Queen Victoria Hospital
NHS Foundation Trust

Annual Report, Quality Accounts and Financial Accounts **2013/14**

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

Contents

Introductions 1

1.1 Chairman's introduction

I am pleased to present the 2013/14 annual report, quality account and financial accounts for Queen Victoria Hospital NHS Foundation Trust.

During 2013/14 QVH has celebrated its past and laid down strong foundations for the future.

It is 150 years since the first East Grinstead Cottage Hospital was founded in 1863. Following a number of incarnations as a small community hospital, the Queen Victoria Hospital, as it became known by the 1930s, moved to its current site in 1936. It became world famous through the work of surgeon Archibald McIndoe who was knighted in recognition of his pioneering plastic surgery techniques and holistic treatment of allied aircrew during WWII. Throughout the last 150 years our services have been informed by our passion for providing the highest quality care, the best clinical outcomes and a safe and positive patient experience.

Our anniversary was marked most memorably by a visit from our patron, HRH the Princess Royal, in October. During her time at the hospital Her Royal Highness met members of our clinical and nursing teams, patients, community representatives and veterans of WWII who joined Sir Archibald McIndoe's Guinea Pig Club, founded to support service men who were undergoing the pioneering treatment for which the hospital became famous in the 1930s and 40s.

The visit also included the opening of our new £12m state-of-the-art theatres, which are an important milestone for the hospital in its programme of replacing and modernising its ageing buildings. The theatres opened by Her Royal Highness have been supplemented since by four more new operating theatres costing £4m, enabling the hospital to realise a long-held ambition to replace all of its old theatres. The new facilities will provide a more comfortable experience for patients and enable the hospital to be more efficient, minimising delays and maintenance costs. They are equipped with the latest equipment for microscopic surgery and lighting systems fitted with cameras so surgical teams can review operations and use them for training and research. We are proud that the project was completed on time and on budget.

2013/14 also saw the 60th anniversary of the establishment of the Eye Bank at the hospital. It was the first facility in the UK for storing donated corneas and was only made possible by a change in the law. Our Eye Bank was the country's only facility for storing donated corneas until the 1980s and continues to be the most expert and technologically advanced, serving QVH and other hospitals around the country.

While managing the challenges of redeveloping the QVH site, our staff have maintained services of the highest quality and safety. The levels of patient, staff, regulator and commissioner satisfaction with what the hospital does have continued to be very high throughout the past year and I would like to thank everyone who has contributed to our achievements.

2013/14 was the final year of service for two of the trust's non-executive directors, Shena Winning and Jeremy Beech, and I would like to pay tribute to their commitment and achievements during their tenure. We welcomed two new non-executive directors to the board during the year – Virginia Colwell and John Thornton, and they have established themselves quickly as effective and valued colleagues.

We also welcomed our new Chief Executive, Richard Tyler, who joined QVH in July. Richard has made a significant impact during his first nine months in post and is leading the trust into the coming years at the head of QVH 2020, our strategy for delivering continued excellence through the years ahead.

2014/15 will bring us many challenges and opportunities and we will continue to face them with professionalism, compassion and dedication. The current economic climate is testing for the NHS, and particularly the hospital sector, but our commitment to the delivery of safe, effective, efficient services means that we will continue to seek innovative ways to meet the needs of the people we serve.

Peter Griffiths
Chairman

1.2 Chief Executive's introduction

I joined QVH in July 2013 and my first nine months have been a great introduction to the hospital, its staff, our patients and partners. I am very pleased to have joined an organisation so dedicated to providing safe, effective and compassionate care for all.

QVH has a strong history of innovation and high standards, and this annual report demonstrates how we have continued to promote and achieve excellence over the last year. The corneoplastics conference organised by the trust in November as part of the Eye-Bank's 60th anniversary celebrations is a fine example of the ways in which QVH and its teams lead their fields.

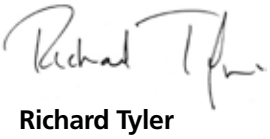
Our track record for clinical excellence and innovation should also be seen alongside our great results in the national inpatient survey for 2013 and in our results for the new NHS friends and family test which show that we consistently provide caring, effective services across all of our departments.

As ever, the year brought its share of challenges. The extended spell of bad weather between Christmas and the New Year saw many areas of the hospital suffer storm damage. It is a tribute to our staff that we have met these challenges with minimal impact on the care our patients received.

Management of the economic climate and its impact on the hospital has also proved to be demanding in 2013/14, and a key task ahead for the board in the coming year will be the development of QVH 2020, our long-term strategic plan.

As part of our longer-term planning we will work with our commissioners, partners and stakeholders to ensure that the services we provide continue to meet the needs of our local communities as well as the users of our specialist services who come from further afield.

I am aware that I have joined QVH at the beginning of an exciting new phase in its development and I look forward to leading the delivery of our longer-term strategy whilst ensuring we continue to provide the high quality care of which we are so rightly proud.



Richard Tyler
Chief Executive

Overview of 2013/14 2

2.1 Our proud achievements

Patient satisfaction and excellent outcomes

- We achieved a score of 86 for the NHS friends and family test across the year. This compares very favourably with other specialist trusts.
- Our results in the national inpatient survey continued to be excellent and we achieved the highest scores of any trust in the country for the sections on the quality of nursing and the support patients received when they were discharged from hospital.
- Our own regular surveys show that 98% of patients rate their care as good or very good.
- We are working to develop the use of feedback and outcomes measures to help deliver improvements.

High quality patient care

- We met all of our targets for reducing healthcare-acquired infections. We had no cases of healthcare acquired MRSA and only one case of Clostridium difficile.
- All our Commissioning for Quality and Innovation (CQUIN) targets for the year have been met. These targets included work to address venous-thromboembolism (VTE), improve the detection of dementia among our older patients and enhance patient safety.
- At QVH there were no breaches of the rules to ensure that patients are cared for in single-sex accommodation.

Performance

- We continue to provide life-saving and life-changing treatment and care to high numbers of patients. During the year we have:
  - Seen just over 12,000 people in our minor injuries unit (MIU)
  - Carried out approximately 26,000 outpatient procedures
  - Conducted 9,500 day case procedures
  - Admitted more than 4,000 inpatients for planned treatment
  - Admitted nearly 5,000 inpatients for non-elective (urgent) treatment
  - Seen nearly 40,000 new outpatients
  - Provided follow-up outpatient appointments for around 115,000 people.
- At the same time, we are ensuring that our patients receive timely care and treatment:
  - We saw and treated 99.6% of people in our MIU within 4 hours, well within the nationally-set target of 95%
  - On a trustwide basis, we met the18-week referral to treatment targets for both admitted and non-admitted patients, however, some specialties failed to achieve the target in some months
  - On a trustwide basis, we met cancer waiting time targets
  - 100% of patients received diagnostic tests within the six week target.

Quality assurance

- We have introduced 'compliance in practice' visits to clinical areas, involving executive and non-executive directors, governors and non-clinical staff, enabling them to seek assurance about the care we deliver and to ensure we meet the essential standards of quality and safety set by the Care Quality Commission (CQC).
- An unannounced inspection from the CQC confirmed that we meet all the safety controls relating to exposure to medical radiation. The CQC has also confirmed that we have implemented recommendations it previously made to improve our records service.

Strategic and directors' reports 3

3.1 Directors' report

Who we are and what we do

Queen Victoria Hospital (QVH) is a specialist NHS hospital providing life-changing reconstructive surgery, burns care and rehabilitation services for people across the south of England.

Our world-leading clinical teams also treat common conditions of the hands, eyes, skin and teeth for the people of East Grinstead and the surrounding area. In addition we provide a minor injuries unit, expert therapies and a sleep service.

We are a centre of excellence, with an international reputation for pioneering advanced techniques and treatments. Everything we do is informed by our passion for providing the highest quality care, the best clinical outcomes and a safe and positive patient experience.

QVH is a regional and national centre for maxillofacial, reconstructive plastic and corneoplastic surgery, as well as for the treatment of burns. It is a surgical centre for skin cancer and for head and neck cancer and provides microvascular reconstruction services for breast cancer patients following, or in association with, mastectomy. QVH has links with the operational delivery network for cancer and trauma care covering Kent, Surrey, and Sussex. In addition, QVH is involved in a number of multi-disciplinary teams throughout the region.

QVH was authorised as one of the country's first NHS foundation trusts in July 2004. We have around 9,500 public members in Kent, Surrey and Sussex.

In 2013/14, the principal activities of the trust were the provision of:

- reconstructive surgery (head and neck, maxillofacial, corneoplastic, oculoplastic, general plastic, oncoplastic and trauma)
- rehabilitation therapy
- burns care
- community medical services (outreach therapy services and minor injuries unit).

Reconstructive surgery services are also provided by QVH in facilities at other hospital sites across Kent, Surrey and Sussex – in particular at East Surrey Hospital, Royal Sussex County Hospital, Princess Royal Hospital in Haywards Heath, Royal Alexandra Children's Hospital in Brighton, Medway Maritime Hospital, Darent Valley Hospital, Maidstone Hospital, Eastbourne District General Hospital and the Conquest Hospital in Hastings.

Trust board responsibilities, key results areas and strategic priorities

During 2014/15 the board will have five main responsibilities:

i. A responsibility to **patients**: to provide safe, effective and efficient care and treatment, delivered in a friendly and professional manner

ii. A responsibility to ensure **sustainability**: to put plans in place to maintain and develop new and existing services in order to ensure the longer term sustainability of the trust

iii. A responsibility to **stakeholders**: to achieve high levels of satisfaction and ratings from patients, staff, commissioners, regulators and governors

iv. A responsibility for **money**: to have sound finances that support stability in service provision and employment and provides for regular investment in essential improvements

v. A responsibility for **staff**: to be a good employer and have sufficient numbers of skilled, experienced and well-managed staff to meet the required levels of service.

The board has identified seven strategic priorities for 2014/15 which align with its main responsibilities as follows:

i. Improving the patient experience

ii. Improving the estate

iii. Increasing patient referrals and income

iv. Establishing patient outcomes and clinical results

v. Improving productivity and reducing costs

vi. Improving information

vii. Improving leadership.

Operational delivery

In September 2013 QVH initiated a strategic review entitled *Delivering Excellence: QVH 2020*. The aim of the review was to determine the strategic direction of the trust for the next five to ten years and was based on the straightforward belief that delivering excellence was the most effective way of ensuring the trust would both survive and thrive.

We sought originally to define excellence across three domains: outstanding patient experience; world class clinical services; and operational excellence. During the course of the review we have widened the scope to include: organisational excellence, the quality of care being only as good as the quality of those delivering it; and financial sustainability, the need to ensure our services remain affordable and profitable, as well as of the highest quality, being central to our long-term future. These five domains form the basis of a revised set of key strategic objectives (KSOs) which are shown below.

Key strategic objectives 2014/15

QVH 2020: Outstanding care delivered by outstanding people					
Key strategic objectives (aligned with QVH 2020)	**KSO1 Outstanding patient experience**	**KSO2 World class clinical services**	**KSO3 Operational excellence**	**KSO4 Financial sustainability**	**KSO5 Organisational excellence**
	We put the patient at the heart of safe, compassionate and competent care that is provided by well led teams in an environment that meets the needs of patients and their families	We provide a portfolio of world class services that are evidenced by clinical and patient outcomes and underpinned by our reputation for high quality education and training and innovative research and development	We provide streamlined services that ensure our patients are offered choice and are treated in timely manner	We maximise existing resources to offer cost-effective and efficient care whilst looking for opportunities to grow and develop our services	We seek to maintain and develop a strong professional and caring culture through clear standards, high expectations and exemplary leadership
Focus areas (aligned with QVH 2020)	Superior care and outcomes Exceptional environment Outstanding personal service	Clinical strategy Clinical outcomes Research and development Education and training	Pathway redesign Capacity review Delivery of annual operational plan	Delivery of annual financial plan Capital investment programme 2015/16 -2019/20 Business development programme 2014/15 – 2019/20	Leadership development Performance management Innovation and learning

Aligning board responsibilities and priorities with KSOs

The table below demonstrates how the KSOs are aligned with the board's main responsibilities and priorities as set out above.

Board focus and main responsibilities		Board strategic priorities 2014/15	Organisational delivery - key strategic objectives		Lead director
Patients	To provide safe, effective and efficient care and treatment for patients delivered in a friendly and professional manner	i) Improving the patient experience ii) Improving the estate	KSO1 Outstanding patient experience	i) Superior care and outcomes ii) Exceptional environment iii) Outstanding personal service	Director of nursing and quality
Sustainability	To put plans in place to maintain and develop new and existing services in order to ensure the longer term sustainability of the trust	i) Increase in patient referrals and income ii) Establishing patient outcomes and clinical results	KSO2 World class clinical services	i) Clinical strategy ii) Clinical outcomes iii) Research and development iv) Education and training	Medical director
Stakeholders	To achieve high levels of satisfaction and ratings from patients, staff commissioners, regulators and governors	Improving productivity and reducing costs	KSO3 Operational excellence	i) Pathway redesign ii) Annual operational plan iii) Increase productivity	Head of operations
Money	To have sound finances that support stability in service provision and employment and provides for regular investment in essential improvements	Improving information	KSO4 Financial sustainability	i) Annual financial plan ii) Five year financial planning iii) Capital investment programme	Director of finance
Staff	To be a good employer and have sufficient numbers of skilled, experienced and well-managed staff to meet the required levels of service	Improving leadership	KSO5 Organisational excellence	i) Organisational leadership and development ii) Performance management iii) Innovation and learning	Head of human resources and organisational development

The board assurance framework (BAF) for 2014/15 will set out in detail the risks to the achievement of our strategic objectives, along with the measures we put in place to manage those risks. The BAF will be reviewed and updated by the board on a quarterly basis to ensure that the risks are being controlled as effectively as possible. The principal risks and uncertainties facing QVH over the coming year include:

- Challenges in the public sector economy generally
- Health economy–wide shortages of clinical staff
- National and regional commissioning plans for specialist services.

These issues will be reflected in the BAF and monitored throughout the year.

3.2 Regulatory ratings

QVH made a surplus of £61k for the year after charging impairments of £2,794k, making the pre-impairment surplus £2,855k. This represents a strong performance given the cost pressures faced by the trust. The performance is reflected in the ratings shown below.

