet links to their leaflets rather than posting copies to them.

As all leaflets are available on the Trust's public webpage, if patients have an additional communication need they can request information in a different format and/or language by contacting the Patient Experience Team who make contact with our contracted interpretation service on their behalf.

Risk Assessment Framework and Single Oversight Framework Indicators

The following indicators are a pre-requisite of the Risk Assessment Framework and the Single Oversight Framework to be included by Acute Trusts.

RTT - In England, under the NHS Constitution, patients 'have the right to access certain services commissioned by NHS bodies within maximum waiting times, or for the NHS to take all reasonable steps to offer a range of suitable alternative providers if this is not possible'. The NHS Constitution sets out that patients should wait no longer than 18 weeks from GP referral to treatment.

ED 4 hour target - A four-hour target in emergency departments was introduced by the Department of Health for National Health Service acute hospitals in England to state that at least 95% of patients attending an A&E department must be seen, treated, and admitted or discharged in under four hours.

62 day wait - All patients who have been referred by their GP or by a dentist on a suspected cancer pathway should receive their first definitive treatment within 62 days of referral receipt or a maximum 62-day wait from referral from an NHS cancer screening service to the first definitive treatment for cancer.

Indicator	Standard	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Trend
Maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate - patients on an incomplete pathway	92%	95.5%	94.9%	93.7%	92.1%	87.6%	85.3%	81.6%	
Maximum ED waiting time of 4 hours from arrival to admission/transfer/discharge (ED Only)	95%	96.5%	94.7%	94.9%	94.1%	93.2%	95.0%	90.5%	
Maximum ED waiting time of 4 hours from arrival to admission/transfer/discharge (Including MIU/UCC from November 2016)	95%	96.5%	94.7%	94.9%	94.1%	95.2%	97.6%	95.5%	
62 day wait for first treatment from an urgent GP referral for suspected cancer	85%	93.4%	88.4%	85.5%	81.7%	86.2%	80.5%	77.9%	
62 day wait for first treatment following a NHS Cancer Screening Service referral	90%	96.8%	96.0%	98.2%	94.9%	83.2%	96.2%	93.8%	
C-Diff hospital acquired cases (post 72 hours) due to lapses in care^	<14	22	27	8	10	7	8	3	
SHMI	1.00	1.07	1.11	1.10	1.16	1.12	1.17	N/A	
Maximum 6 week wait for diagnostic procedures	99%	99.3%	93.9%	94.8%	98.8%	93.0%	91.2%	86.2%	
VTE Risk assessment-	95%	91.9%	97.5%	95.5%	96.7%	95.9%	96.0%	94.7%	

^A further 3 cases currently under review to determine if due to lapse in care
 ~Q1-3 NHS England published, Q4 local data

Target achieved
 Target not met

Annex 1 Statement from Commissioners, Local Healthwatch and Overview and Scrutiny Committees

HealthWatch

Due to changes in the structure of Dorset Healthwatch, it has not been possible to gain any statement. It should be noted that in previous years the Annual Quality Account has been supplied, and Healthwatch Dorset have exercised their right to decline to make direct comment.

DCHFT Lead Governor Commentary on the Trust Quality Report 2018-2019

Re Trust Quality Report 2018-2019

Thank you for asking me to comment on this year's Quality Report.
The report is well written and laid out and in general covers complex areas with clarity.

- 1) Parts 1 and 2 – The principles, process and priorities behind the Trust's Quality monitoring are summarized well.
- 2) Part 3:

Patient safety

- i) **Falls** – a reduction in falls (25% in a year) is an excellent response, particularly in relation to the target of 10% reduction.
- ii) **Standardized Mortality**- I saw an early draft which is complex to describe a complex situation. An attempt will be made to simplify this –if possible-for general circulation. It remains of concern that SHMI has been consistently high for the last 6 years. Under reporting within the Trust of a potential confounding factor- namely co-morbidity- may account for the raised SHMI. Does this need to be confirmed over the next year?
- iii) **Sepsis screening and treatment**. The Trust is to be congratulated on achieving great improvements in both Sepsis screening and early treatment.

Clinical Effectiveness

- i) **Hospital Volunteers**- After a late start the programme appears to be making progress.
- ii) **Electronic discharge summaries**. Approx 80% of discharge summaries are sent within 24 hours. Although a significant improvement, >20% of patients arriving home with no information about their recent admission, is unacceptable. Amongst other problems, it could lead to unnecessary readmissions. It is a very long term problem and requires more effective management.
- iii) **Well-being of staff**- An important area for the Trust and one that is being tackled on a broad front.
- iv) **Dementia screening**- Whilst admirable in intent, current measures do not appear to be resulting in improvements in e.g. onward referral. Does the process need to be re-thought?

Patient experience

- i) **Response times to complaints** – Great improvement over the last 6 months. Congratulations to those responsible.
- ii) **Patient information**- Another area of success- moving to an electronic library is a major step forward.

Dr David Cove
Lead Governor
6.5.2019

Statement from CCG



08 May 2019

Nicky Lucey
Director of Nursing and Quality
Dorset County Hospital NHS Foundation
Trust
Williams Avenue
Dorchester
Dorset DT1 2JY

Vespasian House
Barrack Road
Dorchester
Dorset
DT1 1TG

Tel: 01305 368900
Fax: 01305 368947
www.dorsetccg.nhs.uk

Dear Nicky

Re: Quality Account 2018/19

Thank you for asking NHS Dorset Clinical Commissioning Group (CCG) to review and comment on your Quality Accounts for 2018/19. Please find below the CCG's statement for inclusion in the final document:

"Dorset CCG welcomes the opportunity to provide this statement on Dorset County Hospital NHS Foundation Trust's Quality Account. The information contained within the Quality Account for the year 2018/19 is consistent with information supplied to commissioners throughout the year and is supported by the Good overall rating achieved following the CQC inspection in summer 2018. The CCG recognises the areas of improvement described in the Quality Account and the areas which require further progress.

During the year progress has been made in reducing avoidable harm from patient falls, improving support from hospital volunteers, promoting the health and wellbeing of staff and improving the timeliness of responses to complaints. The CCG supports the identification of priorities for 2019/20 to further build on these successes along with the new priorities for identification of nutritional needs of patients and reducing unwarranted variation.

We recognise that the Trust has also acknowledged that some ambitions identified have not been sustained and require further work. This includes improving mortality surveillance and learning from deaths through continued focus on quality of recording information and implementing the recommendations of the review by NHS Improvement undertaken in 2019. Early identification of sepsis is now a key national priority in the NHS Contract and the CCG supports the Trust's aim to link early detection of delirium with deteriorating patient, sepsis and dementia screening.

As Commissioners we look forward to working with the Trust during 2019/20 and we commend the commitment to working collaboratively with other service providers as demonstrated in the priority to improve access to Mental Health Services. We look forward to the Trust demonstrating the improvements in patient care they will be applying over the coming year."

[Supporting people in Dorset to lead healthier lives](#)

Please do not hesitate to contact me if you require any further information.

Yours sincerely

A handwritten signature in black ink, appearing to read 'V Read', written in a cursive style.

Vanessa Read
Director of Nursing & Quality



Adult Services
County Hall, Colliton Park, Dorchester, DT1 1XJ
☎ [01305 221000]
🌐 www.dorsetcouncil.gov.uk

Neal Cleaver
Deputy Director of Nursing
Dorset County Hospital
NHS Foundation Trust
Williams Avenue
Dorchester
Dorset
DT1 2JY

Date: 8 May 2019
Ref: DCH QA Response 2018/19
Officer: Ann Harris
☎ 01305 224388
✉ ann.harris@dorsetcouncil.gov.uk

Dear Neal

Quality Account and Report 2018/19

On behalf of the Dorset Health Scrutiny Committee, please find attached the commentary that we would like to submit for the Dorset County Hospital NHS Foundation Trust Quality Account and Report 2018/19.

Dorset Health Scrutiny Committee commentary for Dorset County Hospital NHS Foundation Trust, May 2019:

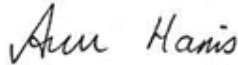
Each year Dorset Health Scrutiny Committee appoints a Task and Finish Group of three Members who meet twice per year with representatives of Dorset County Hospital NHS Foundation Trust to review quality and performance. These meetings provide an opportunity for informal discussion and challenge, giving a helpful insight into the priorities of the Trust and the progress in achieving improvements. With respect to the Quality Account and Report 2018/19, the following matters were of particular interest:

- The continued progress made by the Trust this year with regard to reducing the number of falls resulting in severe harm or death is welcome; Members acknowledge the balance that must be struck between risk and rehabilitation.
- The on-going work to understand the Trust's position as an outlier with regard to mortality surveillance is noted. It is to be hoped that the issues around recording of diagnosis and coding can be resolved over the coming year and that assurance can be provided as to the Trust's true position.
- It is disappointing that progress in the early identification and treatment of sepsis has not been sustained, given the efforts that are clearly being made in this area of work. However, Members recognise that not all delays are significant, and that some can be attributed to recording practice.
- The development of the volunteer programme, particularly for younger people, and the planned expansion of this work, is to be congratulated. The research-based approach that is being taken and the linkages being made with communities and the CCG will no doubt derive tangible benefits for the Trust and will provide added support to patients, staff and the volunteers themselves.
- The lack of substantial progress in sending discharge summaries to GPs within 24 hours is disappointing, particularly as this was an area of concern last year. Members understand that there is on-going work to improve performance and hope to see the results of this later in 2019.
- The development of the Frailty Service and the Dementia Specialist roles will hopefully have a positive impact on the Trust's targets for dementia screening and onward referral. The Quality Account illustrates the range of initiatives that are supporting this work, and particularly highlights the importance of an educational focus.

- Improvements in the management of complaints are to be welcomed; Members hope that this can be sustained going forwards and that the commitment to an open and accountable process will provide assurance to patients and their families.

Finally, the Dorset Health Scrutiny Committee would like to congratulate the Trust on achieving a rating of 'Good' from the Care Quality Commission in late 2018, having previously been rated as 'Requires Improvement'. The continued cooperation of the Trust in providing information and actively participating at both formal and informal meetings with the Committee is much appreciated, and we look forward to the continued progress of quality and services in the coming year.