We report our performance to Monitor, the sector regulator for health services in England, on a quarterly basis. This includes both financial and operational performance and these are summarised into two risk ratings. In October 2013 Monitor changed the way in which these risk ratings are calculated and replaced the financial risk rating (scale 1 (high risk) to 5 (low risk)) with the continuity of services risk rating (scale 1 (high risk) to 4 (low risk)).

QVH's cumulative 2013/14 ratings are summarised below.

	Q1	Q2	Q3	Q4
Financial risk rating	5	5		
Continuity of services risk rating (from 1/10/13)			4	4
Governance risk rating	Green	Green	Green	Green

Whilst overall performance against targets has been good, QVH has experienced difficulties in consistently achieving the 18 week referral to treatment target for admitted and non-admitted patients, both at service line and corporate level since November 2013. Demand for services remains high and waiting lists have grown in some services, meaning it has not always been possible to treat patients as promptly as we should. We have also seen an increase in tertiary referrals from other hospitals or healthcare providers, which means patients may have already been waiting some time before being treated at QVH. This can impact on our performance as the target is measured from the time of original referral. Performance over the year has been better than target for cancer patients, but in some months patients have waited longer than they should have due to lack of capacity at our off-site clinics.

For 2014/15 we are planning to create additional capacity, review our processes and streamline pathways to reduce waiting times further, thus ensuring patients can be seen within the agreed national targets consistently throughout the year.

QVH had one case of Clostridium difficile for the year against a target of zero. This did not affect the governance risk rating as it was below the de minimis level of 12 cases. QVH had no cases of MRSA in the year.

QVH is registered with the Care Quality Commission (CQC) and is licensed to deliver specified services at one location; the QVH site.

The CQC provides us with an Intelligent Monitoring Report to inform our quality and safety activity and help ensure compliance with essential standards. This report provides information on areas of risk and elevated risk. In our most recent report dated March 2014 there was one risk identified and no elevated risks, giving a final risk score of one (the best rating).

After making enquiries, the directors have a reasonable expectation that the NHS foundation trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

The accounts have been prepared under a direction issued by Monitor under the National Health Service Act 2006.

3.3 Patient care

Providing high quality care to patients is our main priority. This year our investment in developing the estate for the benefit of patients enabled us to open six new operating theatres with further investment enabling us to complete a further four co-located theatres that opened to patients in April 2014. This suite of ten new theatres provides a purpose-built, state-of-the-art facility to manage our inpatient and day case surgical activity. A new admission lounge offers patients an improved waiting area and single-sex change and waiting areas maintain patients' privacy and dignity once they are prepared for their operation.

We continue to receive good feedback from patients on the care they have received and their overall experience. This year feedback has been collected through the national inpatient survey and the NHS friends and family test questionnaire.

This year, in the 11th national NHS inpatient survey, 415 patients aged 16 or over who had stayed at QVH for at least one night during June, July or August 2013 completed the survey which was carried out by Picker on behalf of the CQC. The response rate was 50%, the same as last year and in line with the national average of 49%. The survey covers all aspects of patients' care and treatment, including their privacy and dignity, the way they were treated by doctors and nurses, the information they were given, their views on cleanliness, their comfort and quality of food. We have consolidated our excellent results from previous years and continue to be rated as one of the best hospitals in the country in the eyes of patients. For the second year in a row, we achieved the highest scores of any trust in England the quality of nursing care and the support available on leaving hospital.

The NHS friends and family test was introduced into all inpatient areas during 2013 and we have also chosen to use the methodology within our minor injuries unit and several of our outpatient areas. Our scores have been good and comments that patients have taken time to provide in the free text sections have been very helpful in identifying areas for improvement.

Actions we have taken in response to the comments provided have included introducing sofa seating for patients waiting for their surgery, reminding staff of their responsibility to keep patients informed if there are delays and discussions with individual staff in the rare instances where patient feedback indicated a poor customer care attitude. When we purchase more children's theatre gowns we will review the fabric options following concerns raised by a child patient. We report back to patients on the actions taken in response to feedback and managers publish 'you said, we did' notices on the wards. In many instances the action taken is to thank staff as so many of the comments we receive from patients is about how positive their experience had been.

Performance against key targets

We have met our key targets for the year and these are summarised in Annex B. We have, however, found it a challenge to meet the 18 week referral to treatment target during the latter half of the year. While we have met the aggregate target for the trust for the whole year, challenges in some specialties since November meant we did not meet the monthly target during Quarter four.

In our sleep disorder unit our challenges have been related to insufficient numbers of technician staff. While we have used agency staff, we have not been able to deliver enough sessions for all patients to be treated within 18 weeks. We have are now recruiting permanent technicians to the sleep disorder unit.

Our plastic surgery department also had a very busy July with a significant temporary increase in referrals. Additionally, many of these were unusually complex cases that needed the enhanced skills and experience only possessed by our more senior staff. Similarly, delays occurred in our corneoplastics department because of a surge in especially complicated cases for which we needed to bring in additional specialist support.

To overcome some of these challenges we are opening an extra theatre where we can do day case minor surgery under local anaesthetic, releasing more time in our main theatres for more complex surgery.

Quality of care

Delivering high quality patient care is our priority and this means care that is safe, effective, and provides patients with a good experience. We monitor and measure the quality of care in a variety of ways, including through feedback from the CQC after inspections.

Following a CQC inspection in February 2013, where we were found to not meet the standards for Outcome 21 relating to personal records, the CQC performed an unannounced visit in September 2013. At this follow-up the CQC noted that QVH was now compliant with the standards. We had completed the following actions to achieve compliance:

- Delivery of a record-keeping education session for staff across all clinical areas.
- Completion of quarterly patient record audits resulting in action plans - with ownership - where non-compliance is noted.
- Introduction of 'compliance in practice' audits of all areas, starting with those areas mentioned in the previous CQC report.
- Updating, publishing and communicating the recording keeping policies for the radiology department.
- Improving the collection and accessibility of Radiation Protection Supervisors' (RPS) records and operators' qualifications.
- Introducing processes to allow more comprehensive documentation of care and to support an integrated patient health record as we work towards developing an electronic health record.

In February 2014 our radiology service received a short-notice announced inspection of compliance with the ionising radiation (medical exposure) regulations (IR(ME)R). While we were found to be fully compliant with the standards the inspectors also provided some helpful advice on areas for improvement. QVH intends to take the following action to address the comments made by the inspectors:

- Produce a document to show the procedures in place for evidence of compliance, for example how new staff obtain information
- Provide a flow chart showing the progress of radiation through the hospital
- Introduce into every x-ray room a full exposure chart for children of various ages for the most common examinations
- Compile a full protocol for children for cone beam and fluoroscopy cases
- Deliver a plan to bring in additional cover to oversee any dose reference work, advise on protocols and oversee any other IR(ME)R requirements as required.

To allow us to monitor ourselves in the same way that external inspectors would we introduced 'compliance in practice' audits in April 2013. Through this process, all clinical areas are inspected on a monthly basis against the CQC's essential standards by a team of three staff who use a standard checklist to look at patient records, interview staff or interview patients. The teams have included front-line staff; non-clinical staff from support services such as the library, HR and estates; executive and non-executive directors; and governors.

The process has undoubtedly improved staff knowledge in internal processes and policies and at the same time raised the profile of leaders within the trust, making them more accessible and approachable. One benefit of the inspections has been to encourage open and honest dialogue about any concerns staff wish to raise.

We will be continuing this style of inspection over the coming year but will amend our audit tool to reflect the new regime of inspection by the CQC.

Our quality account priorities and CQUIN targets also help us to identify areas for improvement that will benefit patients. We set ourselves targets to achieve and monitor our progress during the year.

In 2013/14 our quality account priorities centred on improving the experience for outpatients, taking consent for elective patients prior to their day of surgery, providing data to the Thames Cancer Registry and collecting clinical outcomes by individual consultant. Progress on these can be found in section 5 of this report.

Our national commissioning for quality and innovation targets (CQUINs) were:

- continuing to address venous-thromboembolism (VTE)
- assessing trauma patients aged over 75 years of age for their risk of dementia
- implementing the 'safety thermometer', an improvement tool to enhance patient safety
- introducing the NHS friends and family test.

The target for VTE was for more than 95% of inpatients to be assessed for their risk of acquiring blood clots. QVH achieved 100%.

Assessing trauma patients for dementia has required us to continue screening of all patients over 75 years of age with an unplanned admission, going on to undertake a broader assessment and to arrange further follow up with their GP if concerns remain. In addition, the CQUIN required us to provide information on our dementia lead and to provide training to staff, both of which were completed. We also scored extremely well against demanding targets concerning initial and further assessment of relevant patients.

The 'safety thermometer' is an improvement tool for measuring, monitoring and analysing aspects of potential harm to patients. The tool collects information on pressure ulcers, falls, catheter associated urinary tract infections and the risk of VTE. QVH audited all patients each month, reporting the scores back centrally as required.

QVH introduced the NHS friends and family test into all inpatient areas this year and we have received positive sores from patients throughout the year.

Local CQUINs were related to the 'innovation health and wealth' high impact interventions and to areas where QVH and our commissioners felt patients would benefit:

- Assistive technologies – We converted our old telemedicine system to our new system, working with trusts across Kent, Surrey and Sussex. This has gone well and we have now closed the old system.
- Digital by default – Digital dictation and our self check-in stations were included within this for the second year running and we have rolled out and consolidated their use during the year. A preoperative screening system has been purchased to support the admission of patients and ensure they were ready for their surgery, and will be rolled out during 2014/15. Also under this category was the further roll-out of texted appointment reminders and these are now used for all suitable clinics.
- Fluid optimisation - We have audited the use of equipment that monitors fluid levels during major head and neck reconstructive surgery. We have also reviewed our other major cases to identify if they might benefit from this treatment but have found that no others fit the criteria for its use.
- Shared decision making – We have introduced shared decision making in our therapy department for patients with osteoarthritis of the hip and knee. The process supports patients to review the treatment options available to them when they reach decision crossroads in their health care. We have provided feedback information as requested to complete this CQUIN.
- Intellectual property – We reviewed our current intellectual property policy against the new guidance provided as required.
- Compliance in practice – We introduced this audit tool across all clinical areas to support our monitoring of the CQC essential standards. The roll-out was completed and reports are provided to our quality and risk committee on compliance.

New services

No new services were introduced and no services were revised during the year. However, we have consolidated the new service introduced in 2012/13 for margin controlled surgery for skin cancers on specific areas of the face (known as our Moh's service) and this now runs on one full day every week. We have also been able to offer Xiapex, a non-surgical option suitable for some patients referred with Dupuytren's contracture, to an increasing number of people.

Service improvements following staff or patient surveys

Our main service improvement this year has been the opening of our new operating theatres. Feedback from patients has meant that we have now introduced some décor panels within the waiting areas which were previously very plain and unwelcoming.

Feedback from patients about food often indicated that we could provide a better service. During the year we began providing food from hot trolleys so meals could be served on the ward rather than being plated in the kitchens and transported to the ward. This service has meant that patients have more choice over what they eat, can change their minds and can control portion sizes.

In last year's inpatient survey we scored poorly on whether we had asked patients about the quality of care they received. The introduction of the NHS friends and family test this year has meant we do this more frequently and have been able to use the patient feedback collected.

Proposals from staff and patients that we have received more recently mean that we plan to do more surgery on the day of people's outpatient appointment for small lesions. This will mean less travelling for patients as they can be seen and treated on the same day.

Patient information

Providing patients with information that is clear and consistent is important. Our national survey results show that we have continued to improve how we communicate with patients with our scores for discharge information; information on medicines; clarity of the letters sent to GPs and copied to patients; and information on how to complain all improved on last year.

During the year we have also updated our bedside guide for patients. The guide provides information on ward routine, visiting, meal times and amenities for friends and family. To help patients further and provide them an opportunity to meet staff, where they can ask questions or raise issues, we have introduced a weekly 'meet the matron' session that is held on our Canadian Wing wards.

Information on complaints handling

Complaints are an important source of information about how patients view the services and care we provide. We use the information from complaints to educate staff and to improve our systems and processes for the benefit of patients. All complaints are reviewed by the chief executive and director of nursing and quality and responses are provided in a timely manner. Monthly reports are provided to the senior management team and include actions taken and lessons learnt. The board receives information on closed complaints and the action taken. Over the next year we plan to bring further information to the attention of the board in the form of patient stories.

Description of significant partnerships or alliances

To ensure we deliver the best care to patients we work with partner organisations to support the delivery of specialist services. We have a number of arrangements in place with Brighton and Sussex University Hospitals NHS Trust. They support the delivery of our pathology, physician and paediatric services. Review meetings are held regularly where both organisations are able to review the service provided and address any matters of concern. The physician input has been integral in supporting staff across the organisation with our dementia care. The paediatricians provide expert advice in regard to safeguarding concerns and the pathology arrangement ensures that patients' clinical tests and expert advice are readily available to our staff.

Patient experience

Providing an excellent patient experience is at the heart of our commitment to deliver high quality care – care that is safe, kind and effective. We have had a strong focus on improving patient experience over the years and this continues to develop and evolve. We measure patient experience through a number of surveys, including the NHS friends and family test, and the use of information gathered through complaints and by our Patient Advice and Liaison Service (PALS).

All our services are focused on improving care and the patient experience and, while our services continue to win many plaudits, we fully recognise the need to respond effectively to patient and staff feedback.

Last year we received 80 complaints compared with 73 in the previous year. We continue to receive many more compliments than complaints, with 94 plaudits received this year. However, we are not complacent and each complaint is thoroughly investigated by our patient experience manager who will agree the best resolution at local level to try to prevent the problem from happening again. The board receives regular reports on the number and nature of complaints and sees these as a means of improving performance and patient experience.

A full patient experience annual report for 2013/14, which incorporates data and information about complaints, patient advice and liaison contacts, compliments and other experience feedback and activities, is available on our website.

3.4 Staff engagement

The quality of care our staff provide to patients is founded upon how well we engage with our staff and enable them to perform at the highest level. As such, through 2013 we built upon the work associated with our core values and behaviours ('continuous improvement', 'humanity' and 'pride') and sought to provide more opportunities for all staff to become involved in the development of the organisation.

To this end, we introduced a wellbeing and culture group to take forward actions identified from the 2012 staff survey. These included:

- improving communications between managers and staff (increasing from 40% to 41% against a national average of 35%)
- helping staff to see how their role makes a difference (increasing from 92% to 94% against a national average of 91%)
- staff being able to contribute to improvements (increasing from 74% to 77% against a national average of 72%).

In addition, the group also looked to the health of our staff and provided a healthy living promotion day with staff attending from across the hospital. Whilst the emphasis was on important messages about work life balance, healthy eating and exercise, this was also an opportunity for staff to take time away from their normal work and to have some fun.

The recommendations from the Francis report have been reflected in our plans for improving staff engagement, training and development. In addition, we have improved our reporting to the board, providing more accurate information on mandatory and statutory training, sickness levels, turnover, vacancies and the use of bank and agency staff. This data has been used to monitor performance against the targets set at the beginning of the year and we have seen a level of continuous improvements, which is ultimately reflected in the continued positive feedback from patients and their carers.

During the year we have seen improvements in the number of staff receiving an appraisal, from 63% in April 2013 to 74% in January 2014, and statutory and mandatory training, from 60% at the beginning of the year to 77% in March 2014.

The year has also seen the development of QVH 2020, our long-term strategy, which sets out our key strategic aims and objectives and how we intend to achieve them. In developing the strategy we undertook a wide-ranging staff engagement exercise to outline the senior team's ambitions for QVH and to provide a genuine opportunity for all staff to have their say and to influence our future direction.

Communication is at the forefront of our relationship with staff and their representatives and through the year we have strengthened our formal and informal arrangements. Positive results in the annual staff survey for communications between staff and managers and our overall staff engagement score reflect this.

Formal consultation with staff continues to be driven through:

- Joint consultation and negotiation committee – involving trade union and management representatives
- Local negotiating committee – involving managers and medical staff representatives and including a British Medical Association representative.

QVH has a strong belief in providing staff with opportunities to contribute to the development of the hospital and the services we provide. We organise monthly staff briefings, walk-rounds by members of the executive team, a fortnightly internal staff newsletter and access to an intranet site.

NHS staff survey results 2013

Our approach to greater staff engagement and development has been reflected in our continued excellent staff survey results. The annual NHS staff survey is based upon 28 key findings centred around four of the seven pledges to staff in the NHS Constitution. These pledges are:

- **Staff pledge 1**: To provide all staff with clear roles and responsibilities and rewarding jobs for teams and individuals that make a difference to patients, their families and carers and communities.
- **Staff pledge 2**: To provide all staff with personal development, access to appropriate education and training for their jobs, and line management support to enable them to fulfil their potential.
- **Staff pledge 3**: To provide support and opportunities for staff to maintain their health, wellbeing and safety.
- **Staff pledge 4**: To engage staff in decisions that affect them and the services they provide, individually, through representative organisations and through local partnership working arrangements. All staff will be empowered to put forward ways to deliver better and safer services for patients and their families.

The staff survey also has two additional themes:

- How well staff view the trust as a place to work, whether they would recommend the trust as place to receive treatment and how this affects their motivation at work.
- How well the trust performs as a fair employer, particularly in relation to equality and diversity.

The table below shows how we performed in the 2013 survey against some of these factors, in particular those questions associated with staff recommending the trust as a place to work or receive treatment. We are proud that our performance is well above the national average for specialist acute trusts.

Key finding / question	QVH score 2012	QVH score 2013	Acute specialist trust average (median) 2013
KF24 / Q12a: Care of patients / service users is my organisations top priority	83%	88%	84%
KF24 / Q12b: My organisation acts on concerns raised by patients / service users	83%	87%	81%
KF24 / Q12c: I would recommend my organisation as a place to work	81%	81%	81%
KF24 / Q12d: If a friend or relative needed treatment, I would be happy with the standard of care provided by this organisation	94%	94%	88%
KF 24 overall: Staff recommendation of the trust as a place to work or receive treatment	4.25*	4.26*	4.09*

** Score based on 1-5 rating with 5 the highest performance.*

One of the most important measures in the survey is the staff engagement score which combines a number of factors including ability to contribute to improvements, motivation and whether staff would recommend the trust as a place to work or receive treatment. It was very encouraging to see that our score for 2013 had improved a little further on 2012, rising from 4.00 to 4.01 compared with a decrease in the national average.

	2012		2013		
	QVH	National average	QVH	National average	Trust improvement/ deterioration
Response rate	62.5%	45.6%	61%	49.6%	-1.5%
Staff engagement score	4.00	3.92	**4.01**	**3.91**	**+0.01**

The tables below show our top and bottom five ranked scores and compares them against our 2012 scores and the national averages for acute specialist trusts. This helps us to see how we compare with others and where we need to make changes, in line with our corporate value of 'continuous improvement'.

	2012		2013		
Top 5 ranking scores	QVH	National average	QVH	National average	Trust improvement/ deterioration
KF21: Percentage of staff reporting good communication between senior management and staff	**40%**	**33%**	**41%**	**35%**	**+ 1.0%**
KF2: Percentage of staff agreeing that their role makes a difference to patients	**92%**	**91%**	**94%**	**91%**	**+ 2.0%**
KF22: Percentage of staff able to contribute towards improvements at work	**74%**	**71%**	**77%**	**72%**	**+ 3.0%**
KF24: Staff recommendation of the trust as a place to work or receive treatment	**4.24**	**4.06**	**4.26**	**4.08**	**+0.02**
KF11: Percentage of staff suffering work-related stress in last 12 months	**28%**	**32%**	**28%**	**34%**	**No change**

	2012		2013		
Bottom 5 ranking scores	QVH	National average	QVH	National average	Trust improvement/ deterioration
KF6: Percentage of staff receiving job-relevant training, learning or development in last 12 months	**78%**	**81%**	**78%**	**81%**	**No change**
KF7: Percentage of staff appraised in last 12 months	**83%**	**83%**	**81%**	**86%**	**- 2.0%**
KF8: Percentage of staff having well-structured appraisals in last 12 months	**45%**	**36%**	**41%**	**42%**	**- 4.0%**
KF9: Support from immediate managers	**3.77**	**3.69**	**3.74**	**3.74**	**- 0.03**
KF18: Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months	**24%**	**21%**	**21%**	**21%**	**- 3%**

Our top five ranking scores are all better than the national average and show improvements over 2012. Staff suffering work related stress has remained at the same level (28%) but this is compared to the national position where more staff are reporting work related stress. While the percentage of staff saying they have experienced harassment, bullying or abuse from patients, their relatives or the public, is one of our five lowest ranking scores, it is one of the areas where we have seen the most significant improvement, decreasing from 24% in 2012 to 21% in 2013.

Sickness absence

Sickness absence is based on a calendar year in line with reporting requirements.

Sickness absence	
Average sickness absence (2013 calendar year)	3.4%
Average FTE 2013	792
FTE days available	178,212
FTE days lost to sickness absence	5,987
Average sick days per FTE	7.6

Future priorities and targets

Having reviewed our staff survey results alongside our QVH 2020 work to develop our long-term strategy, we have identified the following main priorities for the coming year:

- Increasing the number of staff receiving appraisals
- Improving the quality of appraisals taking place
- Developing closer working relationships between staff and their line managers
- Providing greater opportunities for staff to receive job-related training and development
- Further reducing the number of staff experiencing harassment, bullying or abuse from patients, relatives or the public.

We have already begun work on improving our approach to appraisals, with a new system introduced in January 2014. In addition, we are now providing more on-line training for staff so that they can access it at the locations and times which they find most convenient.

QVH 2020 will be the cornerstone of our plans for the next 12 months. Key strategic objectives (KSOs) have been agreed to ensure we deliver the strategy, covering five specific areas:

- KSO1: Outstanding patient experience
- KSO2: World class clinical services
- KSO3: Operational excellence
- KSO4: Financial stability
- KSO5: Organisational excellence.

KSO5 is about how we create the right environment for our staff to be able to perform to the very best of their ability at all times. It has been broken down into the following three areas:

- Leadership development
- Performance management
- Innovation and learning.

A set of deliverables have been agreed for each of these three areas and measures put in place which will be monitored monthly or quarterly basis and included in reports to the board on all key workforce performance indicators.

A specific focus for 2014/15 will be to develop the QVH workforce strategy covering improvements to temporary staffing arrangements, reviewing medical staffing, implementing changes to the management structure and building long-term workforce plans. In addition, we will embed further our values and the behaviours associated with them and this will be achieved through improvements to our leadership and management development programmes. Furthermore, the planned changes to our management structure, together with an enhanced leadership framework, will ensure greater responsibility for our managers and staff to work closely together to continue raising our standards and performance.

QVH's approach to remuneration for the year ahead will be largely influenced by changes agreed nationally. Most staff are paid according to national terms and conditions of service i.e. Agenda for Change or through the relevant pay review bodies such as that associated with doctors and dentists. As such most of the trust's staff will receive pay awards agreed by the Department of Health. In the last 12 months the trust has implemented performance related incremental progression. This ensures all staff have an annual appraisal and that they do not receive incremental progression without their performance being reviewed and approved by their line manager. The performance measures are built into the appraisal system which has been revised and rolled out across the organisation. QVH does not intend to implement separate arrangements for performance related pay or bonuses in the next financial year.

Senior managers' pay arrangements are subject to approval by the nomination and remuneration committee. In the last 12 months the committee has considered the national position with regard to pay for managers in the health service. Having done so it agreed to hold salaries at their current level. In the year ahead the committee will receive evidence from the head of human resources who will base his recommendations on health sector pay using IDS reports which cover both NHS and local authority pay for senior managers. Determination of the effectiveness and performance of senior managers is through performance appraisal and linked to QVH 2020, the trust's long-term strategy. This provides five key strategic objectives which are assigned to senior managers from which sets of individual objectives have been developed. These will be reviewed through the year by the chief executive to determine progress and achievement.

The majority of staff, whether on national terms and conditions of service or local arrangements, are contracted on a permanent, full time or part time basis. Exceptions to this will be in positions where it is felt that an individual needs to be recruited on a fixed term contract to carry out a specific project and which is therefore time limited. This approach provides for control of the trust's staffing resources and enables flexibility where this is appropriate to the role.

National guidance is followed for notice periods relevant to staff on Agenda for Change and is determined by the associated salary banding. The maximum in such cases is three months' salary and is in line with current employment legislation. Termination payments are made within the contractual rights of the employee and therefore would be subject to income tax and national insurance contributions.

The directors and very senior managers who have served in the last 12 months are as follows:

Name	Position	Start date in the role	Notice period	Early termination
Richard Tyler	Chief Executive Officer	1 June 2014	6 months	Payment in Lieu of notice subject to agreement
Richard Hathaway	Director of Finance	1 April 2010	3 months	
Amanda Parker	Director of Nursing and Quality	31 May 2009	3 months	
Stephen Fenlon	Medical Director	1 April 2014	3 months	

In the last year no significant awards have been made to senior managers.

3.5 Stakeholder relations

QVH provides services for a population of over 4 million people across Kent, Surrey, Sussex, Medway and Brighton and Hove, so many individuals, communities and organisations have an interest in the organisation.

Following the implementation of the changes in Health and Social Care Act in April 2012, we have been working closely with our commissioners including twenty five clinical commissioning groups (CCGs) led by NHS Horsham and Mid Sussex CCG and the NHS England specialist commissioning team (which commissions the burns, dental and maxillofacial services at QVH).

Clinical networks continue to be developed across the region incorporating previous groups set up for cancer, trauma, etc. As these develop, QVH continues to liaise with relevant organisations to ensure the existing programmes of work progress. QVH will develop further strong working relationships with its stakeholders as their organisations and roles evolve.

A challenge for QVH is that it serves six local authority areas but proportionally its services are not as significant in each local area as those of the local district general hospital. This can mean that attention to QVH issues is less than it might be. At the same time, the ability of QVH to contribute to discussions and service reviews in each area is constrained by time and geography. This places significant demands on both executive and clinical staff and carries a significant risk for the organisation of unintended consequences from decisions made about health care services when those decisions do not take QVH into account.

In order to continue to provide the hospital's tertiary specialist services that are unique in the region, the hospital must also be able to continue providing the more common and routine procedures in each of its specialty disciplines. It is these which provide the clinical and financial sustainability that allow the complex treatment of rare and occasional problems. In this, the continued support of commissioners, GPs in the surrounding area and patients who choose to come to QVH, or to its services at other hospitals, is essential.

QVH works closely with district general and teaching hospitals across the four counties, providing tertiary support in the management of patients with complex soft tissue damage, corneal, or maxillofacial surgical needs. To ensure access to our specialist services, these relationships at both clinical and corporate levels are crucial. QVH works to ensure that it provides services which are complementary to and supportive of the services provided locally by these partner hospitals, while seeking to ensure their services are developed in a similarly complementary fashion.

As the commissioning landscape develops, CCGs are putting more clinical services up for tender, particularly for whole pathways of care which are traditionally delivered by more than one provider. QVH is developing good relationships with other providers, both from the NHS and the independent and third sectors, to respond to such tenders in ways that allow improved integration of care whilst maintaining the expert clinical input offered by QVH where needed.

The hospital continues to value highly the support and encouragement of its local population and East Grinstead Town Council. The hospital is fortunate to have a strong body of members and governors, a willing team of volunteers, and a supportive league of friends.

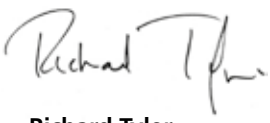
3.6 Estate

Improvements to our estate infrastructure have continued during the last year. Progress has at times been hampered by the adverse weather experienced by large areas of the UK which caused a significant amount of damage to our estate. Work to repair the damage caused has been undertaken in the latter half of Quarter 4 and will continue into the new financial year.

The provision of our new theatre development, consisting of ten operating theatres, day case facilities and supporting infrastructure has been completed. The first phase of this development, consisting of six surgical operating theatres and supporting infrastructure, opened in September 2013. This was completed on time and within budget. The second phase, consisting of four additional theatres, opened to patients on 7 April 2014. This phase of the project was completed one month early and under budget. These new facilities allow us to replace all of our existing operating theatres in one purpose-built facility.