Yours sincerely,



Ann Harris
Health Partnerships Officer

On behalf of Dorset Health Scrutiny Committee

CC:

Patricia Miller, Chief Executive, Dorset County Hospital NHS Foundation Trust
Mark Addison, Chairman, Dorset County Hospital NHS Foundation Trust
Cllr Bill Pipe, Chair Dorset Health Scrutiny Committee
Mathew Kendall, Executive Director of People – Adults, Dorset Council
Nicola Lucey, Director of Nursing and Quality, Dorset County Hospital

Annex 2 Statement of Directors' Responsibility for the Quality Report

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

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

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

- the content of the Quality Report meets the requirements set out in the NHS foundation trust annual reporting manual 2018/19 and supporting guidance Detailed requirements for Quality Reports 2018/19
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
 - board minutes and papers for the period April 2018 to March 2019
 - papers relating to quality reported to the board over the period April 2018 to March 2019
 - feedback from commissioners dated 8th May 2019
 - feedback from governors dated 6th May 2019
 - feedback from Overview and Scrutiny Committee dated 8th May 2019
 - the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated July 2018
 - the latest national patient survey dated March 2019
 - the latest national staff survey dated February 2019
 - the Head of Internal Audit's annual opinion of the Trust's control environment dated May 2019
 - CQC inspection report dated 6th November 2018
- the Quality Report presents a balanced picture of the NHS foundation Trust's performance over the period covered
- the performance information reported in the Quality Report is reliable and accurate
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice

- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review
- the Quality Report has been prepared in accordance with NHS Improvement's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

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

By order of the board



Mark Addison
Chairman
21 May 2019



Patricia Miller
Chief Executive
21 May 2019

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF DORSET COUNTY HOSPITAL NHS FOUNDATION TRUST ON THE QUALITY REPORT

We have been engaged by the Council of Governors of Dorset County Hospital NHS Foundation Trust to perform an independent assurance engagement in respect of Dorset County Hospital NHS Foundation Trust's Quality Report for the year ended 31 March 2019 (the 'Quality Report') and certain performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2019 subject to limited assurance consist of the following two national priority indicators:

- A&E: maximum waiting time of four hours from arrival to admission, transfer or discharge ('the A&E indicator'); and
- maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers ('the maximum cancer treatment waiting time indicator').

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

Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* issued by NHS Improvement.

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

- the Quality Report is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in the *Detailed requirements for quality reports for foundation trusts 2018/19* ('the Guidance'); and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Guidance.

We read the Quality Report and consider whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual and consider the implications for our report if we become aware of any material omissions.

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

- Board minutes and papers for the period April 2018 to March 2019;
- papers relating to quality reported to the board over the period April 2018 to March 2019;
- feedback from commissioners, dated 8 May 2019;
- feedback from governors, dated 6 May 2019;
- feedback from Overview and Scrutiny Committee, dated 8 May 2019;
- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated July 2018;
- the latest national patient survey, dated March 2019;

- the latest national staff survey, dated February 2019;
- Care Quality Commission Inspection, dated 6 November 2018;
- the 2018/19 Head of Internal Audit's annual opinion over the trust's control environment, dated May 2019; and
- any other information included in our review.

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 Dorset County Hospital NHS Foundation Trust as a body, to assist the Council of Governors in reporting the 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 2019, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicator. 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 Dorset County Hospital NHS Foundation Trust for our work or this report, except 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 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicator;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report; and
- reading the documents.

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

Limitations

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

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance.

The scope of our assurance work has not included governance over quality or the non-mandated indicator, which was determined locally by Dorset County Hospital NHS Foundation Trust.

Basis for qualified conclusion on the A&E indicator and the maximum cancer treatment waiting time indicator

As a result of the procedures performed in relation to the A&E indicator, we have not been able to gain assurance over the accuracy element of the six dimensions of data quality as required by NHS Improvement. We identified two cases from a sample of 40 where we were unable to agree the departure time for the patient to the underlying records.

As a result of our procedures performed in relation to the maximum cancer treatment waiting time indicator, we have not been able to gain assurance over the accuracy element of six dimensions of data quality as required by NHS Improvement. We identified two cases from a sample of 50 where the Trust had correctly applied a clock pause, but the length of the clock pause did not agree to the patient records.

Qualified conclusion

Based on the results of our procedures, except for the effects of the matters described in the 'Basis for qualified conclusion on the A&E indicator and the maximum cancer treatment waiting time indicator' section above, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2019:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual;
- the Quality Report is not consistent in all material respects with the sources specified in the Guidance; and
- the indicators in the Quality Report subject to limited assurance have not been reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Guidance.



Rees Batley
for and on behalf of KPMG LLP
Chartered Accountants
66 Queen Square,
Bristol, BS1 4BE
21 May 2019

Foreword to the Accounts

These accounts for the year ended 31st March 2019 have been prepared by Dorset County Hospital NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006 and comply with the annual reporting guidance for NHS Foundation Trusts within the Department of Health and Social Care Group Accounting Manual 2018/19.

Dorset County Hospital NHS Foundation Trust's Annual Report and Accounts are presented to Parliament pursuant to Schedule 7, paragraph 25(4) (a) of the National Health Service Act 2006.



Patricia Miller
Chief Executive
21 May 2019



Independent auditor's report

to the Council of Governors of Dorset County Hospital NHS Foundation Trust

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Our opinion is unmodified

We have audited the financial statements of Dorset County Hospital NHS Foundation Trust ("the Group") for the year ended 31 March 2019 which comprise the Group and Trust Statement of Comprehensive Income, Group and Trust Statement of Financial Position, Group and Trust Statement of Changes in Equity and Group and Trust Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the Group and Trust's affairs as at 31 March 2019 and of its income and expenditure for the year then ended; and
- the Group and Trust's financial statements have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006, the NHS Foundation Trust Annual Reporting Manual 2018/19 and the Department of Health and Social Care Group Accounting Manual 2018/19.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview

Materiality:	£3.6 million
Group financial statements as a whole	2% of total income from operations

Coverage	100% of group income
-----------------	----------------------

Risks of material misstatement

Key audit matters	Valuation of land and buildings
	Recognition of NHS and Non-NHS income
	Non- Pay expenditure recognition

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and our findings ("our results") from those procedures in order that the Groups governors as a body may better understand the process by which we arrived at our audit opinion. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

All of these key audit matters relate to the Group and the parent Trust.

Significant Risk	Description	Our response
<p>Valuation of Land and Buildings (£71.3 million; 2018: £75.0 million)</p> <p><i>Refer to page 64 of the Annual Report (Audit Committee Report), page 166 of the consolidated financial statements (accounting policy) and page 182 consolidated financial statements (financial disclosures)</i></p>	<p>Subjective Valuation: Land and Buildings</p> <p>Land and buildings are required to be held at current value in existing use. As hospital buildings are specialised assets and there is not an active market for them they are valued on the basis of the cost to replace them with a modern equivalent asset (Depreciated Replacement Cost).</p> <p>When considering the cost to build a replacement asset the Group may consider whether the asset would be built to the same specification or in the same location. Assumptions about changes to the asset must be realistic. The valuations are inclusive of VAT as this is not recoverable by the Group.</p> <p>Valuation is completed by an external expert engaged by the Group using construction indices and so accurate records of the current estate are required. Full valuations are completed every five years, with interim desktop valuations completed in interim periods. Valuations are inherently judgmental, therefore our work focused on whether the valuer's methodology, assumptions and underlying data, are appropriate and correctly applied.</p> <p>The effect of these matters is that, as part of our risk assessment, we determined that the valuation of land and buildings has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.</p> <p>The Group last had a full valuation undertaken at 31 March 2019.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> — Assessing valuer's credentials: We considered the scope, qualifications and experience of the Group's valuers, to identify whether the valuer was appropriately experienced and qualified to undertake the valuation; — Methodology choice: We considered the overall methodology of the external valuation performed to identify whether the approach was in line with industry practice, assisted by our Estate Valuation specialist; — Test of details: We undertook the following tests of details: <ul style="list-style-type: none"> ▪ We tested the completeness of the estate covered by the valuation to the Group's underlying records of the estate held, including additions to land and buildings during the year; ▪ We critically assessed the assumptions used within the valuation by assessing the assumptions used to derive the carrying value of assets against BCIS all in tender price index and industry norms and utilising our Estate Valuation specialist; ▪ We re-performed the calculation of gain or loss on revaluation for all applicable assets and checked whether the accounting entries were consistent with the DHSC Group Accounting Manual; and ▪ For a sample of assets added during the year we agreed that an appropriate valuation basis had been adopted when they became operational and that the Group would receive future benefits. <p>Our results:</p> <ul style="list-style-type: none"> — From the evidence obtained, we considered the valuation of land and buildings to be acceptable.

Significant Risk	Description	Our response
<p>Recognition of NHS and non-NHS income</p> <p>(£184.8 million; 2018: £180.5 million)</p> <p><i>Refer to page 64 of the Annual Report (Audit Committee Report), page 164 of the consolidated financial statements (accounting policy) and page 174 consolidated financial statements (financial disclosures)</i></p>	<p>Effects of Irregularities</p> <p>Of the Group's reported income, £157.4 million (2018: £153.7 million) came from commissioners (Clinical Commissioning Groups (CCG) and NHS England). Income from commissioners make up 85% of the Group's income. The majority of this income is contracted on an annual basis, however actual achievement is based on completing the planned level of activity and achieving key performance indicators (KPIs). If the Group does not meet its contracted KPIs then commissioners are able to impose penalties, reducing the level of income.</p> <p>An agreement of balances exercise is undertaken between all NHS bodies to agree the value of transactions during the year and the amounts owed at the year end. 'Mismatch' reports are available setting out discrepancies between the submitted balances from each party in transactions and variances over £300,000 are required to be reported to the National Audit Office to inform the audit of the Department of Health consolidated accounts.</p> <p>The Group reported total income of £23.8 million (2018: £23.8 million) from other activities, principally, education and training and non-patient care activities. Much of this income is generated by contracts with other NHS and non-NHS bodies which are based on varied payment terms, including payment on delivery, milestone payments and periodic payments.</p> <p>In 2018/19, the Group received Provider Sustainability Funding (PSF) from NHS improvement. This is received subject to achieving defined financial and operational targets on a quarterly basis. The Group was allocated £6.1 million of PSF. The Group also received £1.7 million of additional funding from the Department of Health and Social Care.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> — Control observation: We tested the design and operation of process level controls over revenue recognition; — Tests of details: We undertook the following tests of details: <ul style="list-style-type: none"> ▪ We agreed Commissioner income to the signed contracts and selected a sample of the largest balances (comprising 96% of income from patient care activities) to agree that they had been invoiced in line with the contract agreements and payment had been received; ▪ We inspected invoices for material income in the month prior to and following 31 March 2019 to determine whether income was recognised in the correct accounting period, in accordance with the amounts billed to corresponding parties; ▪ We assessed the outcome of the agreement of balances exercise with CCGs and other NHS providers and compared the values they are disclosing within their financial statements to the value of income captured in the financial statements. We sought explanations for any variances over £300,000, and all balances in dispute, and challenged the Group's assessment of the level of income they were entitled to and the receipts that could be collected; ▪ We assessed the Provider Sustainability Fund recorded in the financial statements and the Group's performance against the required targets to confirm eligibility for the income and agreed bonus amounts to correspondence from NHSI; and ▪ We tested material other income balances by agreeing a sample of income transactions through to supporting documentation and/or cash receipts. <p>Our results:</p> <ul style="list-style-type: none"> — The results of our testing were satisfactory and we considered the amount of NHS and non-NHS income recognised to be acceptable.