Work has continued during Quarters 3 and 4 to develop the site master plan, aligned to the QVH 2020 strategic objectives.

Approved by the board of directors at its meeting on
22 May 2014



Richard Tyler
Chief Executive


ctoria Hospital NHS
Foundation Trust

Governance report 4

4.1 Council of governors

The council of governors represents, and is elected by, the public and staff members of the trust. In addition, there are appointed governors representing the trust's key stakeholders. The full council comprises:

- 20 public governors, elected by the foundation trust constituency membership
- 3 staff governors, elected by members of the staff constituency
- 3 appointed governors representing the QVH League of Friends, East Grinstead Town Council and West Sussex County Council.

The council of governors held five meetings in public in 2013/14. In order to facilitate even greater engagement between the non-executive directors (NEDS) and governors, members of the board of directors also attend each meeting to present a quarterly report including updates on quality, safety and risk, financial and operational performance, site redevelopment and staffing issues. Governors who hold portfolios are asked to provide a verbal feedback to their governor colleagues at these formal meetings. In the past year these have included reports on audit, membership, quality and risk, patient experience and charitable funds. NEDs and the chief executive are also invited to join private governor forums held throughout the year.

A table setting out the members of the council throughout 2013/14 and their attendance at meetings is provided at Annex D.

The attendance of directors at council of governors meetings is included in the table at Annex E.

Membership of the council of governors and elections

The trust welcomed Liz Bennett as the appointed governor for West Sussex County Council in July 2013.

During the previous financial year, several elected candidates had been unable to continue as governors and the council of governors carried three vacancies. Additionally, during 2013, two public governors came to the end of their first term of office.

In June 2013, an election was called. This was widely advertised through the QVH website and QVH News (and via email to those members who had provided the trust with a contact email address). As a result of changes to the trust's constitution in 2013, it has been made mandatory for candidates to attend an awareness-raising session for potential governors prior to standing for election.

In total, ten candidates stood for public election, with a turnout of 21.9%. Two governors were successfully re-elected for a second term, one former governor was re-elected to the council after a break, and two new governors were elected. No election was held in the staff constituency and the council carried a vacancy due to one staff member having completed his final term.

Following successful re-election, the governor representative on the board of directors (Brian Goode) continued in his role, attending meetings of the board of directors in a full, but non-voting capacity and the vice-chairman (Ian Stewart) continued to support the chair of the council of governors. As part of a programme of developing greater interaction between NEDs and governors, regular meetings between the chairman, vice-chairman, governor representative and company secretary continued throughout the year.

Roles and responsibilities

The two main sub-committees to the council are the governor steering group and the appointments committee.

The role of the governor steering group is to support and facilitate the work of the council of governors and make recommendations to it on any aspects of its work. It does this by aiding communication between the council of governors and the board of directors, providing advice and support to the chairman, chief executive and the company secretary and initiating appropriate reviews and reports on matters within the remit of the council of governors. The group meets eight times a year and has proved to be a valuable link between the NEDs and the governing body.

The appointments committee continued with its remit to review the remuneration and appraisal processes for the chairman and NEDs, making recommendations to the full council at its quarterly meetings. 2013/14 proved to be a particularly busy year with governors undertaking their statutory duties in respect of approving the appointments of both a new chief executive and three NEDs. Governors were made cognisant that approval entailed ensuring the recruitment panel had complied with the law and relevant guidance, followed a robust process and found a candidate who fulfilled the specification for the role.

Following the early resignation of one of the new NEDs, the appointments committee recommended to the council of governors that the trust should start the process for recruitment of a new chair designate. It is intended that the new appointee will join the board in June 2014 as a NED and assume the substantive role of chairman in April 2015.

The appointments committee was supported in the appointment of the NEDs by a professional agency, Odgers. Odgers is also supporting the recruitment of the new chairman.

In addition to lead portfolios, individual governors continue to sit on a variety of committees and working groups across the trust. This offers governors insight into the day-to-day running of the hospital and offers the trust a 'lay' perspective. These groups include the theatre project steering group, the patient experience group and the equality, diversity and human rights committee.

Relationship with the board of directors

The council of governors and board of directors work together effectively to ensure that the trust's strategic objectives are fulfilled. Key contributors to the effectiveness

of this relationship are the role of the chairman of both bodies, the role of the governor representative at board meetings and the work of the governor steering group. In the event of any dispute between the council of governors and the board of directors the circumstances of the situation would be reviewed by the chairman, the lead governor (vice chair of the council of governors) and the chief executive, with support from the company secretary. Appropriate means of resolving the dispute would be considered and implemented according to the needs of the matter in question, and may include:

- the holding of a special meeting
- the commissioning of a report
- the instruction of independent advisers
- the instruction of appropriately qualified and experienced negotiators.

The council of governors retains its statutory right to refer questions concerning the trust's compliance with its constitution or with other requirements of its regulator, Monitor, to an advisory panel established by Monitor (section 162, Health and Social Care Act 2012).

Registers

The trust maintains a register of interests of the governors. Members wishing to contact governors or to request to view this register should in the first instance contact the company secretary.

4.2 Board of directors

Membership and compliance

At 31 March 2014, the QVH board of directors comprised a chairman, five non-executive directors (NEDs) and four executive directors.

Three new NEDs were appointed on 1 October 2013 and received a comprehensive corporate induction which included an overview of the services provided by the trust, the organisation's structure, trust values and meetings with key leaders. These were substantive appointments with the intention that the new NEDs would work alongside existing NEDs, benefiting from an extended induction period. Due to personal circumstances, one of the newly appointed NEDs resigned after a period of only two months. However, the trust considered that the board of directors remained balanced, complete, appropriate and compliant with the provisions of the NHS Foundation Trust Code of Governance, and its own terms of authorisation.

After due consideration, the appointments committee recommended that rather than instigating a search for a replacement NED at this stage, it should start the process for recruitment of a new chairman. This would allow a longer induction period, enabling the incoming post-holder to gain an understanding of board strengths before deciding on the appropriate portfolio for a new NED. It would also enable the successful candidate to be involved in shaping priorities and decisions being made this year for implementation by the board under his/her chairmanship from 2015 onwards. The council of governors approved the recommendation put forward by the appointments committee at its meeting in March 2014. It is envisaged that this new appointment will join the board in June 2014 as a NED and assume the substantive role of chairman in April 2015.

Non-executive directors

Section 34 of the trust's constitution sets out the process for selection and appointment of NEDs. All NED appointments are subject to the approval of the council of governors and are for an initial term of three years which can be renewed for a further term subject to satisfactory performance appraisal. Any term beyond six years will be subject to annual re-appointment. The board has ensured that not all NEDs will be due for re-appointment or to leave the board within a short space of time.

Section 35 of the constitution sets out the circumstances in which a person may be disqualified from continuing as a NED. Further circumstances in which an individual may not become or continue as a member of the board of directors are set out in Annex 5 of the constitution.

Relationship with governors

The board of directors maintains close links with the council of governors through various mechanisms. These include inviting the governor representative to attend all sessions of a board of directors' meeting, and directors' attendance at each council of governors, governor steering group and governor forum meetings. As appropriate, governor representatives have also sat on other groups reporting to the board. This interaction enables directors and governors to meet, exchange information and debate regularly on matters of importance and topical interest. In line with legislation introduced under the Health and Social Care Act 2012, prior to each meeting, a copy of the board of directors' agenda is forwarded to the council of governors and minutes of the meeting are published as soon as is practicable afterwards.

Interests

A register of directors' interests is kept by the trust and is available on request to the company secretary.

Meetings

Board members have a good attendance record at all formal board and committee meetings and at board events. Nine meetings of the board of directors in 2013/14 were held in public, with three workshops held in private attended by the governor representative, company secretary, head of human resources and programme director.

Evaluation

In line with the expectation implicit under the Monitor code of governance that all NHS foundation trusts should

undertake a formal and rigorous annual evaluation of their own performance, the chairman has met with each executive and non-executive director member of the board, in addition to the governor representative, the programme director and the head of human resources to seek feedback and opinion on board effectiveness. Following this, a formal review of board effectiveness has been undertaken including a self-assessment against the Board Governance Assurance Framework published by the Department of Health.

Underpinning this, all directors - both executive and non-executive - are subject to annual performance appraisal.

Sub-committees

There are four formal sub-committees of the board, each chaired by a non-executive director:

- Audit committee
- Charitable funds advisory committee
- Nomination and remuneration committee
- Quality and risk committee.

The audit and nomination and remuneration committees consist of only non-executive directors, whilst the quality and risk and charitable funds advisory committees include both executive and non-executive directors as members.

Following a sub-committee meeting, each respective chair provides a report to the board of directors at its monthly business meeting.

A table setting out the members of the board throughout 2013/14 with their respective membership role and attendance of each of the four sub-committees is provided at Annex E.

4.3 Audit committee

The audit committee meets quarterly to maintain an effective system of governance, risk management and internal control (including financial, clinical, operational and compliance controls and risk management systems). The committee is also responsible for maintaining an appropriate relationship with the trust's auditors.

Membership and attendance

Provision F3.1 of the NHS Foundation Trust Code of Governance recommends that the audit committee comprises three non-executive directors. However, given the size of the trust, the QVH audit committee comprises two independent non-executive directors. This is to ensure a balance of non-executive director representation across board committees.

In 2013/14 the audit committee was chaired by non-executive director Shena Winning who is a chartered accountant with over 20 years' experience within the retail sector. John Thornton, who joined the trust as a non-executive director in October 2013, will take over as chairman of the audit committee from April 2014.

Full details of the membership and attendance of audit committee meetings held during 2013/14 is provided at Annex E.

How the committee discharges its responsibilities

During the year, the committee received reports from the trust's internal and external auditors that provided the committee with a review of the trust's internal controls and risk management systems. The scope of internal audit coverage included core financial systems testing and a review of payroll. As in previous years, the scope extended beyond financial systems and controls and for 2013/14 included a review of the trust's IT strategy, business planning and reporting processes, further work on operational efficiency in theatres and an annual review of information governance standards. The committee considered the key financial estimates when reviewing the financial statements.

The internal auditors, Chantrey Vellacott were able to report full or significant assurance for 77% of the areas reviewed, resulting in a head of internal audit opinion of "significant" assurance.

Audit committee meetings are attended by the trust's director of finance and other representatives of the trust's risk management functions, the external and internal auditors and local counter fraud service. At the beginning of every audit committee meeting, there is a closed session between the chair of the audit committee and committee members with the internal and external auditors.

The trust's external auditors (KPMG) were appointed in August 2011 after a competitive procurement process. The appointment is for an initial period of three years on a fixed fee basis. They received £43,175 (2012/13 £43,175) for the statutory audit of the financial statements and whole of government accounts review and £6,175 (2012/13 £6,175) for further assurance work on the quality report'

In performing any work outside their statutory role, in this case a capital projects and contract management review for £17,000 (2012/13 £Nil), the external auditors took all necessary steps to ensure they maintained their independence from the trust.

The audit committee reviewed the effectiveness of the external auditors and reported their conclusions to the council of governors at its meeting in June 2013.

Counter fraud

In 2013/14, Chantrey Vellacott acted as providers of the trust's local counter fraud specialist (LCFS) service. An annual work plan was agreed with the LCFS and delivery was overseen by the audit committee. Our counter fraud policies and procedures are widely publicised and covered at induction for new staff.

4.4 Charitable funds advisory committee

The charitable funds advisory committee (CFAC) meets quarterly to oversee the management, investment and disbursement of the Queen Victoria Hospital NHS Trust Charitable Fund (QVH Charity) within the regulations provided by the Charity Commission, and to ensure statutory compliance. The committee manages and oversees the funds on behalf of the board of directors, in its capacity as corporate trustee, and has the authority to authorise applications up to a value of £20,000. The corporate trustee meets annually (or more frequently if necessary) to approve the annual report and accounts, consider charity business and any funding applications over £20,000.

Membership

In 2013/14, the CFAC was chaired by non-executive director Lester Porter. The committee members with voting rights for this year were non-executive director Shena Winning, the director of finance and commerce, the medical director and representatives from the council of governors (one public and one staff governor). In addition, the committee is supported by a non-voting membership which includes the company secretary, chairman of the consultants' committee, the chairman of the League of Friends, charitable fund manager and the charitable fund coordinator.

Charitable purchases

With the opening of the new theatres this year, the committee was pleased to be able to support the hospital with the purchase of six state-of-the-art theatre lights and cameras to support complex reconstructive surgery, at a cost of £51,000, and also wall art and ceiling tiles to brighten and cheer the waiting areas and children's recovery area.

Medical equipment purchased included a panendoscope (£8,700), used for diagnosis and biopsies in head and neck treatment, and a sleep monitoring and recording system for the sleep disorder centre (£14,700), to improve capacity and reduce delays for patients referred to this high-demand service. Smaller items purchased include toys and games for Peanut Ward, an exercise bike for the rehabilitation unit and books for dementia patients.

Using the funds allocated to research and development, the corporate trustee agreed to fund a research post, initially for one year, to bring together research projects within the hospital, develop further opportunities and facilitate collaborative working.

In this special year the charity supported two events from its staff fund in celebration of the hospital's 150th anniversary and the 60th anniversary of the Eye Bank.

These purchases would not be possible without our donors and fundraisers and we are very grateful to all who have supported the charity throughout the year.

4.5 Nomination and remuneration committee

The nomination and remuneration committee met three times in 2013/14 to review and make recommendations to the board of directors on the composition, balance, skill mix and succession planning of the board. Additionally, the committee makes recommendations on the appointment of executive directors and is responsible for setting the overall strategy for the remuneration of all trust staff.

The committee has particular emphasis on the remuneration packages and contractual terms for the chief executive officer, the executive directors and other senior managers reporting directly to the chief executive.

Membership

In 2013 Jeremy Beech, the trust's senior independent director, chaired the committee and the remaining membership is made up of the trust chairman, chief executive and all non-executive directors. Providing advice to the committee is the head of human resources who is also the secretary and further advice is provided by the attendance of the head of corporate affairs.

Full details of the membership and attendance of the nomination and remuneration committee meetings held during 2013/14 is provided in Annex E.