Significant Risk	Description	Our response
Recognition of non-pay expenditure (£68.5 million; 2018: £60.9 million) <i>Refer to page 64 of the Annual Report (Audit Committee Report), page 165 of the consolidated financial statements (accounting policy) and page 176 consolidated financial statements (financial disclosures)</i>	Effects of Irregularities In the public sector, auditors also consider — the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period). This may arise due to the audited body manipulating expenditure to meet externally set targets. As most public bodies are net spending bodies, then the risk of material misstatement due to fraud related to expenditure recognition may in some cases be greater than the risk of material misstatements due to fraud related to revenue recognition and so the auditor has regard to this when planning and performing audit procedures. This risk does not apply to all expenditure in the period. The incentives for fraudulent expenditure recognition relate to achieving financial targets and the key risks relate to the manipulation of recognition of non-pay expenditure at the year-end.	Our procedures included: Control observation: We tested the design and operation of process level controls over expenditure approval; — Test of Details: We undertook the following tests of details: <ul style="list-style-type: none"> ▪ We agreed a specific item sample of non pay expenditure transactions to supporting evidence and cash; ▪ We inspected invoices for material expenditure in the month prior to and following 31 March 2019 to determine whether expenditure was recognised in the correct accounting period relevant to when services were delivered; ▪ We assessed the completeness and judgements made within the expenditure balance, specifically accrued expenditure; and ▪ We assessed the outcome of the agreement of balances exercise with CCGs and other NHS providers and compared the values they are disclosing within their financial statements to the value of expenditure captured in the financial statements. We sought explanations for any variances over £300,000, and all balances in dispute, and challenged the Group's assessment of the level of expenditure they were entitled to and the receipts that could be collected.
		Our results: — The results of our testing were satisfactory and we considered the amount of non-pay expenditure recognised to be acceptable.

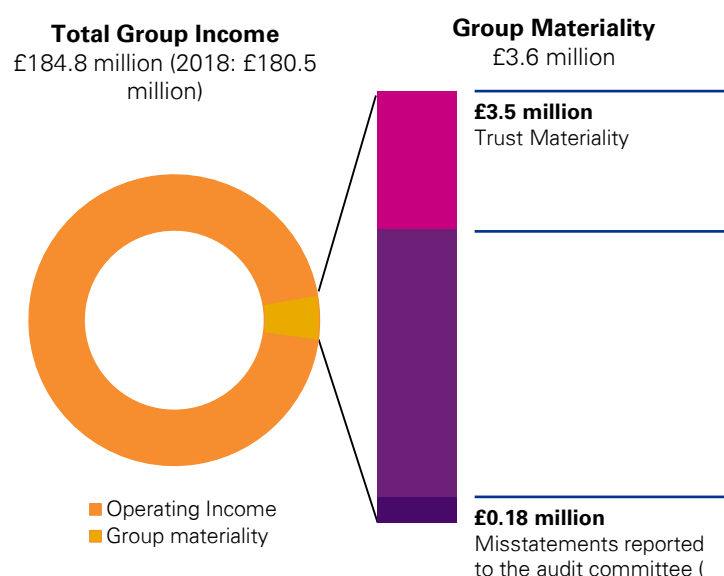
3. Our application of materiality

Materiality for the Group financial statements as a whole was set at £3.6 million, determined with reference to a benchmark of operating income (of which it represents approximately 2%). We consider operating income to be more stable than a surplus- or deficit-related benchmark.

Materiality for the parent Trust's financial statements as a whole was set at £3.5 million, determined with reference to a benchmark of operating income (of which it represents approximately 2%).

We agreed to report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £0.18 million, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's two reporting components, we subjected both to full scope audits for group purposes.



4. We have nothing to report on going concern

The Accounting Officer has prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to dissolve the Group or the Trust without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Accounting Officer's conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the Trust will continue in operation.

In our evaluation of the Accounting Officer's conclusions, we considered the inherent risks to the Group's and Trust's business model, including the impact of Brexit, and analysed how those risks might affect the Group's and Trust's financial resources or ability to continue operations over the going concern period. We evaluated those risks and concluded that they were not significant enough to require us to perform additional audit procedures.

Based on this work, we are required to report to you if we have anything material to add or draw attention to in relation to the Accounting Officers statement in Note 1.27 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Trust's use of that basis for a period of at least twelve months from the date of approval of the financial statements.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

Remuneration report

In our opinion the part of the remuneration report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2018/19.

Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Group's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2018/19, is misleading or is not consistent with our knowledge of the Group and other information of which we are aware from our audit of the financial statements.

We have nothing to report in these respect.

6. Respective responsibilities

Accounting Officer's responsibilities

As explained more fully in the statement set out on page 74, the Accounting Officer is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Group and parent Trust without the transfer of their services to another public sector entity.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

We have nothing to report on the statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006.
- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit.

We have nothing to report in these respects.

Our conclusion on the Group's arrangements for securing economy, efficiency and effectiveness in the use of resources is qualified/adverse

Under the Code of Audit Practice we are required to report to you if the Group has not made proper arrangement for securing economy, efficiency and effectiveness in the use of resources.

Qualified conclusion

Subject to the matters outlined in the basis for qualified conclusion paragraph below we are satisfied that in all significant respects Dorset County Hospital NHS Foundation Trust put in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources for the year ended 31 March 2019.

Basis for qualified conclusion

As at 31 March 2019, the Group reported a £6.0 million deficit (excluding impairment) against a forecast outturn position of £1.3 million. The Group did not deliver the planned Cost Improvement Plans, with only £4.8 million of the £7.6 million achieved in 2018/19. Financial recovery plans were introduced during the year to achieve further savings, however, these did not generate sufficient improvements to the address the deficit position.

The year end position was also supported by the receipt of additional Provider Sustainability Funds of £2.3 million at the year end, even though the Group did not achieve the quarter four targets.

These findings demonstrated weaknesses in the Groups arrangements to plan its finances effectively to support the sustainable delivery of its strategic priorities and maintain its statutory functions.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

The Group is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

Under Section 62(1) and Schedule 10 paragraph 1(d), of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Group's arrangements for securing economy, efficiency and effectiveness in the use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017, as to whether the Group had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

Report on our review of the adequacy of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required by guidance issued by the C&AG under Paragraph 9 of Schedule 6 to the Local Audit and Accountability Act 2014 to report on how our work addressed any identified significant risks to our conclusion on the adequacy of the Group's arrangements to secure economy, efficiency and effectiveness in the use of resources. The 'risk' in this case is the risk that we could come to an incorrect conclusion in respect of the Group's arrangements, rather than the risk of the arrangements themselves being inadequate.

We carry out a risk assessment to determine the nature and extent of further work that may be required. Our risk assessment includes consideration of the significance of business and operational risks facing the Group, insofar as they relate to 'proper arrangements'. This includes sector and organisation level risks and draws on relevant cost and performance information as appropriate, as well as the results of reviews by inspectorates, review agencies and other relevant bodies.

The significant risks identified during our risk assessment are set out below together with the findings from the work we carried out on each area.

Significant Risk	Description	Work carried out and judgements
Financial Sustainability	<p>Whilst the context of the financial challenges within the NHS is noted, the deficit position presents a significant risk to our assessment of the adequacy of arrangements in place at the Group specifically in relation to planning finances effectively.</p> <p>The Group has operated with a deficit position in 2018/19, and has plans to rely on DHSC loans to support the cash position in the coming year.</p>	<p>Our work included:</p> <ul style="list-style-type: none"> — Considering the nature of cash support the Group is receiving from NHSI and its performance against any conditions attached to the support. — Assessing the Group's arrangements for managing working capital, including the processes for forecasting and monitoring cash flows and delivering cash savings. — Considering the arrangements in place to deliver recurrent cost improvements by assessing the Group CIP delivery against the planned CIP target and the use of recurrent and non-recurrent savings. — Comparing the Group use of agency staff against the agency cap set by NHS Improvement. — Evaluating the Group position as at 31 March 2019 against the forecast position and considering the future financial plans to assess the ongoing financial sustainability. <p>Our findings on this risk area:</p> <ul style="list-style-type: none"> — As at 31 March 2019 the Group has reported a £8.6 million deficit against planned deficit of £1.3 million. Excluding impairment, the adjusted deficit was £6.0 million. The Group implemented a Financial Recovery Plan in August 2018 to mitigate the identified gap in the position, however, this did not address the variance to plan. — The Group delivered £4.8 million of the £7.6 million Cost Improvement Plans for 2018/19, of which £3.2 million are recurrent savings. — The Group has incurred £4.1 million of agency expenditure against an agreed agency cap of £2.9 million. — The 2019/20 operational plan forecasts a breakeven position. The Group plan a working capital loan of £3.0 million from DHSC in 2019/20. <p>These findings demonstrated weaknesses in the Groups arrangements to plan its finances effectively to support the sustainable delivery of its strategic priorities and maintain its statutory functions.</p>

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006 and the terms of our engagement by the Group. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Group, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Dorset County Hospital NHS Foundation Trust in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office.

Rees Batley

Rees Batley
for and on behalf of KPMG LLP (Statutory Auditor)

Chartered Accountants
66 Queen Square,
Bristol, BS1 4BE
21 May 2019

Statement of Comprehensive Income for the year ended 31st March 2019

		Group		Trust	
	Note	2018/19 £000	2017/18 £000	2018/19 £000	2017/18 £000
Operating income from patient care activities	3	161,027	156,742	161,027	156,742
Other operating income	4	23,793	23,817	24,136	23,817
Operating expenses	5	(191,079)	(176,440)	(191,527)	(176,440)
Operating (deficit)/surplus		(6,259)	4,119	(6,364)	4,119
Finance costs:					
Finance income	10	84	95	83	95
Finance expenses	11	(138)	(109)	(138)	(109)
PDC dividends charge		(2,277)	(2,612)	(2,277)	(2,612)
Net finance costs		(2,331)	(2,626)	(2,332)	(2,626)
Losses on disposal of assets	12	(14)	(20)	(14)	(20)
Corporation tax expense		(20)	-	-	-
(Deficit)/Surplus for the year		(8,624)	1,473	(8,710)	1,473
Other comprehensive income					
Will not be reclassified to income and expenditure:					
Impairment of property, plant and equipment	13	(6,834)	(500)	(6,834)	(500)
Revaluation gains on property, plant & equipment		301	663	301	663
Total comprehensive income for the year		(15,157)	1,636	(15,243)	1,636

The notes on pages 163 to 198 form part of these accounts.