Activities in 2013/14

During the year the committee determined and pursued its agreed work programme and made decisions or recommendations on the following areas:

- national pay awards
- non-executive recruitment
- chief executive's recruitment
- pay awards outside Agenda for Change
- performance of the chief executive's direct reports
- NHS Pensions developments
- review of the terms of reference
- national negotiations on consultant and junior medical staff contracts.

The trust's remuneration strategy aims to set levels of pay which help to attract and retain skilled and talented staff throughout the organisation. The committee therefore takes account of current NHS practice, as well as considering wider commercial practice. The majority of QVH staff are covered by the national Agenda for Change terms and conditions. The chief executive, executive directors and other very senior managers are covered by local senior managers terms and conditions whilst doctors in the trust are subject to national medical and dental terms and conditions.

Pay and terms for executive directors remained unaltered during 2013/14 except for short-term allowances paid to the director of nursing and quality and the director of finance. These were supplements paid during the period prior to the arrival of the new CEO. In line with the requirements of the NHS Foundation Trust Code of Governance, executive directors' performance was reviewed against trust and individual objectives through the established appraisal system.

Contractual arrangements for the executive team are permanent and include three-month notice periods. The exception to this is the chief executive who is required to give the trust six months' notice.

The council of governors, on the recommendation of the appointments committee, determines the remuneration and appointment of the trust's chairman and non-executive directors. Valerie King, a publicly elected governor, is chairman of the appointments committee and other members are drawn from the public governors, stakeholder and staff governors.

The salary details of the trust's chairman, executive and non-executive directors are set out in Annex C. There have been no compensatory agreements during 2013/14.

4.6 Quality and risk committee

The quality and risk committee is a well-established sub-committee of the board and is chaired by a non-executive director. The committee meets quarterly and reviews information on risk management and compliance from across the organisation. The committee's role is to assure the board of directors that there are sound systems and processes in place, with operational delegation of risk to sub-committees and directorates. The committee reviews compliance with infection prevention control standards, risk management, and Care Quality Commission (CQC) outcomes. It also monitors delivery against the quality account priorities and CQUINs. The committee monitors the board assurance framework which is populated with the risk associated with the delivery of the trust's key strategic objectives. This is then provided to both the audit committee and the board of directors.

Membership

Non-executive director Jeremy Beech is chair of the quality and risk committee and is supported by his non-executive colleague Lester Porter. Membership includes all executive directors and other members of the senior management team and staff from across the organisation. Two representatives of the council of governors attend meetings and provide comment on behalf of the council. In April 2014, non-executive director Ginny Colwell will take over as the chair of the quality and risk committee when Jeremy Beech completes his term of office. At this time we will take the opportunity to review the governance structure and reporting arrangements of the quality and risk committee.

Full details of the membership and attendance at the quality and risk committee meetings held during 2013/14 is provided at Annex E.

4.7 Membership

QVH has two constituencies of foundation trust membership: public and staff.

Full public membership is open to anyone over the age of 18 who lives within the borders of the county councils of Kent, Surrey, East Sussex and West Sussex, Brighton and Hove City Council and Medway Council. Affiliate membership is available for those aged between 16 and 18 years of age or who live outside of the six local authority areas served by the trust. Full members are eligible to vote in annual elections for public governor positions.

On 31 March 2014, there were 8,790 full public members and 354 affiliate members.

All staff with a permanent contract of employment are given automatic staff membership but may choose to opt out. Staff members are encouraged to stand for election to and vote for our three staff governor positions as and when elections occur. On 31 March 2014, there were 948 staff members.

Membership strategy

QVH undertakes an annual review of its membership strategy and its membership base to ensure this is as representative as possible and aims to maintain a public membership commensurate with the size of the hospital. In 2013 a new, more comprehensive online membership form was launched asking enrolling members more about their characteristics in order to comply with equality, diversity and human rights legislation. This new form will enable us to undertake an equality impact analysis of the election process and results to help us ensure that the makeup of the public governor body is representative of our patients and local population.

During 2013 a membership taskforce, established to support the trust to develop its membership strategy, worked hard on improving communication between the trust and its members. Having completed its objectives the taskforce has now stood down but we will continue delivering its action plan which includes:

- Encouraging members to provide an email address (as this has proven to be the quickest and most effective method of communication)
- Launching a new membership 'pop up' on the website with links to the online form
- Inclusion of a membership leaflet and application form in patients' prescription packs
- Automatic conversion of staff leavers to public members (unless they specifically opt out).

Disclosures and contact details

A public register of members is available for viewing by contacting the company secretary. Members should also contact the company secretary should they wish to communicate with governors and directors.

Quality accounts 5

Part 1: Statement on quality

Chief executive's statement

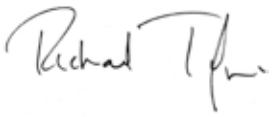
At Queen Victoria Hospital NHS Foundation Trust (QVH) we pride ourselves on the quality of care that we provide for our patients.

Patient surveys continue to give us ratings for quality that are among the highest in the country. Results from the latest national NHS inpatient survey demonstrate that we continue to be rated as one of the best hospitals in the country. For the second year in a row, we achieved the highest scores of any trust in England for the quality of our nursing care and the quality of support available on leaving hospital.

Similarly, the latest national NHS staff survey indicates that we continue to score well for staff recommending their trust as a place to work or receive treatment and for high levels of job satisfaction. Areas where we continued to score particularly well include the communication between managers and staff, staff feeling able to contribute towards improvements at work and staff motivation at work.

Whilst we have performed well we believe in continuous improvement. Therefore, these quality accounts both summarise the performance of the hospital across a range of issues in 2013/14 and set out our key priorities for 2014/15 which we believe will further improve our patients' care and hospital experience.

I certify that to the best of my knowledge the information in this document is accurate.



Richard Tyler
Chief Executive

Part 2: Priorities for improvement and statements of assurance from the board

Performance against 2013/14 priorities

Priorities for 2013/14 were influenced by information from national and local reports and audit findings along with the views of the trust's governors, the programme board (which includes representation from Crawley and Horsham & Mid Sussex Clinical Commissioning Groups), our lead clinical commissioning group, patient feedback and staff from across the organisation.

Four priorities were identified for 2013/14, covering patients' experience, the effectiveness of their medical care, and patient safety. After reviewing our achievements at the end of 2012/13 we identified that two priorities from that year would continue to benefit from additional focused activity to embed them into the routine work of the trust. These priorities were therefore carried over into 2013/14 and were:

- Improving the experience of people attending our outpatient departments
- Continuing with the longer-term objective to take of consent prior to the day of surgery within the outpatient department for 75% of patients undergoing elective surgery.

Priority 1

We aim to improve the outpatient experience of all patients

Our aim:
Our objective was to commence measuring the patient experience in line with the NHS friends and family test question and to collect information on the time patients waited for their outpatient appointment. A number of activities were planned to support improving the overall experience for outpatients in 2013/14. We identified both the hand and corneoplastics clinics as areas to focus on as these clinics have a history of running late.

Our rationale:
This priority was selected for continuation in 2013/14 because we had identified that patient experience could be variable at times and the national outpatient surveys, supplemented by our own patient surveys, had highlighted that addressing a number of areas identified as requiring improvement could significantly improve the experience of our patients.

We achieved:
Over the year we delivered the activities we set out for the year and, overall, we are pleased with the progress made on improving the experience of outpatients. In the corneoplastic

clinic 80% of patients have had a 30% reduction in their waiting time. In the hand clinics we are now seeing 100 patients per month through clinics led by experienced hand therapists. This has allowed 50 new patients per month to be seen. Much of the activity has now become embedded practice and staff are continually looking to streamline activities. We introduced the friends and family test questionnaires within these services and the results showed that patients were satisfied with the service. Patient experience is a key strategic objective and work to continue making improvements will remain a priority. During 2014/15 this work will be overseen by the patient experience group, chaired by the director of nursing.

We made the following progress against the activities we planned during 2013/14:

- **Undertake a detailed assessment of demand and capacity leading to possible changes to the time allocated to clinic appointments.**
  Detailed demand and capacity work in the specialties of corneoplastics and hands has been undertaken, leading to clinic template changes and how patients are managed through X-ray for hand clinics to reduce the time patients wait for their appointment.
- **Review clinics which experience regular delays to explore how the clinic is managed and identify areas for improvement.**
  Process mapping of the patient flow in corneoplastics and hand clinics continues to further refine the flows through clinics to reduce waiting times and overrunning clinics.
- **Introduction of a daily named nurse in charge of the outpatient department.**
  We introduced a daily named nurse in charge of the outpatient clinics in all areas which. This is clearly visible for all patients, offering them the name of a senior member of staff they can request to speak with if they have any comments or concerns.
- **Commence nurse and therapy led clinics.**
  We introduced therapist-led hand clinics three times a week. This has released capacity in consultant clinics enabling us to see more patients overall and thereby reduce waiting times.
- **Introduce an alert system to address the issues in clinics that are delayed.**
  We introduced a clear escalation process within each outpatient department when clinics encounter delays to reduce the number of overrunning sessions. We undertook regular audits of start and finish times and investigated the reasons for any delays in order to identify trends to be addressed during 2014/15.
- **Introduction of a mechanism to ensure that clinic utilisation is maximised, in the same way as we do for our operating theatres (i.e. three weeks ahead).**
  The procurement of an additional module to our 'Patient Centre' software to allow smarter outpatient scheduling, has had to be dropped due to escalating costs. Alternative solutions are now being explored including extending our system for smart scheduling in theatres.
- **Extend the use of the self-check-in and patient calling system.**
  Our self-check-in and patient calling system roll-out was completed and 60% of patients check in via the kiosks each week. We are now planning to extend the use of the self-check-in and patient calling system to achieve a paper-light clinic. A pilot of electronic clinic outcome and waiting list forms will take place during the early part of 2014/15.
- **Introduce the NHS friends and family test.**
  We introduced the NHS friends and family test into our outpatient areas. Initially the information was collected as a single score. We have since looked to break the scores down by specific outpatient departments. Overall our NHS friends and family test results show a high level of satisfaction with the services we provide.

Priority 2

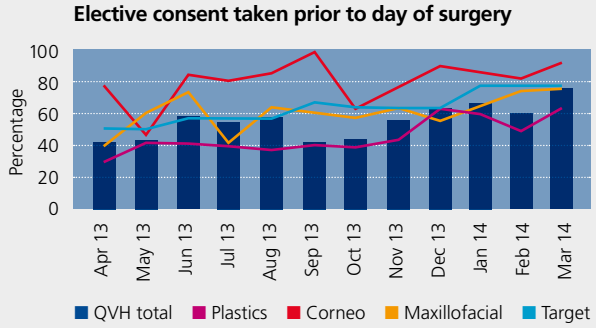
We aim to take patient consent for elective surgery prior to the day of surgery at QVH

Our aim:
Our aim was that during 2013/14, 75% of patients undergoing elective surgery at QVH would have their consent completed prior to their day of surgery. This was a continuation of a 2012/13 priority where we had achieved 48% against our target of 50%.

Our rationale:
This is an important priority for us because it can significantly improve the quality of care that our patients experience. Before patients can give informed consent to treatment, they need comprehensible information about their condition and about possible treatments and investigations, including the associated risks and benefits (which include the risks/benefits of doing nothing). They also need time in which to consider this information, and possibly discuss it with members of their family.

We achieved:
Progress by the end of 2013/14 fell just short of our target of 75%, reaching an aggregate figure of 72% by the end of the year. The pending shortfall was noted well before the end of the year and a concerted effort made to identify the reasons and push for greater compliance. The work that came out of this showed us that there is widespread medical support for this target, but that it remains hampered by process issues. These issues range from the hard to resolve, such as the availability of time, to more simple issues such as the routine availability of QVH consent forms within the patient's notes at the clinic.

The table below summarises our progress against the target overall and by specialty during 2013/14:



We are pleased with the progress made by our specialty teams over the year. The corneoplastics team has consistently maintained scores on or above the quarterly target with the plastic surgery team making significant progress during the second half of the year.

To build on the progress made this year, the medical director intends to keep promoting the target with his colleagues. We will continue to collect, present and challenge on the data and will provide the annual score within our clinical effectiveness measures next year but we will not continue this as a quality account priority for the coming year, in view of the substantial progress made over the past two years.

Priority 3

We aim to improve the completeness of data required as part of the Cancer Outcomes and Services Dataset (COSD) for the Thames Cancer Registry

Our aim:
We identified submission of information to the Cancer Outcomes and Services Dataset (COSD) as a priority for 2013/14 because this was a new requirement introduced in January 2013. The dataset was the new national standard for reporting cancer outcomes for specific tumour sites in the NHS in England. The COSD required a significant number of items of information to be submitted electronically to the cancer registry on a monthly basis. The initial phase concentrated on items within the core and the relevant site-specific datasets which are mandatory for all cases diagnosed from 1 January 2013. This was followed by two further phases culminating in a complete dataset being regularly submitted every month by January 2015.

Our rationale:
This priority was identified as we consider the ability to provide outcome data as a priority at QVH and the ability to be able to provide timely data as requested to the COSD was recognised as important to achieve.

We achieved:
For 2013/14 we submitted the majority of the data on time in the correct format within one day of the deadline. There was only one occasion where the pathology data was submitted later than this. As processes have become embedded, and information is being consistently provided to the Thames Cancer Registry, we will not be continuing this as a priority in 2014/15.

The table below summarises our progress against the priority during 2013/14:

COSD conformance measures

	MDT File received by deadline	Pathology data received by deadline	PAS data file received by data	File received was COSD compliant format
Jan 13	N/A	N/A	N/A	
Feb 13	N/A	N/A	N/A	
Mar 13				
Apr 13				
May 13				
Jun 13				
Jul 13				
Aug 13				
Sep 13				
Oct 13				
Nov 13				
Dec 13				
Jan 14				
Feb 14				
Mar 14				

Compliant / on time
Non compliant / 1 day late
Non compliant / 2 or more days late

In the course of implementation, the Thames Cancer Registry had indicated they would provide quarterly updates regarding the data completeness for each trust. We had planned to use this to monitor our progress and to improve our data collection processes as required. However the central team was so overwhelmed with the amount of data being submitted to them that the only feedback we have received so far focuses on the timeliness and format of the data submitted.

Despite the lack of feedback from the national registry, the cancer team, along with key clinicians, has progressed to ensure that data required is being collected and streamlined to become as automated as possible.