Statement of Financial Position as at 31st March 2019

	Note	Group		Trust	
		31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
Non-current assets					
Intangible assets	14	5,216	5,638	5,216	5,638
Property, plant and equipment	15	88,444	94,088	88,437	94,088
Trade and other receivables	18.1	251	299	251	299
Total non-current assets		93,911	100,025	93,904	100,025
Current assets					
Inventories	17	3,028	3,019	2,854	3,019
Trade and other receivables	18.1	9,075	11,738	9,035	11,738
Cash and cash equivalents	19	3,536	2,493	3,448	2,493
Total current assets		15,639	17,250	15,337	17,250
Current liabilities					
Trade and other payables	20	(20,024)	(16,121)	(19,801)	(16,121)
Borrowings	21	(236)	(99)	(236)	(99)
Provisions	22	(50)	(43)	(50)	(43)
Other liabilities	23	(1,691)	(1,430)	(1,691)	(1,430)
Total current liabilities		(22,001)	(17,693)	(21,778)	(17,693)
Total assets less current liabilities		87,549	99,582	87,463	99,582
Non-current liabilities					
Borrowings	21	(7,230)	(4,807)	(7,230)	(4,807)
Provisions	22	(237)	(273)	(237)	(273)
Total non-current liabilities		(7,467)	(5,080)	(7,467)	(5,080)
Total assets employed		80,082	94,502	79,996	94,502
Financed by taxpayers' equity:					
Public dividend capital		86,054	85,317	86,054	85,317
Revaluation reserve		25,984	32,519	25,984	32,519
Income and expenditure reserve		(31,956)	(23,334)	(32,042)	(23,334)
Total taxpayers' equity:		80,082	94,502	79,996	94,502

The financial statements on pages 159 to 198 were approved by the Board on 21 May 2019 and signed on its behalf by:

Patricia Miller
Chief Executive
21 May 2019

Statement of Changes in Taxpayers' Equity

Group	Total	Public Dividend Capital (PDC)	Revaluation Reserve	Income and Expenditure Reserve
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2018	94,502	85,317	32,519	(23,334)
Deficit for the year	(8,624)	-	-	(8,624)
Transfers between reserves	-	-	(2)	2
Impairment losses on property, plant and equipment	(6,834)	-	(6,834)	-
Net gain on revaluation of property, plant and equipment	301	-	301	-
Public Dividend Capital	737	737	-	-
Taxpayers' equity at 31 March 2019	80,082	86,054	25,984	(31,956)
Taxpayers' equity at 1 April 2017	92,656	85,107	32,370	(24,821)
Surplus for the year	1,473	-	-	1,473
Transfers between reserves	-	-	(8)	8
Impairment losses on property, plant and equipment	(500)	-	(500)	-
Net gain on revaluation of property, plant and equipment	663	-	663	-
Public Dividend Capital	210	210	-	-
Transfer to the income and expenditure account in respect of assets disposed of	-	-	(6)	6
Taxpayers' equity at 31 March 2018	94,502	85,317	32,519	(23,334)
Trust	Total	Public Dividend Capital (PDC)	Revaluation Reserve	Income and Expenditure Reserve
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2018	94,502	85,317	32,519	(23,334)
Deficit for the year	(8,710)	-	-	(8,710)
Transfers between reserves	-	-	(2)	2
Impairment losses on property, plant and equipment	(6,834)	-	(6,834)	-
Net gain on revaluation of property, plant and equipment	301	-	301	-
Public Dividend Capital	737	737	-	-
Taxpayers' equity at 31 March 2019	79,996	86,054	25,984	(32,042)
Taxpayers' equity at 1 April 2017	92,656	85,107	32,370	(24,821)
Surplus for the year	1,473	-	-	1,473
Transfers between reserves	-	-	(8)	8
Impairment losses on property, plant and equipment	(500)	-	(500)	-
Net gain on revaluation of property, plant and equipment	663	-	663	-
Public Dividend Capital	210	210	-	-
Transfer to the income and expenditure account in respect of assets disposed of	-	-	(6)	6
Taxpayers' equity at 31 March 2018	94,502	85,317	32,519	(23,334)

The Revaluation Reserve consists of £25,984k (£32,519k at 31 March 2018) relating to property, plant and equipment.

Statement of Cash Flows for the year ended 31st March 2019

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Cash flows from operating activities				
Operating (deficit)/surplus	(6,259)	4,119	(6,364)	4,119
Depreciation and amortisation	5,261	5,153	5,260	5,153
Impairments and reversals	2,895	(163)	2,895	(163)
Income recognised in respect of capital donations (cash and non-cash)	(581)	(753)	(581)	(753)
Decrease/(Increase) in trade and other receivables	2,874	(1,947)	2,914	(1,947)
(Increase)/decrease in inventories	(9)	7	165	7
Increase in trade and other payables	4,052	699	3,849	699
Increase in other liabilities	261	469	261	469
(Decrease) in provisions	(30)	(159)	(30)	(159)
Net cash generated from operations	8,464	7,425	8,369	7,425
Cash flows from investing activities				
Interest received	81	93	80	93
Purchase of intangible assets	(702)	(2,259)	(702)	(2,259)
Purchase of property, plant and equipment	(5,473)	(5,160)	(5,473)	(5,160)
Sales of property, plant and equipment	16	7	24	7
Receipt of cash donations to purchase capital assets	555	704	555	704
Net cash used in investing activities	(5,523)	(6,615)	(5,516)	(6,615)
Cash flows from financing activities				
Public dividend capital received	737	210	737	210
Capital element of finance lease obligations	(92)	(152)	(92)	(152)
Interest Paid	(97)	(97)	(97)	(97)
Interest element of finance lease obligations	(9)	(10)	(9)	(10)
PDC dividends paid	(2,437)	(2,695)	(2,437)	(2,695)
Net cash used in financing activities	(1,898)	(2,744)	(1,898)	(2,744)
Increase/(Decrease) in cash and cash equivalents	1,043	(1,934)	955	(1,934)
Cash and cash equivalents at 1 April	2,493	4,427	2,493	4,427
Cash and cash equivalents at 31 March	3,536	2,493	3,448	2,493

Notes to the Financial Statements

1 Accounting policies and other information

NHS Improvement, in exercising the statutory functions conferred on Monitor, is responsible for issuing an accounts direction to NHS Foundation Trusts under the NHS Act 2006. NHS Improvement has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (DHSC GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the DHSC GAM 2018/19 issued by the DHSC. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the DHSC GAM permits a choice of accounting policy, the accounting policy that is judged to be the most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected.

The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

1.1 Critical accounting judgements and key sources of estimation uncertainty

In the preparation of the financial statements, the Trust is required to make estimates and assumptions that affect the application of accounting policies and the carrying amounts of assets and liabilities. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual outcomes may differ from prior estimates and the estimates and underlying assumptions are continually reviewed.

The key sources of estimation uncertainty which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are:

Valuation of land and buildings

Land and buildings are included in the Trust's statement of financial position at current value in existing use. The assessment of current value represents a key source of uncertainty. The Trust uses an external professional valuer to determine current value in existing use, using modern equivalent asset value methodology and market value for existing use for non-specialised buildings.

Depreciation of property, plant and equipment and amortisation of computer software

The Trust exercises judgement to determine the useful lives and residual values of property, plant and equipment and computer software. Depreciation and amortisation is provided so as to write down the value of these assets to their residual value over their estimated useful lives.

1.2 Consolidation

1.2.1 Subsidiaries

Entities over which the Trust has power to exercise control are classified as subsidiaries and are consolidated. The Trust has control when it has the ability to affect the variable returns from the other entity through its power to direct relevant activities. The income, expenses, assets, liabilities, equity and reserves of the subsidiary are consolidated in full into the appropriate financial statement lines. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the Trust or where the subsidiary's accounting date is not coterminous. The amounts consolidated are drawn from the financial statements of DCH SubCo Ltd. Intra-entity balances, transactions and gains/losses are eliminated in full on consolidation.

The Trust wholly owns DCH SubCo Ltd which forms part of the consolidated accounts. DCH SubCo Ltd provides outpatient pharmacy services. Its turnover for the period ended 31st March 2019 was £2.855m and its gross assets at 31 March 2019 totalled £0.3m.

The Trust has established that, as it is the corporate trustee of Dorset County Hospital NHS Foundation Trust Charitable Fund, it effectively has the power to exercise control of this charity so as to obtain economic benefits. However the assets, liabilities and transactions are immaterial in the context of the Trust and therefore it has not been consolidated. Details of balances and transactions between the Trust and the charity are included in the related parties' notes.

1.2.2 Joint Ventures

Arrangements over which the Trust has joint control with one or more other entities are classified as joint arrangements. Joint control is the contractually agreed sharing of control of an arrangement. A joint arrangement is either a joint operation or a joint venture.

A joint operation exists where the parties that have joint control have rights to the assets and obligations for the liabilities relating to the arrangement. Where the entity is a joint operator it recognises its share of assets, liabilities, income and expense in its own accounts.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint ventures are recognised as an investment and accounted for using the equity method.

The Trust has one joint venture DCH Estates Partnership LLP OC418519, which is a commercial partnership with Partnering Solutions (Dorset) Ltd creating a Strategic Estates Partnership. No assets have been created or exchanged and no transactions have taken place during 2018/19.

1.3 Income

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS). As directed by the GAM, the transition to IFRS 15 in 2018/19 has been completed in accordance with paragraph C3 (b) of the Standard: applying the Standard retrospectively but recognising the cumulative effects at the date of initial application (1 April 2018).

The main source of income for the Trust is contracts with commissioners for health care

services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard (IFRS 15) entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer.

Where income is received for a specific activity, which is to be delivered in the following financial year, this income is deferred.

The Trust receives income from commissioners under Commissioning for Quality and Innovation (CQUIN) schemes. The Trust agrees schemes with its commissioner but they affect how care is provided to patients. That is, the CQUIN payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the contract.

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract.

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the

treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met and is measured as the sums due under the sale contract.

The value of the benefit received when the Trust accesses funds from the Government's apprenticeship service is recognised as income in accordance with IAS 20, Accounting for Government Grants. Where these funds are paid directly to an accredited training provider, non-cash income and a corresponding non-cash training expense are recognised, both equal to the cost of the training funded.

1.4 Expenditure on employee benefits

1.4.1 Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

1.4.2 Pension costs

Payments to defined contribution pension schemes (including defined benefit schemes that are accounted for as if they were a defined contribution scheme) are recognised as an expense as they fall due.

NHS Pension Scheme: Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions

payable to that scheme for the accounting period.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill health. The full amount of the liability for the additional costs are charged to operating expenses at the time the Trust commits itself to the retirement regardless of the method of payment.

The schemes are subject to a full actuarial valuation every four years and an accounting valuation every year.

The Foundation Trust does not have any employees that are members of the Local Government Superannuation Scheme and therefore, does not pay employer contributions into this scheme.

1.4.3 Termination Benefits

Staff termination benefits are provided for in full when there is a detailed formal termination plan and there is no realistic possibility of withdrawal by either party.

1.5 Expenditure on other goods and services

Expenditure on goods and services is recognised 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 when it results in the creation of a non-current asset such as property, plant and equipment.

1.6 Property, plant and equipment

1.6.1 Recognition

Property, plant and equipment is capitalised if:

- 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 will be supplied to, the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- individually it cost at least £5,000; or
- collectively has a cost of at least £5,000 and individually a cost of more than £250;

- the assets are functionally interdependent, with broadly simultaneous purchase dates, which are anticipated to have simultaneous disposal dates and are under single managerial control; or
- items form part of the initial equipping and setting-up cost of a new building, or refurbishment of a ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building includes a number of components with significantly different asset lives, e.g. hospital wings, then these components are treated as separate assets and depreciated over their own useful economic lives (UEL).

1.6.2 Measurement

Valuation: All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at valuation.

Land and buildings used for the Trust's services or for administrative purposes are stated in the statement of financial position at their re-valued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

- Non-specialised buildings – market value for existing use
- land and specialised buildings – Modern equivalent asset value

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are re-valued and depreciation commences when they are brought into use.

Avison Young (formerly known as Bilfinger GVA) carried out the Trust valuation as professionally qualified valuers in accordance

with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

Until 31st March 2008, fixtures and equipment were carried at replacement cost, as assessed by indexation and depreciation of historic cost. Indexation ceased from 1st April 2008. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

An item of property, plant and equipment, which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

The valuation as reported in the Statement of Financial Position at 31st March 2019 was assessed by the valuer of Avison Young, based on a full valuation survey completed in March 2019.

Revaluation gains and losses: Revaluation gains are recognised in the revaluation reserve, except where; and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating expenses.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned; and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of other comprehensive income.

Impairments: In accordance with the DHSC GAM, impairments that arise from a clear consumption of economic benefits, or service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) impairment charged to operating expenses; (ii) the balance in the revaluation reserve attributable to that asset before impairment.

An impairment that arises from a loss of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss are reversed. Reversals are recognised in operating expenses to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of other impairments are treated as revaluation gains.

1.6.3 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 the future economic benefits or service potential 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 determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance is charged to the Statement of Comprehensive Income in the period in which it is incurred

1.7 Intangible assets

1.7.1 Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the Trust's business or arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the Trust; and where the cost of the asset can be measured reliably.

Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset.

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Expenditure on development is capitalised only where all of the following have been demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Trust intends to complete the asset and sell or use it;
- the Trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset is identified;
- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset; and
- the Trust can measure reliably the expenses attributable to the asset during development.

1.7.2 Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that is capable of operating in the manner intended by management.

Subsequently, intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluation gains and losses and impairments are treated in the same manner as for property, plant and equipment.

An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

Intangible assets held for sale are measured at the lower of their carrying amount or "fair value less costs to sell".

1.8 Depreciation and amortisation

Freehold land is considered to have an infinite life and is not depreciated. Properties under construction are not depreciated until brought into use.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over their estimated useful lives or, where shorter, the lease term.

At each reporting period end, the Trust checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

The following table details the useful economic lives currently used for the main classes of assets:

Asset class	Useful economic life (years)
Buildings excluding dwellings	10 – 66
Dwellings	44 – 79
Plant & machinery	3 – 15
Information technology	5 – 12
Furniture & fittings	5 – 15
Intangible assets	5 – 20

Property, plant and equipment which have been re-classified as 'held for sale' cease to be depreciated upon the re-classification.

Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

1.9 Donated assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

1.10 De-recognition

Assets intended for disposal are reclassified as 'Held for sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e.:
 - management are committed to a plan to sell the asset;
 - an active programme has begun to find a buyer and complete the sale;
 - the asset is being actively marketed at a reasonable price;
 - the sale is expected to be completed within 12 months of the date of classification as 'Held for sale'; and
 - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not re-valued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

1.11 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

1.12.1 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 commencement of the lease. Thereafter the asset is accounted for as an item of property, plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to finance costs in the Statement of Comprehensive Income. The lease liability is de-recognised when the liability is discharged, cancelled or expires.

1.12.2 Operating leases

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

1.12.3 Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

1.12 Inventories

Inventories are valued at the lower of cost and net realisable value using the 'first-in first-out' formula. These are considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.13 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty

on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management.

1.14 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 that amount. The amount recognised in the Statement of Financial Position is the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rate of 0.7% in real terms, except for post-employment benefits provisions which use the HM Treasury's pension discount rate of 0.1% in real terms.

1.15 Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. The contribution is charged to expenditure. Although NHS Resolution is administratively responsible for all clinical negligence cases the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 22.2 but is not recognised in the Trust's accounts.

1.16 Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk-pooling schemes under which the Trust pays an annual contribution to NHS Resolution and, in return, receives assistance with the costs of any claims arising. The annual membership contributions, and any 'excesses' payable in respect of particular claims are charged to operating expenses as and when the liability arises.

1.17 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, these are disclosed where an inflow of economic benefits is probable. The Trust currently has no contingent assets to disclose.

Contingent liabilities are not recognised, but are disclosed in note 25 unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- Possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- Present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.18 Public dividend capital

Public Dividend Capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets, (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility and (iii) any PDC dividend balance receivable or payable.

The average relevant net assets is calculated as a simple average of opening and closing net relevant assets.

In accordance with the requirement laid down by the DHSC (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out

in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

1.19 Financial instruments and financial liabilities

1.19.1 Recognition

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

1.19.2 Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

Financial assets/liabilities are classified as subsequently measured at amortised cost.

1.19.3 Financial assets and financial liabilities at amortised cost

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life

of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

1.19.4 Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

1.19.5 Derecognition

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

1.20 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 fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.21 Corporation Tax

Section 148 of the Finance Act in 2004 amended S519A of the Income and Corporation Taxes Act 1988 to provide power to the Treasury to make certain non-core activities of Foundation Trusts potentially subject to corporation tax. This legislation became effective in the 2005/06 financial year. In determining whether or not an activity is likely to be taxable a three-stage test may be employed:

- The provision of goods and services for purposes related to the provision of healthcare authorised under section 14(1) of the Health and Social Care Act 2003 (HSCA) is not treated as a commercial activity and is therefore tax exempt;
- Trading activities undertaken in house which are ancillary to core healthcare activities are not entrepreneurial in nature and not subject to tax. A trading activity that is capable of being in competition with the wider private sector will be subject to tax;
- Only significant trading is subject to tax. Significant is defined as annual taxable profits of £50,000 per trading activity.

The majority of the Trusts activities are related to core healthcare and are not subject to tax.

Private patient activities are covered by section 14(1) of the Health and Social Care (Community Health and Standards) Act 2003 and not treated as a commercial activity and are therefore tax exempt; and

Other trading activities (including car parking and staff canteens) are ancillary to the core activities and are not deemed to be entrepreneurial in nature.

However, the Trust's commercial subsidiaries are subject to corporation tax, and this has been included in the group accounts.

1.22 Foreign currencies

The Trust's functional currency and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Resulting exchange gains and losses for either of these are recognised in the Trust's surplus/deficit in the period in which they arise.

1.23 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However they are disclosed in Note 29 to the accounts in accordance with the requirements of the HM Treasury's Financial Reporting Manual.

1.24 IFRS adoption impact

The DHSC GAM does not require the following standards and interpretations to be applied in 2018/19. These standards are still subject to HM Treasury FReM adoption, with IFRS 16 being for implementation in 2020/21, and the Government implementation date for IFRS 17 still subject to HM Treasury consideration:

IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.

IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted

IFRIC 23 Uncertainty over Income Tax Treatments – Application required for accounting periods beginning on or after 1 January 2019.

The Trust has considered the above new standards, interpretations and amendments to published standards that are not yet effective and concluded that they are not relevant to the Trust or that they would not have a significant impact on the Trust's financial statements, apart from some additional disclosures.

The Trust has not early adopted any new accounting standards, amendments or interpretations, which is in line with guidance contained in the NHS GAM 2018/19.

1.25 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 general payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

1.26 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

1.27 Going concern

International Accounting Standard 1 requires the board to assess, as part of the accounts preparation process, the Trust's ability to continue as a going concern. In the context of non-trading entities in the public sector the anticipated continuation of the provision of a service in the future is normally sufficient evidence of going concern. The financial statements should be prepared on a going concern basis unless there are plans for, or no realistic alternative other than, the dissolution of the Trust without the transfer of its services to another entity within the public sector.

In preparing the financial statements the Board of Directors have considered the Trust's overall financial position against the requirements of IAS1.

The Trust recorded an operating Surplus in 2017/18 of £1.5 million and is reporting a deficit of £8.3 million for the year ended 31 March 2019. The Trust anticipates achieving a breakeven position in delivering services in 2019/20 and will need to apply for Financial Support through a temporary working capital loan until the receipt of quarter four 2019/20 Provider Sustainability Funding (PSF) anticipated to be to the value of £3.0 Million.

The Trust has agreed contracts with its local commissioners for 2019/20 and services are being commissioned in the same manner for 2019/20 as in previous years and there are no discontinued operations. Similarly no decision has been made to transfer services or significantly amend the structure of the organisation at this time. The Board of Directors also has a reasonable expectation that the Trust will have access to adequate resources in the form of financial support from the Department of Health (NHS Act 2006,s42a) to continue to deliver the full range of mandatory services for the foreseeable future.

The Directors consider that this provides sufficient evidence that the Trust will continue as a going concern for the foreseeable future. On this basis, the Trust has adopted the going concern basis for preparing the accounts and has not included the adjustments that would result if it was unable to continue as a going concern. The assessment accords with the statutory guidance contained in the NHS Foundation Trust Annual Reporting Manual.

2. Segment analysis

The Trust has considered the requirements in IFRS 8 for segmental analysis. Having reviewed the operating segments reported internally to the Board, the Trust is satisfied that it is appropriate to aggregate these as, in accordance with IFRS 8: Operating Segments, they are similar in each of the following respects:

- The nature of the products and services;
- The nature of the production processes;
- The type of customer for their products and services;
- The methods used to distribute their products or provide their services; and
- The nature of the regulatory environment.

The Trust therefore has just one segment, "healthcare". Analysis of income by different activity types and sources is provided in note 3.

3. Income from patient care activities

Analysis by activity

	Group		Trust	
	Year ended	Year ended	Year ended	Year ended
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
Elective income	26,503	30,050	26,503	30,050
Non-elective income	36,824	36,839	36,824	36,839
First outpatient income	10,348	11,164	10,348	11,164
Follow up outpatient income	14,882	15,467	14,882	15,467
A&E income	9,875	9,221	9,875	9,221
High costs drugs income from commissioners	12,429	11,412	12,429	11,412
Other NHS clinical income	47,124	41,166	47,124	41,166
Private patient income	783	896	783	896
AfC pay award central funding	1,739	-	1,739	-
Other clinical income	520	527	520	527
Total	161,027	156,742	161,027	156,742
Income from Commissioner Requested Services	156,502	151,956	156,502	151,956
Income from non-Commissioner Requested Services	4,525	4,786	4,525	4,786
Total	161,027	156,742	161,027	156,742

Commissioner-requested services are services which local commissioners believe should continue to be provided locally if any individual provider is at risk of failing financially. Any organisation providing a commissioner-requested service has to continue offering the service unless it can obtain agreement from NHS Improvement and the commissioners to stop. It cannot dispose of relevant assets used to provide the service without NHS Improvement consent and it must pay into a risk pool that will fund services in the event of financial failure.

Analysis by source

	Group		Trust	
	Year ended	Year ended	Year ended	Year ended
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
NHS - Foundation Trusts	230	250	230	250
NHS - Trusts	9	7	9	7
NHS - NHS England	28,945	27,870	28,945	27,870
NHS - CCGs	128,558	125,867	128,558	125,867
Department of Health and Social Care	1,739	-	1,739	-
Local Authorities	193	1,249	193	1,249
NHS - Other	50	77	50	77
Non NHS - Private patients	783	896	783	896
Non NHS - Overseas patients	68	52	68	52
NHS Injury Scheme	427	449	427	449
Non NHS - Other	25	25	25	25
Total	161,027	156,742	161,027	156,742

NHS Injury Scheme income relating to the 2018/19 financial year is subject to a provision for doubtful debts of 21.89% (2017/18: 22.84%) to reflect expected rates of collection.

The Group and Trust overseas patient income for the year amounted to £68k (2017/18 £52k). Cash received amounted to £67k (2017/18 £70k) in respect of current and previous years' income. The amounts written off in respect of current and prior years amounted to £nil (2017/18 £nil).