Some data fields are still proving to be more difficult to collect and the team is currently working with the relevant departments to overcome these challenges during 2014.

Priority 4

We aim to produce quality assurance information on an individual consultant basis

Our aim:
During the year to we aimed to:

- review what information on consultants' results and outcomes in respect of patient safety, effectiveness of care and patient experience we would like to be able to provide to the public and commissioners
- identify the information systems available or invest in those required to support collection of the information
- request a review by the auditors.

Our rationale:
We are proud of our achievements in delivering safe, effective care to patients, combined with a good patient experience. However, we are aware that the publication of the report by Sir Robert Francis on the care provided at Mid Staffordshire Hospital has left patients, commissioners and healthcare providers concerned about how they can be confident of the quality of care patients receive in a hospital.

We achieved:
We identified what information was available and collated this into a single format. This was regularly shared with the consultants over the year. The sharing of the information has provided some useful feedback and we have adapted the database over the last four months of the year. No audit review was formally undertaken as information was taken from sources already scrutinised for the quality account.

National progress on outcome measures has been slow and we have decided to proceed with our own measures, adopting national measures if and when they apply to us.

Information on progress has been regularly provided to the clinical outcomes group, the quality and risk committee, the management team, clinical cabinet and the board of directors.

In developing the current system we are conscious that the format is labour intensive and remains subject to errors if not subject to repeated manual checking due to the amalgamation of many datasets. We are therefore planning to employ a new IT resource in 2014/15 to improve our systems and processes.

During 2013/14 the board set up a sub-committee, the Board Outcomes Group, to oversee the development and implementation of consultant outcomes across the trust. The outcomes group has defined how the project will develop over the next year. A project manager will coordinate this work and we have received a great deal of support from our clinical teams to shape the outcome measures that will be reported on in the year ahead.

We will be publishing both clinical and patient reported outcome measures by consultant or team as far as possible on our website in 2014/15. We have opted to retain the provision of clinical outcomes information as a priority for 2014/15.

Priorities for 2014/15

Priorities for 2014/15 have been influenced by our progress on our 2013/14 priorities, the trust's governors, our lead clinical commissioning group and staff from across the organisation through their contributions to QVH 2020, our long-term strategic plan.

In addition, information was considered from national reports, our results from national inpatient and cancer surveys, in-house patient experience reviews, NHS friends and family test feedback, clinical incident reporting, complaints, patient safety reviews and clinical audit.

Four priorities were identified, covering patient experience, the effectiveness of medical care, and patient safety. Having monitored last year's objectives, we have determined that only the work associated with outcome measures will remain within the quality account for next year; all other priorities will continue as streams of work that will be monitored by the executive team during the coming year.

The four priorities proposed for QVH for 2014/15 are:

Priority 1

Provision of clinical outcome measures

At QVH we aim to deliver continuous improvements in the healthcare we provide and a key aspect of this is how we demonstrate those improvements to the public and patients. Quality assurance of healthcare demands that we critically examine and openly publish the effectiveness of procedures from the perspective of both patient and doctor. This enables us to continually improve the service we provide and ensure that no matter who delivers the care, patients and commissioners of services can be assured all patients receive demonstrably high quality care.

Clinical outcomes can be measured by activity information such as hospital re-admission rates or by other scales of improvement such as visual measurements or degree of joint movement. Clinical outcomes are discussed with patients along with the expected improvement to their quality of life that results from the care or treatment planned. Outcome measures can also be reported by patients and their families. Measures of treatment outcomes from the patient's perspective are called patient-reported outcome measures (PROMs). PROMs are an important part of outcome measurement because they provide a patient-led assessment of health and health-related quality of life. We have provided some in our quality account for the last three years.

For 2014/15 we plan to publish outcome measures at consultant or team level as appropriate. They will be made up of both PROMs and clinical outcome measures as decided in consultation with clinicians and patient focus groups. Data collection for most is in progress now and will be validated and uploaded over the year, beginning with orthognathic PROMs in May 2014.

We will publish a total of six outcome measures during the year. They will appear on the trust website and will be updated in accordance with the frequency of data collection.

Progress will be managed by the board sub-committee for clinical outcomes that includes both executive and non-executive directors. Quarterly updates will be provided to the board outcomes group, the quality and risk committee and the board throughout the year.

Priority 2

Scheduling of elective surgery

Having advance notice of their proposed surgery date is important to patients as it allows them to plan their personal arrangements accordingly. The national guidance on managing waiting lists states that all patients having planned surgery should ideally be offered a date for surgery that provides at least three weeks' notice. This does not apply to cancer patients for whom organisations are required to meet shorter timescales. At QVH we also have restrictions on our ability to give this much notice for some of our more complex patients where we have to plan their surgery dates around the availability of donor tissue required for surgery. This priority will support our 2014/15 Commissioning for Quality and Innovation (CQUIN) measure on reducing the number of offered surgery dates to patients that are subsequently changed.

For 2014/15, we plan to offer 80% of elective surgical patients with dates that allow at least three weeks' notice by the end of March 2015.

We would exclude cancer patients and patients requiring donor tissue from this target as these cases are planned to meet their individual needs. Delivery of this priority will enhance our patients' experience as they will have earlier notice/confirmation of their surgery date.

Our plan is to establish a baseline in Quarter 1 following the introduction of an upgrade to our patient administration system (PAS), with an aim that the percentage of patients booked with at least three weeks' notice increases in a phased manner during Quarters 2 and 3 in order to reach 80% by the end of 2014/15.

We will report on the percentage scheduled with three weeks' notice and we will report on the number of elective surgical cases cancelled and rebooked before admission for the convenience of QVH (i.e. non-clinical hospital cancellations rather than at the request of the patient or for clinical reasons).

Monitoring and reporting will occur monthly, be presented to the management team and included within board papers.

Priority 3

Increase the number of elective patients receiving treatment on the day of their outpatient appointments for minor skin lesions ('see and do' clinics)

Many patients visit QVH for their outpatient appointment and then have to return to us for minor surgery at a later date. Increasing the number of patients that are seen and treated for minor surgical interventions on the same day as their outpatient appointment would improve the their experience as it reduces the number of visits they are required to make to hospital and speed up their overall care.

In addition to the direct benefits for patients, changing our ways of working to see more patients on the same day will reduce the administrative time and resource previously required to book patients for multiple visits and type clinic letters. This means that staff will be able to focus more time on managing more complex patients through their pathway of care.

Initially, our aim is to increase the number of elective patients seen and treated on the same day by at least 50%.

Information will be provided monthly on the number of patients with skin lesions that we are treating each month on the day of their appointment as well as the overall length of time from referral to treatment and number of visits per episode. This information will be provided to the management team and included within the trust board papers.

Priority 4

Introduction of an electronic system to evidence that safe staffing levels are provided on wards

The report by Sir Robert Francis on the care provided at Mid Staffordshire Hospital recommended that organisations should review the staffing they provide to deliver care at ward level. This was further supported by the document How to ensure the right people, with the right skills, are in the right place at the right time published by the National Quality Board and Hard Truths – The Journey to Putting Patients First (Volume Two of the Government Response to the Mid Staffordshire NHS Foundation Trust Public Inquiry).

At QVH we have been reviewing staffing establishment and skill mix on our wards on a quarterly basis. We would like to make information about our staffing levels - against patient numbers, and their acuity and dependency – more visible and readily available to the public and the board of directors in a form that is clear and simple and is able to provide assurance.

We therefore aim to introduce an additional module to our electronic rostering system by the end of June 2014. Following implementation and training we anticipate that by September we will be able to provide real-time visibility of staffing levels across wards in relation to patient numbers and acuity. This will enable us to redeploy or enhance staffing in real-time and support the delivery of safe care to patients.

Progress on our achievements will be included within the safe staffing reports that will be being provided to the board of directors from May 2014.

Statements of assurance from the trust board

Review of services

During 2013/14 QVH provided burns care, general plastic surgery, head and neck surgery, maxillofacial surgery and corneoplastic surgery and community and rehabilitation services. QVH has reviewed all the data available to it on the quality of care in all of these NHS services.

The income generated by the relevant health services reviewed in 2013/14 represents 100% of the total income generated from the provision of relevant health services by QVH for 2013/14.

Review of quality of care

QVH has a governance structure in place which ensures that, through responsible committee groups and specialty directorate reviews, the executive team are able to assure themselves regularly on the quality of services provided to patients. At these meetings, the safety of care is reviewed through reports on incidents, infection control and identified risks. Where there are concerns or further assurance is felt to be required, action plans are put in place and reviewed at monthly operational meetings of the directorates or meetings involving the senior managers. Clinical effectiveness is reviewed through reports on cancelled operations, clinical indicators, clinical outcome measures, waiting times for surgery and patient complaints. Patient experience is reviewed through complaints and feedback questionnaires and is further supported by the national inpatient and cancer surveys. During 2013/14 the NHS friends and family test has been introduced nationally for hospital inpatients. At QVH we have rolled this out further to include our minor injuries unit and many of our outpatient clinics and our day surgery unit.

A summary quality dashboard is presented monthly to the clinical cabinet and board of directors and the audit committee routinely reviews the framework of control in respect of quality, reporting regularly to the board of directors.

Where a significant incident or concern occurs or is identified by either the executive team or a directorate they will immediately commence an investigation and actions will be documented and regularly reviewed. Any significant incidents are reported through to the trust board and actions are followed up and monitored through the quality and risk committee.

All the executive directors at QVH have been involved in the drafting of the quality account and believe the contents to be a true and accurate reflection of the quality of care provided by QVH.

Participation in clinical audits

During 2013/14, five national clinical audits and three national confidential enquiries covered relevant health services that QVH provides.

During 2013/14, QVH fully participated in 50% of the specified national clinical audits, partially participated in one additional audit, and fully participated in 100% of the national clinical audits and national confidential enquiries which it was eligible to take part in.

The national clinical audits and national confidential enquiries that QVH was eligible to participate in during 2013/14 are as follows:

National clinical audits	Participation
Head and neck oncology (DAHNO)	✓
Rheumatoid and Early Inflammatory Arthritis	✓
Patient Information and Consent (National Comparative Audit of Blood Transfusion)	Partial
National Cardiac Arrest Audit (NCAA)	✗
Adult critical care (ICNARC CMP)	✗

National confidential enquiries	Participation
Subarachnoid haemorrhage (NCEPOD)	✓
Alcohol related liver disease (NCEPOD)	✓
Tracheostomy Care (NCEPOD)	✓

We do not participate in the National Cardiac Arrest Audit as our number of cardiac arrests treated with cardiopulmonary resuscitation is very low (usually less than five per year). All cardiac arrests are audited locally, and we took part in the NCEPOD cardiac arrest procedures study.

We do not participate in the Adult Critical Care Case Mix Programme because our intensive care unit serves a very select case mix, predominately burns patients and post-surgical head and neck cancer patients. This presents difficulties with comparison as the national audit is primarily focused on adult general critical care units.

We were ineligible to submit cases to the Patient Information and Consent (National Comparative Audit of Blood Transfusion), but completed and returned an organisational questionnaire. We will amend local transfusion and consent policies as appropriate in line with national recommendations arising from this study.

Three other national studies monitor mortalities from a range of causes. These are the Maternal, Infant and Perinatal Programme (MBRRACE-UK), the Child Health Programme (CHR-UK), and Suicide and Homicide for People with Mental Illness (NCISH). We are aware of these studies and we routinely review all of our small number of in-hospital deaths with a view to participation if appropriate. To date we have not had any relevant cases to report.

An additional three studies collect data from emergency departments for cases which may be relevant at QVH – the National Audit of Seizure Management, the Paracetamol Overdose (Care Provided in Emergency Departments) study and the Moderate or Severe Asthma in Children (Care Provided in Emergency Departments) study. However, for each of these studies, the numbers of relevant cases attending the minor injuries unit at QVH would not meet the minimum required to participate.

The national clinical audits and national confidential enquiries that QVH participated in, and for which data collection was completed during 2013/14, 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 term of that audit or enquiry.

National audits / confidential enquiries	% cases submitted
Head and neck cancer (DAHNO)	100% relevant cases between November 2012 and October 2013
Tracheostomy Care (NCEPOD)	100% relevant cases
Subarachnoid haemorrhage (NCEPOD)	No relevant cases, but organisational data submitted
Alcohol related liver disease (NCEPOD)	No relevant cases, but organisational data submitted

Other national audits we have participated in during 2013/14 include:

- National NHS Inpatient Survey
- National Cancer Patient Experience Survey
- National Safety Thermometer
- International Burn Injury Database (IBID), incorporating the UK National Burn Injury Database (NBID)
- Foundation Trust Benchmarking 2013: Operating Theatres
- NAP5: National Anaesthetic Audit – accidental awareness during general anaesthesia in the UK
- Implementing the NICE public health guidance for the workplace organisational audit.

The reports of fifteen national clinical audits were reviewed by the provider in 2013/14 and QVH intends to take the following actions to improve the quality of healthcare provided:

- Coordinate a response to a number of national patient and staff surveys via the trust's patient experience group and Macmillan team, and to monitor actions taken
- Use a nationally-provided action plan pro-forma to improve the quality of local head and neck cancer services
- Continue progress towards implementation of a single, flexible and robust database for collection of head and neck data
- Review national guidelines for the pre-assessment of patients who may be consuming excessive alcohol and ensure that local guidelines are in line with national guidelines where appropriate
- Provide training addressing the importance of the accurate labelling of clinical samples, and follow up specific examples of mislabelling with the individuals involved
- Implement a blood transfusion flow chart covering the transfusion pathway at QVH
- Continue to ensure the presentation of findings of relevant national audits and confidential enquiries to a trust-wide audience to increase awareness.