4. Other operating income		Group		Trust	
		Year ended 31 March 2019 £000	Year ended 31 March 2018 £000	Year ended 31 March 2019 £000	Year ended 31 March 2018 £000
	Note				
Research and development		814	939	814	939
Education and training		6,441	5,585	6,441	5,585
Education and training - notional income from apprenticeship fund		105	11	105	11
Received from NHS Charities:					
Physical assets		26	49	26	49
Received from NHS Charities: Cash donations		555	704	555	704
Received from NHS Charities: Contributions to expenditure		-	22	-	22
Non-patient care services to other bodies		7,328	6,715	7,413	6,715
Sustainability and Transformation Fund income		6,137	7,534	6,137	7,534
Staff recharges		443	371	443	371
Rental revenue from operating leases 6.2		85	98	92	98
Car parking		675	612	675	612
Catering		508	530	508	530
Pharmacy sales		78	61	329	61
Staff accommodation rentals		294	213	294	213
Estates recharges		56	27	56	27
IT recharges		8	15	8	15
Clinical excellence awards		96	149	96	149
Other income generation schemes		40	35	40	35
Other income		104	147	104	147
Total		23,793	23,817	24,136	23,817

5. Operating expenses

		Group		Trust	
		Year ended 31 March 2019 £000	Year ended 31 March 2018 £000	Year ended 31 March 2019 £000	Year ended 31 March 2018 £000
	Note				
Employee expenses	7.1	118,088	111,133	118,025	111,133
Employee expenses - Non-executive directors		125	126	125	126
Purchase of healthcare from NHS and DHSC bodies		7,575	6,395	7,575	6,395
Purchase of healthcare from non-NHS and non-DHSC bodies		3,487	3,012	6,342	3,012
Supplies and services - clinical (excluding drug costs)		16,827	16,615	16,827	16,615
Supplies and services - general		1,666	1,497	1,666	1,497
Drug costs		16,758	15,244	14,426	15,244
Inventories written down (net, including drugs)		68	40	68	40
Consultancy costs		466	378	461	378
Establishment		1,039	1,008	1,038	1,008
Premises - Business rates payable to Local Authorities		1,029	997	1,029	997
Premises - Other		6,498	5,939	6,498	5,939
Transport (business travel only)		490	463	490	463
Transport (other)		274	257	274	257
Depreciation on property, plant and equipment		4,387	4,320	4,386	4,320
Amortisation on intangible assets		874	833	874	833
Impairment net of (reversals)		2,895	(163)	2,895	(163)
Movement in credit loss allowance		(3)	8	(3)	8
Change in provisions discount rate		(1)	(1)	(1)	(1)
External audit - statutory audit services*		41	43	37	43
External audit - audit assurance services*		10	7	10	7
External audit - non-audit services*		4	-	4	-
Internal Audit Costs - (not included in employee expenses)		71	89	71	89
Clinical negligence - NHS Resolution (premium)		6,159	6,536	6,159	6,536
Legal fees		450	231	450	231
Insurance		153	27	153	27
Research and Development		32	20	32	20
Training courses and conferences		617	457	617	457
Education and training - notional expenditure funded from apprenticeship fund		105	11	105	11
Rentals under operating leases - minimum lease payments	6.1	105	92	105	92
Car parking and security		13	3	13	3
Losses, ex gratia & special payments		80	36	80	36
Other services		263	204	263	204
Other		434	583	433	583
Total		191,079	176,440	191,527	176,440

*no other remuneration was paid to the auditor, except for the amounts disclosed above

6. Operating leases

6.1 As lessee

Payments recognised as an expense

	Group		Trust	
	Year ended	Year ended	Year ended	Year ended
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
Minimum lease payments:				
Buildings	48	48	48	48
Other	57	44	57	44
Total minimum lease payments	105	92	105	92
Future minimum lease payments on buildings leases due:	Year ended	Year ended	Year ended	Year ended
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
Not later than one year	50	29	50	29
Later than one year and not later than five years	202	115	202	115
Later than five years	253	-	253	-
Total	505	144	505	144
Future minimum lease payments on other leases due:	Year ended	Year ended	Year ended	Year ended
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
Not later than one year	45	63	45	63
Later than one year and not later than five years	22	93	22	93
Total	67	156	67	156

6.2 As lessor

Rental recognised as an income

	Group		Trust	
	Year ended	Year ended	Year ended	Year ended
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
Minimum lease payments: Land	85	98	92	98
Total minimum lease payments	85	98	92	98
Future minimum lease payments on Buildings leases due:	Year ended	Year ended	Year ended	Year ended
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
Not later than one year	85	80	92	80
Later than one year and not later than five years	333	320	361	320
Later than five years	249	320	249	320
Total	667	720	702	720

7. Employee expenses and numbers

7.1 Employee expenses

	Group		Trust	
	Year ended 31 March 2019 £000	Year ended 31 March 2018 £000	Year ended 31 March 2019 £000	Year ended 31 March 2018 £000
Staff & executive directors	116,356	109,509	116,293	109,509
Research and development staff	785	761	785	761
Education and training staff	944	851	944	851
Redundancy	-	26	-	26
Early retirements	2	(14)	2	(14)
Special payments	1	-	1	-
	118,088	111,133	118,025	111,133
Salaries and wages	93,762	89,029	93,706	89,029
Social security costs	8,666	8,309	8,661	8,309
Apprenticeship levy	448	426	448	426
Employer contributions to NHS Pension scheme	11,310	10,729	11,310	10,729
Pension cost - other	24	10	22	10
Agency and contract staff	4,160	3,005	4,160	3,005
Termination benefits	76	82	76	82
Less: Staff costs capitalised as part of assets	(358)	(457)	(358)	(457)
Employee benefits expense	118,088	111,133	118,025	111,133

Salaries and wages include the cost of amounts accrued in respect of holiday earned by employees due to their service, but not taken, as required under IAS 19.

The amount of Employer's pension contributions payable in the year ended 31 March 2019 was £11,334k (2017/18: £10,739k). Of this total, an amount of £955k (2017/18: £915k) was unpaid at the reporting date.

7.2 Retirement benefits

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

8. Retirements due to ill-health

During 2018/19 there were no cases (2017/18: no cases) of early retirement from the Trust agreed on grounds of ill-health. The estimated additional pension liabilities of this ill-health retirement will be £nil (2017/18: £nil). The cost of ill-health retirements is borne by the NHS Business Services Authority – Pensions Division. This information has been supplied by NHS Pensions.

9. Salary and pension entitlement of directors and senior managers

9.1 Directors remuneration

	Group		Trust	
	Year ended	Year ended	Year ended	Year ended
	31 March	31 March	31 March	31 March
	2019	2018	2018	2017
	£000	£000	£000	£000
Directors remuneration - Salaries and wages	936	820	936	820
Employers pension contributions in respect of directors	119	91	119	91
	1,055	911	1,055	911
	Number	Number	Number	Number
The total number of directors to whom retirement benefits were accruing under:				
Defined contribution schemes	1	1	1	1
Defined benefit schemes	10	5	10	5

Detailed disclosures of the remuneration and pension entitlements of each director are set out on pages 31 to 37 of the Remuneration Report.

10. Finance income

	Group		Trust	
	Year ended	Year ended	Year ended	Year ended
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
Interest on bank accounts	84	31	83	31
Interest on loans and receivables	-	64	-	64
Total	84	95	83	95

11. Finance expenses

	Group		Trust	
	Year ended	Year ended	Year ended	Year ended
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
Loans from the Department of Health	97	97	97	97
Finance Leases	40	12	40	12
Total interest expense	137	109	137	109
Unwinding of discount on provisions	1	-	1	-
Total finance expenses	138	109	138	109

12. Gains/(losses) on disposals	Group		Trust	
	Year ended	Year ended	Year ended	Year ended
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
Gains on disposal of other property, plant and equipment	12	4	12	4
Losses on disposal of other property, plant and equipment	(26)	(23)	(26)	(23)
Losses on disposal of intangible assets	-	(1)	-	(1)
Total (losses) on disposal of assets	(14)	(20)	(14)	(20)

13. Impairment of non-current assets	Group		Trust	
	Year ended	Year ended	Year ended	Year ended
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
Impairment				
Unforeseen obsolescence	142	-	142	-
Changes in market price*	9,621	500	9,621	500
Reversal of impairments*	(34)	(163)	(34)	(163)
Total impairments	9,729	337	9,729	337

* Resulting from the revaluation of land and buildings as at 31 March 2019.

Total impairments have been charged/(credited) to the following lines in the Statement of Comprehensive Income.

	Group		Trust	
	Year ended	Year ended	Year ended	Year ended
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
Operating expenses	2,895	(163)	2,895	(163)
Revaluation reserve	6,834	500	6,834	500
	9,729	337	9,729	337

14. Intangible assets

	Group and Trust	
	Software licences	Software licences
	2018/19	2017/18
	£000	£000
Cost or valuation at 1 April	9,313	7,337
Additions - purchased	594	2,119
Additions - donated	-	6
Disposals	(164)	(149)
Cost or valuation at 31 March	9,743	9,313
Amortisation at 1 April	3,675	2,990
Provided in the year	874	833
Impairments charged to operating expenses	142	-
Disposals	(164)	(148)
Amortisation at 31 March	4,527	3,675
Net book value		
Purchased	5,204	5,613
Donated	12	25
Net book value total at 31 March	5,216	5,638

Software licences have been assigned asset lives of between 5 and 20 years. The total reported includes £116K (2018: £nil) of software under construction.

15. Property, plant and equipment

Assets utilised by the Trust under Finance leases arrangements are capitalised as part of property, plant and equipment under IFRS. The net book value of fixed assets held at the balance sheet date that were subject to a finance lease was £2,786k (2018: £299k).

The Trust's land and buildings were valued by external valuers as at 31 March 2019 on the basis of fair value, as set out in accounting policy note 1.6.2. The valuation was undertaken by Avison Young.

15.1 Property, plant and equipment, current year 2018/19

	Total	Land	Buildings exc. dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings
Group	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2018	116,363	7,604	67,435	4,354	1,204	27,780	7,384	602
Additions - purchased	4,862	-	2,881	-	196	1,134	622	29
Additions - leased	2,615	-	2,615	-	-	-	-	-
Additions - donations of physical assets	26	-	6	-	-	20	-	-
Additions - assets purchased from cash donations/grants	555	-	240	-	-	315	-	-
Impairments charged to operating expenses	(2,839)	(2,759)	(80)	-	-	-	-	-
Impairments charged to revaluation reserve	(7,974)	-	(8,083)	109	-	-	-	-
Reversal of Impairments credited to operating expenses	23	5	18	-	-	-	-	-
Reclassification	-	-	1,178	-	(1,178)	-	-	-
Revaluation surpluses	273	200	8	67	-	-	(2)	-
Disposals	(2,357)	-	-	-	-	(1,548)	(788)	(21)
Cost or valuation at 31 March 2019	111,547	5,050	66,218	4,530	222	27,701	7,216	610
Depreciation at 1 April 2018	22,275	-	-	-	-	17,192	4,867	216
Provided in the year	4,387	-	1,171	58	-	2,306	824	28
Impairments recognised in operating expenses	(52)	-	(52)	-	-	-	-	-
Impairments recognised in revaluation reserve	(1,140)	-	(1,104)	(36)	-	-	-	-
Reversal of impairments recognised in other operating expenses	(11)	-	(11)	-	-	-	-	-
Revaluation surpluses	(28)	-	(4)	(22)	-	-	(2)	-
Disposals	(2,328)	-	-	-	-	(1,521)	(786)	(21)
Depreciation at 31 March 2019	23,103	-	-	-	-	17,977	4,903	223

15.2 Property, plant and equipment, Prior year 2017/18

	Total	Land	Buildings exc. dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings
Group	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2017	112,251	7,237	67,273	4,252	788	25,635	6,459	607
Additions - purchased	5,251	-	1,214	-	230	2,907	900	-
Additions - donations of physical assets	43	-	-	-	-	28	15	-
Additions - assets purchased from cash donations/grants	704	-	-	-	704	-	-	-
Impairments charged to revaluation reserve	(1,110)	-	(1,110)	-	-	-	-	-
Reversal of Impairments credited to operating expenses	151	159	(8)	-	-	-	-	-
Reclassification	-	-	236	-	(518)	-	282	-
Revaluation surpluses	140	208	(170)	102	-	-	-	-
Disposals	(1,067)	-	-	-	-	(790)	(272)	(5)
Cost or valuation at 31 March 2018	116,363	7,604	67,435	4,354	1,204	27,780	7,384	602
Depreciation at 1 April 2017	20,141	-	-	-	-	15,685	4,264	192
Provided in the year	4,320	-	1,089	56	-	2,272	875	28
Impairments recognised in revaluation reserve	(610)	-	(610)	-	-	-	-	-
Reversal of impairments recognised in other operating expenses	(12)	-	(12)	-	-	-	-	-
Revaluation surpluses	(523)	-	(467)	(56)	-	-	-	-
Disposals	(1,041)	-	-	-	-	(765)	(272)	(4)
Depreciation at 31 March 2018	22,275	-	-	-	-	17,192	4,867	216

15.3 Property, plant and equipment DCH Subco Ltd

Note 15.1 contains £7,000 of Information technology assets relating to DCH Subco Ltd.

15.4 Property, plant and equipment financing

	Total	Land	Buildings exc. dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value as at 31 March 2019								
Owned assets	80,959	5,050	60,425	4,530	222	8,513	2,146	73
Finance lease	2,786	-	2,571	-	-	63	152	-
Donated assets	4,699	-	3,222	-	-	1,148	15	314
Total at 31 March 2019	88,444	5,050	66,218	4,530	222	9,724	2,313	387
Net book value as at 31 March 2018								
Owned assets	89,349	7,604	65,390	4,354	230	9,427	2,280	64
Finance lease	299	-	-	-	-	86	213	-
Donated assets	4,440	-	2,045	-	974	1,075	24	322
Total at 31 March 2018	94,088	7,604	67,435	4,354	1,204	10,588	2,517	386

16. Capital commitments

Contracted capital commitments at 31 March not otherwise included in these financial statements comprise:

	Group		Trust	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
Property, plant and equipment	241	452	241	452
Intangible assets	36	87	36	87
Total	277	539	277	539

17. Inventories

Current year 2018/19

	Group			
	Drugs	Consumables	Other	Total
	£000	£000	£000	£000
Balance at 1 April	916	2,002	101	3,019
Additions	16,960	8,111	397	25,468
Inventories recognised as an expense in the period	(16,864)	(8,116)	(411)	(25,391)
Write-down of inventories recognised as an expense	(68)	-	-	(68)
Balance at 31 March	944	1,997	87	3,028

Prior year 2017/18

	Drugs	Consumables	Other	Total
	£000	£000	£000	£000
Balance at 1 April	805	2,135	86	3,026
Additions	15,072	8,103	402	23,577
Inventories recognised as an expense in the period	(14,921)	(8,236)	(387)	(23,544)
Write-down of inventories recognised as an expense	(40)	-	-	(40)
Balance at 31 March	916	2,002	101	3,019

Current year 2018/19

	Trust			
	Drugs	Consumables	Other	Total
	£000	£000	£000	£000
Balance at 1 April	916	2,002	101	3,019
Additions	13,936	8,111	397	22,444
Inventories recognised as an expense in the period	(14,014)	(8,116)	(411)	(22,541)
Write-down of inventories recognised as an expense	(68)	-	-	(68)
Balance at 31 March	770	1,997	87	2,854

Prior year 2017/18

	Drugs	Consumables	Other	Total
	£000	£000	£000	£000
Balance at 1 April	805	2,135	86	3,026
Additions	15,072	8,103	402	23,577
Inventories recognised as an expense in the period	(14,921)	(8,236)	(387)	(23,544)
Write-down of inventories recognised as an expense	(40)	-	-	(40)
Balance at 31 March	916	2,002	101	3,019

The Trust does not currently operate a complete inventory management control system and is therefore, not able to separately evaluate any amount arising, from write-downs or losses, for inventories other than drugs.

18. Trade and other receivables

18.1 Trade and other receivables

	Group		Trust	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
Current				
Contract receivables (IFRS 15): invoiced	2,334	-	2,334	-
Contract receivables (IFRS 15): not yet invoiced/ non-invoiced	3,802	-	3,808	-
Trade receivables	-	8,893	-	8,893
Accrued income	-	346	-	346
Allowance for impaired contract receivables	(89)	-	(89)	-
Allowance for impaired other receivables	-	(92)	-	(92)
Prepayments	2,197	1,806	2,195	1,806
Interest receivable	6	3	6	3
PDC dividend receivable	200	40	200	40
VAT receivables	333	357	279	357
Other receivables	292	385	302	385
Total	9,075	11,738	9,035	11,738
Non-current				
Prepayments	82	114	82	114
Contract receivables (IFRS 15): not yet invoiced/ non-invoiced	169	-	169	-
Accrued income	-	185	-	185
Total	251	299	251	299
Grand Total	9,326	12,037	9,286	12,037

The great majority of trade is with Clinical Commissioning Groups, as commissioners for NHS patient care services. As Clinical Commissioning Groups are funded by central government to buy NHS patient care services, no credit scoring of them is considered necessary.

Trade receivables and accrued income have been reclassified to contract receivables invoiced and not yet invoiced/non-invoiced due to the adoption of IFRS 15 Revenue from contracts with customers

18.2 Receivables past their due date but not impaired

	Group		Trust	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
By one to two months	237	482	237	482
By two to three months	76	32	76	32
By three to six months	174	452	174	452
By more than six months	109	380	109	380
Total	596	1,346	596	1,346

18.3 Receivables past their due date and impaired

	Group		Trust	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
By up to one month	1	-	1	-
By one to two months	1	2	1	2
By two to three months	7	10	7	10
By three to six months	23	38	23	38
By more than six months	448	429	448	429
Total	480	479	480	479

18.4 Allowances for credit losses (doubtful debts)

All other receivables

	Group		Trust	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
Balance at 1 April	92	84	92	84
Impact of IFRS 9 (and IFRS 15) implementation on 1 April 2018 balance	(92)	8	(92)	8
Balance at 31 March	-	92	-	92

Contract receivables and contract assets

	Group		Trust	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
Balance at 1 April	-	-	-	-
Impact of IFRS 9 (and IFRS 15) implementation on 1 April 2018 balance	92	-	92	-
New allowances arising	36	-	36	-
Reversals of allowances	(39)	-	(39)	-
Balance at 31 March	89	-	89	-

19. Cash and cash equivalents

	Group		Trust	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
Balance at 1 April	2,493	4,427	2,493	4,427
Net change in year	1,043	(1,934)	955	(1,934)
Balance at 31 March	3,536	2,493	3,448	2,493
Made up of				
Commercial banks and cash in hand	5	5	5	5
Cash with Government Banking Service	3,531	2,488	3,443	2,488
Cash and cash equivalents	3,536	2,493	3,448	2,493

20. Trade and other payables

	Group		Trust	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
Current				
Trade payables*	11,530	9,222	11,329	9,222
Capital payables	1,681	1,845	1,681	1,845
Accruals	4,367	2,680	4,367	2,680
Other taxes payable	2,446	2,368	2,424	2,368
Accrued interest on DHSC loans	-	4	-	4
Accrued interest on Finance Leases	-	2	-	2
Total	20,024	16,121	19,801	16,121

* Trade Payables includes outstanding pension contributions of £1,597k (2018 £1,524k).

21. Borrowings

	Group		Trust	
	Current		Current	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
Loans from Department of Health and Social Care	4	-	4	-
Obligations under finance leases	232	99	232	99
Total	236	99	236	99

	Non-current		Non-current	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
Loans from Department of Health and Social Care	4,600	4,600	4,600	4,600
Obligations under finance leases	2,630	207	2,630	207
Total	7,230	4,807	7,230	4,807

The Trust drew down a loan from the Department of Health against the receipt of future asset sales. This loan is repayable by 15th March 2021.

21.1 Reconciliation of liabilities

	Total	DHSC loans 2018/19	Finance leases 2018/19
	£000	£000	£000
Group and Trust			
At 1 April 2018	4,906	4,600	306
Cash movements:			
Impact of applying IFRS 9 as at 1 April 2018	6	4	2
Financing cash flows - principle	(92)	-	(92)
Financing cash flows - interest	(106)	(97)	(9)
Non-cash movements:			
Additions	2,615	-	2,615
Interest charge arising in year	137	97	40
At 31 March 2019	7,466	4,604	2,862

22. Provisions

	Group and Trust	
	Current	
	31 March	31 March
	2019	2018
	£000	£000
Pensions early departure costs	24	23
Pensions injury benefits	12	12
Other legal claims	14	8
Total	50	43

	Non-current	
	31 March	31 March
	2019	2018
	£000	£000
Pensions early departure costs	111	133
Pensions injury benefits	126	140
Total	237	273

22.1 Provisions movement

	Total	Pensions early departure costs	Pensions injury benefits	Legal and other claims
Group and Trust	£000	£000	£000	£000
At 1 April 2018	316	156	152	8
Change in discount rate	(1)	(1)	-	-
Arising during the year	17	5	1	11
Utilised during the year - accruals	(9)	(6)	(3)	-
Utilised during the year - cash	(33)	(19)	(9)	(5)
Reversed unused	(4)	-	(4)	-
Unwinding of discount	1	-	1	-
At 31 March 2019	287	135	138	14

Expected timing of cash flows:				
Within one year	50	24	12	14
Between one and five years	124	77	47	-
After 5 years	113	34	79	-
Total	287	135	138	14

Provisions that are not expected to become due for several years are shown at a reduced value to take account of inflation.