The reports of 156 local clinical audits were reviewed by the provider in 2013/14 and QVH intends to take the following actions to improve the quality of healthcare provided:

- Continue to identify and review post-operative venous thromboembolism (VTE) cases from multiple sources, and carry out root cause analysis as appropriate
- Implement VTE prophylaxis at home, following 'free flap' surgery for breast reconstruction, as appropriate
- Highlight documentation issues during junior doctor induction training and feed-back learning from on-going local documentation audits to a trust-wide audience
- Continue to carry out monthly 'compliance in practice' assessments, launched during 2013/2014 in clinical areas, in order to identify areas of non-compliance against Care Quality Commission requirements, and to implement remedial actions in a timely fashion as required
- Add the audit Malnutrition Universal Screening Tool (MUST) risk assessment data to the 'safety thermometer' data collection tool and include the results in the board safety metrics for 2014/15
- Seek additional feedback from local coroners on the small number of mortalities occurring at QVH (and post-discharge, following surgery here) and to disseminate learning to a trust-wide audience
- Continue progress made on the production of a number of publishable specialty-specific consultant-level outcomes during the forthcoming year, integrating local learning from new methods of collecting patient reported outcome measures.
- Implement the blood transfusion decision tree within the burns unit, and carry out re-audit
- Implement new methods of data collection within various departments in order to improve our ability to monitor outcomes and to carry out additional data analysis.

Participation in clinical research

The number of patients receiving relevant health services provided or sub-contracted by QVH in 2013/14 that were recruited during that period to participate in research approved by a research ethics committee was 424.

Participation in clinical research demonstrates our commitment to improving the quality of care we offer and to making our contribution to wider health improvement. Our clinical staff stay abreast of the latest treatment possibilities and our active participation in research promotes improved patient outcomes.

QVH was involved in conducting 41 clinical research studies in 2013/14, involving clinical staff in four medical specialties as well as professions allied to medicine.

Use of the Commissioning for Quality and Innovation payment framework

A proportion of QVH income in 2013/14 was conditional on achieving quality improvement and innovation goals agreed between QVH 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 (CQUIN) payment framework.

Further detail of the agreed goals for 2013/14 and for the following 12 month period are available online at www.qvh.nhs.uk/assets/publication/CQUIN2014.pdf .

The monetary value attached to achieving CQUINs for 2013/14 was £1,290,144. Activity to achieve CQUINs was undertaken and regularly reported on. A total £1,175,664 associated payment was made for CQUINS in 2012/13. This was a 100% achievement of our CQUINs for 2012/13.

Care Quality Commission registration and periodic and special reviews

QVH is required to register with the Care Quality Commission (CQC) and its current status is 'registered'. QVH has the following conditions on registration: regulated activity takes place at QVH.

The CQC has not taken enforcement action against QVH during 2013/14.

QVH has participated in a routine inspection by the CQC relating to the following areas during 2013/14:

- a short notice announced inspection of compliance with the ionising radiation (medical exposure) regulations (IR(ME)R) of the radiology service at QVH on 18 February 2014.

QVH intends to take the following action to address the conclusions reported by the CQC:

- Produce a document to show the procedures that are in place for evidence of compliance, for example how new staff obtain information
- Provide a flow chart showing the progress of radiation through the hospital
- Introduce into every x-ray room a full exposure chart for children of various ages for the most common examinations
- Provide a full protocol for children for cone beam and fluoroscopy cases
- Deliver a plan to bring in additional cover to oversee any dose reference work, advise on protocols and oversee any other IR(ME)R requirements as required.

Following an inspection undertaken in February 2013, the CQC performed an unannounced follow up visit in September 2013. At this it was noted that the trust was now compliant in respect of Outcome 21 (that people's personal records, including medical records, should be accurate and kept safe and confidential).

QVH had made the following progress by 31 March 2014 in respect of Outcome 21:

- Delivery of a record-keeping standards education session for staff across all clinical areas
- Completion of quarterly patient record audits resulting in action plans - with ownership - where non-compliance is noted
- Introduction of 'compliance in practice' audits of all areas, that commenced with those identified within the CQC report
- Updating, publishing and communicating the policy and procedures for the radiology department
- Improving the collection and accessibility Radiation Protection Supervisors (RPS) records and operators' qualifications
- Introducing processes to allow more comprehensive documentation of care and to support an integrated patient health record. Action here is noted to be limited as the trust is working towards developing an electronic health record.

Data quality

QVH submitted records during 2013/14 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data:

- which included the patient's valid NHS number was:

- 99.6% for admitted patient care
- 99.6% for outpatient care
- 98.3% for accident and emergency care.

- which included the patient's valid General Medical Practice Code was:

- 100% for admitted patient care
- 100% for outpatient care
- 100% for accident and emergency care.

QVH's overall information governance assessment report overall score for 2013/14 was 82% and was graded satisfactory.

QVH was not subject to the payment by results clinical coding audit during the reporting period by the Audit Commission.

Part 3: Review of quality performance 2012/13

QVH has well-embedded processes for ensuring that patient safety, clinical effectiveness and patient experience are reported on in respect of all of its services. Progress against our key quality indicators and those mandated are shown below. Information on the delivery of operational performance targets, feedback from patients, patient complaints and national surveys have contributed to the identification of our additional priorities for 2013/14. Within the patient safety, effectiveness and experience sections, mandated data (marked '*') is included along with the rationale and actions being taken to improve scores.

Patient safety

At QVH we strive to deliver high quality care to patients. Patient safety and preventing harm to patients are our priorities. Patient safety is included within our key strategic objective of 'outstanding patient experience' where patients are at the heart of safe, compassionate and competent care provided by well-led teams in an environment that meets the needs of patients and their families. This approach to safe care is supported by our risk strategy and our approach of looking consistently at the care we deliver with the aim of reducing harm to patients. At QVH we see continuous development of staff as key to delivering safe care. By improving clinical leadership, communication and learning we aim to create an environment of trust between patients and staff that ensures that safe, high quality, effective care is delivered to all our patients consistently.

We continue to investigate all incidents, including all deaths and complications. These are investigated and discussed at regular clinical directorate meetings and where there is significant learning this is shared at bimonthly joint hospital clinical audit meetings at which there is representation from across the organisation including non-executive directors. Other learning points and actions are shared with relevant staff groups and dissemination occurs through the directorate team meetings, clinical policy and quality and risk committees, clinical cabinet, and the board of directors.

Within this year's safety metrics we are pleased to report that we have continued to improve our physiological monitoring of patients during their admission, our assessment of patients for their risk of venous thromboembolism (VTE) and our theatre lists commencing with a pre-list briefing.

An area we have identified where we could improve on the care we deliver is our assessment of nutrition. While we did complete a nutritional assessment of nearly all our patients, for 84% of them this did not occur within 24 hours of admission. To make sure we improve on this measure next year we will continue to collect information each month and will do this as a part of the national 'safety thermometer' data collection. The results will form part of the ward safety measures that will be included in reports on ward performance to the board of directors.

We take hospital acquired infection very seriously at QVH. This year, while we have had no cases of MRSA bacteraemia, we had one case of Clostridium difficile. This patient was someone who had a significant infection and required multiple antibiotics; this does put the patient at risk of Clostridium difficile but was a requirement to enable them to recover to full health. Actions taken to protect other patients from Clostridium difficile include audit and monitoring of antibiotic use and prompt action where a patient's condition gives cause for concern, including screening and isolation from other patients to proactively prevent the spread of infection.

For all patient safety measures below, QVH considers that this data is as described for the following reasons: data is routinely collected and reported through internal meetings, and these figures reflect those used and reported throughout the year. In addition, our auditors routinely review our processes for producing data and have acknowledged its accuracy. The trust does however recognise the limitations on reporting against clinical incidents and the judgement in the classification of harm as these require a degree of judgement against a series of criteria. QVH reports all incidents that occur at the trust through to the national reporting system noting that the reported figures are subject to reliance on staff reporting all incidents.

Patient safety indicator and why we measure it	How the data is collected	Our target	Benchmark	2011/12	2012/13	2013/14
Clinical incidents reported per 1000 patient spells (spell = outpatient visit or inpatient stay)	Monthly analysis of Datix clinical incident reporting system	N/A	91 per 1000 specialist acute trusts NRLS benchmark (Oct 12 to Mar 13)	44 per 1000 patient spells	43 per 1000 patient spells	57 per 1000 patient spells G
Comment: We actively encourage staff to report all incidents that have, or have potential to have, an effect on patient safety. We operate an open reporting system to aid learning from incidents. An increase in the reporting of incidents is seen as positive involvement by staff in reporting actual or potential incidents that could harm patients. During 2014/15 we will continue to encourage incident reporting by all staff.						
***Number of clinical incidents reported that have caused patient harm (actual number)**	Monthly analysis of Datix clinical incident reporting system Rate of patient safety incidents reported	0	32% of all incidents reported (NRLS of specialist trusts (Apr to Sep 2012)	124 incidents causing harm 17% of all reported incidents 7 causing moderate harm; 0 causing major harm or death	118 incidents causing harm 16% of all reported incidents 3 causing moderate harm; 0 causing major harm or death	130 incidents causing harm 13% of all reported incidents 11 causing moderate harm; 0 causing major harm or death A
Comment: QVH considers that this data is as described for the following reasons: Although we would like to see a large number of clinical incidents reported to aid governance, we would like a low number of incidents that have caused patient harm. No incidents have resulted in significant harm or death and this is supported by a low number of serious incidents reported during 2013/14 (n=5), this is the same number as reported in 2013/14. Others were reported during the year and later downgraded on completion of an investigation. All incidents that have caused harm or had the potential to cause harm are thoroughly investigated and findings are reported to the quality and risk committee. The QVH has taken the following actions to improve this score and so the quality of its services by raising awareness through the mandatory training programme of the harm caused to patients from various incidents in order to reduce the percentage of incidents resulting in harm. The National patient safety agency (NPSA) describe harm as the following: • **Moderate harm -** Any unexpected or unintended incident which resulted in further treatment, possible surgical intervention, cancelling of treatment, or transfer to another area and which caused short term harm, to one or more persons. • **Severe harm (major)** - Any unexpected or unintended incident which caused permanent or long term harm, to one or more persons.						
Hand hygiene (washing or alcohol gel use)	Internal monthly audit of the five moments of hand hygiene	100%	N/A	97%	98%	99% G
Comment: Good hand hygiene is linked with a reduction in hospital-acquired infections. This measure has shown a consistent improvement over time. To ensure standards remain high, monthly audits are undertaken in all clinical areas and any staff member noted not to be complying is challenged and reminded why compliance is required.						
***VTE risk assessment (per cent of admissions)**	Health and Social Care Information Centre data	(95% national target) National average Feb 2014 96%	NHS funded acute care 94.2% (Q3 data 2012/13) Range over Q3 74.8%-100%	90%	92.3% NB: Last 2 years data collected against all patients admitted rather than a single day audit	100% G
Comment: Patients undergoing surgery can be at risk of VTE (venous thromboembolism). Those assessed at risk can have the correct precautions, including compression stockings and low molecular weight heparin. The 'safety thermometer' provides wards with a rate of harm-free care provided to patients, an aspect of which includes the assessment of patients for VTE risk on admission and after 24 hours following admission, and takes into account whether any prescribed medications were administered. This information has been collected throughout the year and we have been able to improve our rate of compliance over the year.						

Patient safety indicator and why we measure it	How the data is collected	Our target	Benchmark	2010/11 result	2011/12 result	2012/13 result
Nutritional assessment within 24 hours of admission	Three-monthly internal audit	>90%	N/A	86%	93%	94% A
Comment: Maintenance of nutrition is important for physical and psychological wellbeing. When illness or injury occurs, nutrition is an essential factor in promoting healing and reinforcing resistance to infection. During 2013/14 this has been monitored on a monthly basis, identifying that some patients had not had their assessment completed within the required time (24 hours). While many of our patients are fit and not at risk we recognise that we should be achieving a higher score. Therefore this measure is going to be included within our nationally required data collection for the 'safety thermometer'. This information is collected by senior nursing staff each month and results will be included in ward safety dashboards that are reported to the board of directors.						
Theatre lists starting with a surgical team safety briefing	Monthly internal audit	>90%	N/A	86%	93%	94% G
Comment: A whole-team safety briefing with surgical, anaesthetic and nursing staff before theatre lists begin improves communication, teamwork and patient safety in the operating theatre. We are pleased to see that during 2013/14 this process, which is there to improve safety, has become more embedded as routine practice. There will be a continued focus on this during 2014/15 with the aim of increasing compliance to >95%.						
Use of the WHO Safer Surgery checklist	Monthly internal audit	100%	Sign in	96%	99.2%	98%
			Time out	84.8%	99.2%	96%
			Sign out	62.9%	98.3%	82% A
Comment: The correct use of a checklist prior to anaesthesia and surgical incision reduces 'never events' such as wrong-site surgery. As with the surgical team safety briefing, this measure is there to improve patient safety. During 2013/14 we have had incidents that we know could have been prevented or identified earlier if we had a higher compliance with both the 'time out' and 'sign out' aspects of the WHO safer surgery checklist. For 2014/15, besides auditing the occurrence rate, we will also perform a qualitative audit that will document those that participated in the checklist process. This audit has been identified as a CQUIN measure for 2014/15.						
Development of pressure ulcer grade 2 or over (per 1000 spells)	Internal audit	0	0.84 / 1000 admissions (SEC Jan 12)	0.5/ 1000spells (total number = 8 cases)	0.2/1000 spells (total number = 3 cases)	0.5/ 1000 spells (total number = 8 cases) A
Comment: Pressure ulcers can cause serious pain and severe harm to patients and cost the NHS billions of pounds each year to treat. In the majority of cases they can be prevented if simple measures are followed. These figures are for hospital acquired injury and we are pleased to see that we achieved a reduction on the number of cases from previous years. This would indicate that staff are reviewing patients and taking relevant action to prevent harm occurring.						
Patient falls, including falls associated with harm (actual number)	Internal audit	<1 per 1000 spells	2.2 / 1000 admissions (SEC SHA Jan 12)	56 falls 3.4/1000 spells 20 causing harm 1.2/1000 spells	64 falls 3.9/1000 spells 26 causing harm 1.6/1000 spells	49 falls 2.9/1000 spells 16 causing harm 0.9/1000 spells G
Comment: Our falls assessment procedures were changed in 2012/13 and have continued to be used during 2013/14. These included processes for alerting all staff to patients at risk. Our incidents of harm have decreased and no falls resulted in major harm, with the majority causing minor harm such as a scratch or graze. In many cases a fall is due to the patient's wish to be more mobile.						
Number of reportable MRSA bacteraemia cases	Internal audit	1	N/A	2	2	0 G
Comment: MRSA in the blood may be a hospital acquired infection and is a particular risk in patients with burns. No cases were acquired during 2013/14. Where cases do occur each case is thoroughly investigated by root cause analysis and areas for improvement are identified.						