Provisions shown under the heading 'Pensions early departure costs' have been calculated using figures provided by the NHS Pension Agency. They assume certain life expectancies. Provisions shown under the heading 'Legal claims' relate to public and employer liability claims. The liability claims amounts have been calculated using information provided by NHS Resolution and are based on the best information available at the balance sheet date

22.2 Clinical negligence liabilities	31 March	31 March
	2019	2018
Group and Trust	£000	£000
Amount included in provisions of NHS Resolution in respect of clinical negligence liabilities of the Trust	100,132	81,409

23. Other liabilities	Group		Trust	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
Deferred income - goods and services	1,691	1,430	1,691	1,430
Total	1,691	1,430	1,691	1,430

24. Finance lease obligations	Minimum lease payments		Present value of minimum lease payments	
Group and Trust	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Gross lease liabilities	4,063	322	3,086	301
of which liabilities are due				
not later than one year	398	108	358	105
later than one year and not later than five years	1,033	214	938	196
later than five years	2,632	-	1,790	-
Finance charges allocated to future periods	(1,201)	(16)	(1,003)	(15)
Net lease liabilities	2,862	306	2,083	286
of which liabilities are due				
not later than one year	232	99	193	96
later than one year and not later than five years	570	207	516	190
later than five years	2,060	-	1,374	-
	2,862	306	2,083	286

All finance lease obligations disclosed above relate to plant and machinery and buildings.

25. Contingencies

Contingent liabilities	31 March 2019 £000	31 March 2018 £000
Group and Trust		
Risk pooling*	18	24
Employment tribunal and other employee related litigation	-	77
Early retirement	2	1
Injury benefits	3	1
Total	23	103

* Risk pooling is in respect of employer and public liability incidents for which claims have been made against the Trust. The contingent liabilities have been calculated using information provided by NHS Resolution. Provisions relating to these cases are included in Note 22.

26. Financial instruments

26.1 Financial assets

	Group		Trust	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
Loans and receivables				
Trade and other receivables with NHS and DH bodies	5,735	8,822	5,735	8,822
Trade and other receivables with other bodies	779	497	783	497
Cash and cash equivalents at bank and in hand	3,536	2,493	3,448	2,493
Total at 31 March	10,050	11,812	9,966	11,812

The financial assets consist of the financial element of trade and other receivables (Note 18.1) and cash and cash equivalents at bank and in hand (Note 19).

26.2 Financial liabilities

	Group		Trust	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
Borrowing excluding finance lease and PFI contract	4,604	4,600	4,604	4,600
Obligations under finance lease	2,862	306	2,862	306
Trade and other payables with NHS and DH bodies	4,493	3,028	4,493	3,028
Trade and other payables with other bodies	10,967	8,831	10,765	8,831
Provisions under contract	287	316	287	316
Total at 31 March	23,213	17,081	23,011	17,081
Maturity of				
In one year or less	15,746	12,001	15,544	12,001
In more than one year but not more than two years	4,850	121	4,850	121
In more than two years but not more than five years	444	4,816	444	4,816
In more than five years	2,173	143	2,173	143
	23,213	17,081	23,011	17,081

The financial liabilities consist of the financial element of trade and other payables (Note 20), plus current and non-current borrowings (Note 21) and provisions (Note 22.1) excluding legal costs.

26.3 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Due to the continuing service provider relationship that the Trust has with Clinical Commissioning Groups and the way those Groups are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

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 Policies agreed by the Board of Directors. The Trust's treasury activity is subject to review by the Trust's internal auditors.

26.3.1 Currency risk

The Trust is a UK based organisation with no overseas operations. The vast majority of its income, expenses, assets and liabilities are denominated in sterling, and therefore it has low exposure to currency risk.

26.3.2 Interest rate risk

The Trust's exposure to interest rate risk is limited to the rate of interest it earns on short-term cash deposits placed with the National Loans Fund and its cash balances with the Government Banking Service. All of the borrowings of the Trust are at fixed rates of interest.

The Trust earned interest of £84,000 (at an average rate of approximately 0.56%) during 2018/19. An increase in interest rates of 0.5% would increase interest earned by approximately £74,000.

26.3.3 Credit risk

The majority of the Trust's trade and other receivables are due from other NHS bodies that are funded by central government. As a result, the Trust has a low credit risk profile. Exposures as at 31 March are disclosed in the Trade and other receivables note.

The Trust has a credit control policy and actively pursues unpaid debts, utilising the services of a debt collection agency for certain older debts. The Trust does not enter into derivative contracts.

26.3.4 Liquidity risk

The Trust's net operating costs are incurred under annual service agreements with local Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Trust also largely finances its capital expenditure from internally generated funds, or from facilities made available from Government under an agreed borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

The Trust has a deficit of £8.6m in the current financial year and has a cash balance of £3.5m. Therefore, there is minimal risk to payables.

27. Events after the reporting period

There have been no significant post balance sheet events requiring disclosure.

28. Related party transactions

Dorset County Hospital NHS Foundation Trust is an independent public benefit corporation as authorised by NHS Improvement in their Terms of Authorisation.

None of the Trust's Directors, senior managers, or parties deemed to be related to them, has undertaken any material transactions with Dorset County Hospital NHS Foundation Trust.

The Department of Health and Social Care is regarded as the ultimate parent of the Trust. During the year the Foundation Trust has had a significant number of transactions with entities for which the Department of Health is regarded as the ultimate parent.

Central and Local Government and NHS entities, with which the Foundation Trust had transaction totals exceeding £500,000 for the year, are listed in the following table.

	Income in year to 31 March 2019 £000	Expenditure in year to 31 March 2019 £000	Receivables at 31 March 2019 £000	Payables at 31 March 2019 £000
Department of Health and Social Care	1,759	-	-	4,604
Dorset County Council	272	300	16	622
Dorset Healthcare NHS Foundation Trust	3,106	5,220	568	3,016
Health Education England	6,795	11	23	-
HM Revenue and Customs - Tax & NI	-	9,134	-	2,446
NHS Blood and Transplant	-	657	-	38
NHS Dorset Clinical Commissioning Group	123,654	492	215	779
NHS England - Core	6,137	321	2,320	79
NHS England - South West (South)	3,359	-	85	120
NHS England - South West (North)	822	-	3	275
NHS England - Wessex Commissioning Hub	24,856	-	1,422	-
NHS Resolution	-	6,282	-	-
NHS Pension Scheme	-	11,310	-	1,592
NHS Somerset Clinical Commissioning Group	2,178	-	-	45
Poole Hospital NHS Foundation Trust	738	1,153	151	321
Somerset Partnership NHS Foundation Trust	553	-	55	-
University Hospital Southampton NHS Foundation Trust	794	251	206	37
DCH Subco Ltd	2,855	90	-	15

The payables included above in respect of HM Revenue and Customs and NHS Pension Scheme include both employee and employer contributions. The expenditure figures for these organisations are only in respect of employer contributions.

The Trust receives revenue payments and contributions to the cost of non-current assets from the Dorset County Hospital NHS Foundation Trust Charitable Fund, of which the Foundation Trust is the corporate trustee.

Transactions with Dorset County Hospital NHS Foundation Trust Charitable Fund:	31 March 2019 £000	31 March 2018 £000
Contributions from the Charity to non-current assets	577	753
Contributions from the Charity to expenditure	54	22
Administration costs charged to the Charity	22	22

29. Third Party Assets

The Trust did not hold cash and cash equivalents which relate to monies held on behalf of patients (2017/18 £nil).

30. Losses and special payments

The total costs included in this note are on a cash basis and may not reconcile to the amounts in the notes to the accounts, which are prepared on an accruals basis.

Group and Trust	Number of cases		Total value of cases	
	31 March 2019 Number	31 March 2018 Number	31 March 2019 £'000	31 March 2018 £'000
Losses;				
Losses of cash due to:				
overpayment of salaries etc	3	-	1	-
Bad debts and claims abandoned in relation to:				
private patients	-	-	-	-
other	-	1	-	5
Damage to buildings and property due to:				
stores losses	1	1	68	40
Special Payments;				
Compensation under court order or legally binding arbitration award	2	2	72	31
Ex-gratia payments in respect of:				
loss of personal effects	15	19	3	5
other	6	5	5	-
	27	28	149	81

31. Limitation on auditor's liability

The limitation on the Trust's auditor's liability is £1.0million (2017/18: £0.5million).

32. Pooled Budget – Equipment for Living Partnership

The Trust, via Dorset CCG, contributes towards a pooled budget arrangement which started on the 1st April 2015. This is hosted by Bournemouth Borough Council to provide equipment for Living Partnership. This replaced the Integrated Equipment Service hosted by Dorset County Council which ceased on the 31st March 2015.

Payments are included in note 5 – Operating expenses under heading Purchase of healthcare from NHS and DHSC bodies. The Trust contributed £189k in 2018/19 (£187k 2017/18). This forms part of the Dorset CCG total included in the table below.

The below disclosure is based on month 12 information provided by Bournemouth Borough Council and it should be noted that these figures are un-audited.

Group and Trust	Year ended 31 March 2019 £000	Year ended 31 March 2018 £000
Funding		
Bournemouth Borough Council	637	637
Borough of Poole	592	592
Dorset County Council	1,413	1,313
Dorset CCG	5,358	5,058
Partner Contributions (excluding management costs)	8,000	7,600
Partner Allocation: Local Authority	115	33
Partner Allocation: CCG	235	66
Total Funding	8,350	7,699
Expenditure		
Integrated Community Equipment Store		
Actual Spend to March	(8,350)	(7,699)
Total Expenditure	(8,350)	(7,699)
Total Surplus at 31 March	-	-

33. Other Financial Commitments

The Trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement), analysed by the period during which the payment is made:

	Group		Trust	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
not later than 1 year	1,262	2,546	1,262	2,546
after 1 year and not later than 5 years	1,197	465	1,197	465
Total	2,459	3,011	2,459	3,011

34. IFRS 9 and IFRS 15 implementation from 1 April 2018

IFRS 9 Financial Instruments and IFRS15 Revenue from Contracts with Customers were adopted from 1 January 2018, and commenced in the public sector with effect from 1 April 2018.

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement and related IFRIC interpretations. The new standard is intended to take a principles based approach and to be less complex. There are three main elements to the changes that IFRS 9 introduces around classification and measurement of financial assets and liabilities; impairment methodology; and hedge accounting.

The table below shows the movements in the financial statements.

	Per 2017/18 Accounts	Adjusted on 1 April 2018	Movement
	£000	£000	£000
IFRS 9 adjustment			
Statement of Financial Position			
Current liabilities			
Trade and other payables	(16,121)	(16,115)	(6)
Borrowings	(4,906)	(4,912)	6
Net movement to Statement of Financial Position			0
Financial instruments			
Financial assets			
Trade and other receivables with NHS and DH bodies	8,822	8,822	0
Trade and other receivables with other bodies	497	898	401
Cash and cash equivalents at bank and in hand	2,493	2,493	0
Net movement to financial assets	11,812	12,213	401
Financial liabilities			
Borrowing excluding finance lease and PFI contract	4,600	4,604	(4)
Obligations under finance lease	306	308	(2)
Trade and other payables with NHS and DH bodies	3,028	3,028	0
Trade and other payables with other bodies	8,831	8,825	6
Provisions under contract	316	316	0
Net movement to financial liabilities	17,081	17,081	0

IFRS 15 Revenue from Contract with Customers replaces IAS 18 Revenue, IAS 11 Construction Contracts and related IFRIC and SIC interpretations. IFRS 15 introduces a 5-step process for the recognition and measurement of revenue, which is more prescriptive than IAS 18. The core principle in IFRS 15 is that entities should recognise revenue to depict the transfer of promised goods or services to the customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. There was no impact on the financial statements with the adoption of this standard.