Patient safety indicator and why we measure it	How the data is collected	Our target	Benchmark	2011/12	2012/13	2013/14
***Number of reportable Clostridium difficile cases**	Health and Social Care Information Centre data	0	National average 2011/12 21.8/100,000 bed days Range 0-51.6/ 100,000 bed days	Total = 0 0/100,000 bed days	Total = 0 0/100,000 bed days	Total = 1 0/100,000 bed days G
Comment: QVH considers that this data is as described for the following reasons: Clostridium difficile may be a hospital-acquired infection. Each case is thoroughly investigated by root cause analysis. One case does not mean we breach our national target as a *de minimis* of 12 is set for Clostridium difficile QVH took the following actions to improve this score and so the quality of its services by reviewing our antibiotic policy to ensure we maintain a low tolerance towards patients acquiring Clostridium difficile infections. We will continue to closely monitor patients and proactively screen and manage patients who give any cause for concern.						
Patients receiving all correct physiological monitoring during admission	Internal fortnightly audit of 10 patient records	>95%	N/A	80% (2011)	96%	97% G
Comment: Monitoring of pulse, blood pressure, respiratory rate, temperature, pain and sedation is important to detect and prevent physiological deterioration of patients. Our improving score shows that real-time monitoring and the ability to provide prompt feedback to staff has continued to improve patient assessment.						
Percentage of staff witnessing harmful errors, incidents or near misses in the last month	National staff survey	N/A	30% national average acute specialist trusts 2013	30%	31%	27% G
Comment: Ideally no errors, incidents or near misses should occur. Where these are known about staff will report them for investigation.						
Percentage staff uptake of seasonal influenza vaccine	Internal audit	>60%	National rate 46% 2012/13	59%	52.3%t	55% A
Comment: Frontline staff uptake of influenza vaccine is crucial in ensuring that the organisation is able to maintain services during an influenza outbreak and supports delivery of our emergency and business continuity plans. It was disappointing that our staff uptake rate did not exceed 60% especially as there was an increased focus by the NHS on the importance of vaccination. We will continue to have a proactive approach, providing roving clinics as a part of the vaccination programme and other open sessions for all staff.						

Clinical effectiveness

As a specialist hospital, we provide a specific range of surgical treatments to a broad patient population. As a result of this, many of the national measures and audits of clinical effectiveness will not apply to us, and tend to focus on the more common conditions that patients attend hospital for such as diabetes and common cancers. QVH is collecting measures of its own specific treatment outcomes so that clinicians, patients and other stakeholders can be assured the treatments all our consultants and medical staff offer are of the highest quality. The complexity of data collection, analysis and presentation to a wide audience makes this a formidable task and after considerable work by key medical staff, we will begin to publish data in May 2014 and aim to increase the amount available throughout the year.

There are other means to quality assure our data, both national and locally driven, including the incorporation of guidance from the National Institute for Health and Clinical Excellence, other national audit and outcomes measures such as the National Confidential Enquiry into Perioperative Death and locally-driven audits of specific practice at QVH. We have an audit team who work with our clinicians of all grades to ensure audit is relevant and that improvements feed-back in to clinical practice.

Within the patient safety, effectiveness and experience section of our quality accounts there is now mandated data (marked '*'). QVH has not provided Summary Hospital-level Mortality Indicator (SHMI) data for the trust as this is not collected by the Health and Social Care Information Centre. As QVH is a specialist trust we have therefore included our own trust in-hospital surgical mortality information. Other information that is not relevant to QVH, so has been excluded from the information provided, is palliative coding information and specified patient reported outcome measures. QVH has collected some outcome measures on specialist areas and where these are available they are included.

For all clinical effectiveness measures QVH considers that this data is as described for the following reasons: data is routinely collected and reported through internal meetings and these figures reflect those used throughout the year. In addition, our auditors routinely review our processes for producing data and have acknowledged its accuracy.

All specialties						
Clinical effectiveness indicator and why we measure it	**How we measure it**	**Target**	**Benchmark**	**2011/12**	**2012/13**	**2013/14**
We aim to take patient consent for elective surgery prior to the day of surgery at QVH	Monthly internal audit	>75%	N/A	N/A	48%	72% A
Comment: Good progress has been made this year and while we did not quite achieve the target set of 75% we will continue to measure and ensure that this measure is seen as a priority and a mark of good practice.						
In-hospital surgical mortality	Continuous monitoring of PAS data	N/A	N/A	2011 0.015%	2012 0.007%	2013 0.007% A
Comment: Because of our specialist work it is not possible to present a comparable hospital standardised mortality ratio. We do, however, monitor death rates in burns care and surgery. The death rate presented here represents only one surgical death this year. One death can make a significant difference to the trust's mortality rate. All deaths at QVH are reviewed within specialties and in a multidisciplinary forum.						
***Percentage of patients aged 0-14 readmitted to a hospital which forms part of the trust within 28 days of being discharged from a hospital which forms part of the trust during the reporting period**	Health and Social Care Information Centre data	N/A	England 2011/12 10.01 (range 0.00 to 14.94) Acute specialist trust data not grouped this year	2010/11 8.71	2011/12 8.11	2012/13 Not available from HSCIC until December 2014 A
Comment: Data for 2012/13 awaiting publication. QVH considers that this data is as described for the following reasons: some of our surgery is trauma related and we would expect a certain number of re-admissions. For 2011/12 our score lies within the national average. QVH intends to take the following actions to improve this score, and so the quality of its services by continuing to provide discharge information to patients, and raising awareness amongst clinicians through; continued audit and feedback to a trust-wide audience and; providing information on individual re-admissions to clinical specialty groups on a monthly basis for their further analysis and review.						
***Percentage of patients aged 15 and over readmitted to a hospital which forms part of the trust within 28 days of being discharged from a hospital which forms part of the trust during the reporting period**	Health and Social Care Information Centre data	N/A	England 11/12 11.45 (range 0.00 to 53.31) Acute specialist trust data not grouped	2010/11 16 and over 9.71	2011/12 16 and over 9.64	2012/13 Not available from HSCIC until December 2014 A
Comment: Data for 2012/13 awaiting publication. QVH considers that this data is as described for the following reasons: some of our surgery is complex and/or trauma related and we would expect a certain number of re-admissions. Information for 2011/12 shows that we performed significantly better than the national average at the 95% level but not at the 99.8% level. QVH intends to take the following actions to improve this score, and so the quality of its services by continuing to provide discharge information to patients, and will raise awareness amongst clinicians through; continued audit and feedback to a trust-wide audience; and providing information on individual readmissions to clinical specialty groups on a monthly basis for their further analysis and review.						
Unexpected return to theatre within 7 days	Continuous monitoring of PAS data (change of methodology Apr 2010)	N/A	N/A	0.84%	1.02%	1.05% A
Comment: A patient may have to unexpectedly return to theatre because of post-operative bleeding, infection or other complication. We have maintained a similar rate to 2012/13. This rate is due to the number of complex surgical procedures requiring free tissue transfer. It is well recognised that in order to get a high success rate in the long term a small number of patients will require a return to theatre in the first seven days to re-inspect the delicate anastomosis (join) between blood vessels that keeps the free tissue transfer alive.						

All specialties						
Clinical effectiveness indicator and why we measure it	**How we measure it**	**Target**	**Benchmark**	**2011/12**	**2012/13**	**2013/14**
Unexpected readmission to QVH within 28 days following discharge	Continuous monitoring of PAS data (change of methodology Sep 2010)	<1.5%	N/A	1.08%	1.45% (2012) 1.48% (2012/13)	1.37% G
Comment: A readmission may be due to wound complications or other complications from surgery. Due to the volume of complex surgery we carry out we are not surprised that this rate has remained similar to last year. We have improved our discharge information to patients, as early recognition of symptoms and good patient self-care on discharge can influence whether a readmission is required.						
Unplanned transfer out of QVH for additional care	Internal audit	<1.5%	N/A	0.28%	0.27%	0.33% G
Comment: We are supported by surrounding trusts in the provision of specialist services - such as respiratory medicine and cardiology - which we are unable to provide. We monitor our rates of unplanned transfer to surrounding trusts for these services. There has been a marginal increase in the rate of unplanned transfers but this reflects an increase in the amount of complex surgery we are undertaking and the associated increased risk of unplanned transfers. All clinical specialty groups are provided with the details of individual cases for analysis and review.						

Burns care

In 2013 the burns centre accepted 886 adult (over 16 years of age) burns referrals, a slight decrease from 949 in 2012. Over the year the unit was able to admit every clinically appropriate new referral from our catchment area.

Of these, 185 patients required inpatient care and 35 needed treatment in our intensive care unit (ICU). Of the referrals, 35 patients were accepted for specialist surgical reconstruction required because of significant skin loss from causes other than burns, e.g. necrotising fasciitis. Five patients received specialist rehabilitation care in our dedicated 'burns rehabilitation flats' facility.

In 2013, the QVH burns centre had one burns patient who died whist an inpatient. This patient had been admitted for comfort care (palliative care) as she had injuries that she would not be able to survive. This equates to a burns inpatient mortality rate of 0.7%, a decrease from 4.6% in 2012. One major burns patient died after a transfer out to a burns centre for haemofiltration. An additional patient who had been admitted for reconstructive surgery required due to necrotising fasciitis died post transfer out to another hospital for alternative specialist care.

All patient deaths are discussed at burns multidisciplinary governance meetings so that any learning points can be built upon. If it is thought, either by the team or by the clinical audit lead that further review and discussion is required then the patient's case is subsequently presented at a joint hospital clinical audit meeting.

QVH accepted 756 paediatric burns referrals during 2013, an increase from 678 in 2012. Of these, 78 required inpatient care on our paediatric ward.

All cases are discussed within the multidisciplinary team meeting. Patients likely to exceed our 21 day target for healing are reviewed by a burns consultant with a view to proceeding to surgery to close the wound.

Clinical effectiveness indicator and why we measure it	**How the data is collected**	**Target**	**Benchmark**	**2011/12**	**2012/13**	**2013/14**
Adult burn wounds healing within 21 days	Prospective database of all adult burns	100%	N/A	77%	73%	74%
Average time for adult burn would healing (median)		< 21 days	N/A	16 days	14 days	17 days
Paediatric (<16 years) burns wound healing within 21 days		100%	N/A	83%	79%	88%
Average time for paediatric burn wound healing (median)		< 21 days	N/A	13 days	16 days	16 days
Comment: Burns healing in less than 21 days are less likely to be associated with poor long-term scars. A shorter burn healing time may reflect better quality of care through dressings, surgery and prevention of infection. Some data on healing time could not be collected, particularly when patients do not attend their follow up clinics or are transferred for care elsewhere. The adult burns service experienced a 9% 'did not attend' (DNA) rate for follow up and an 11% 'care transferred' rate where patients were transferred to care closer to home. The absence of this data could mean several things. It could be assumed that patients who 'DNA' do not require further treatment and so healing times could be reduced. Patients transferred to other providers may be due to prolonged healing time or the development of chronic wounds which are most commonly treated in the patient's local area rather than a supra-regional service such as QVH.						

Clinical effectiveness indicator and why we measure it	How the data is collected	Target	Benchmark	2011/12	2012/13	2013/14
Average length of adult inpatient stay (bed days) per percentage burn for acute injury admissions	Prospective database of all adult burns	<65 years old - 1 day >65 years old - 2 days	N/A	1 day 2 days	1.5 days 2 days	1.6 days 3.6 days
Average length of paediatric inpatient stay (bed days) per percentage burn for acute injury admissions		<16 years - 2 days	N/A	Not audited	0.8 days	1.1 days

Comment: The length of inpatient stay of burns patients is related to the size of their burn, measured as a percentage of their body surface area. We aim that, on average:

- Adult inpatients aged 17-65 years of age should require one-day stay per 1% burn
- Adult inpatients over 65 years should require a two-day stay per 1% burn
- Paediatric inpatients aged 0-16 years should require a two-day stay per 1% burn.

Plastic surgery – breast surgery, hand surgery, skin cancer care and trauma

Our plastic surgery clinical directorate is one of the largest in the country and generates a significant part of the surgical activity within the trust. Our team of 18 specialist consultants is supported by a wider network of junior surgeons, specialist nurses, occupational therapists, physiotherapists and speech and language therapists.

Breast surgery

QVH is the major regional centre for complex microvascular breast reconstruction, either at the same time as a mastectomy for breast cancer (immediate) or after all treatment has been completed (delayed). We sometimes do reconstructions after removing both breasts on the same day in ladies who have a genetic predisposition for breast cancer (BRACA gene). Our integrated team of consultants and specialist breast care nurses provide a wide range of reconstructive options and flexibility and also undertake reconstructive surgery for breast reduction and to correct breast asymmetry and congenital breast shape deformity.

Breast reconstruction after mastectomy using free tissue transfer – flap survival

The 'gold standard' for breast reconstruction after a mastectomy is a 'free flap' reconstruction using microvascular techniques to take tissue, usually from the abdomen, and use it to form a new breast. If the abdomen is insufficient, tissue can be used from the inner thigh or the bottom as a free flap for breast reconstruction. This technique has greater patient satisfaction and longevity but can carry greater risks than an implant or pedicled flap reconstruction. Therefore it is important that we monitor our success both in terms of clinical outcomes and, equally importantly, how the women feel throughout the reconstructive journey. The latter is called a patient reported outcome measure (PROM).

In 2013 the breast team performed a total of 188 flaps in 167 patients. This is a 5% increase on 2012. Of these, 178 flaps were from the abdomen and 10 from the thigh. Breast reconstruction was performed immediately after the mastectomy in 75 cases (39.9%). This is a significant increase from 2012 (26.3%) and is part of an increasing trend towards immediate reconstruction where possible. Of the 167 women operated on, 23 (13.8%) had both breasts reconstructed. This is the same as 2012.

Our total failure rate was two flaps out of 188 performed (1.06%). All flaps from the thigh survived (0% total failure) whilst two flaps from the abdomen did not (1.12% total failure). This is well below the national quoted rates of 2%.

New for 2014 has been the development of a five-point PROM form for patients to complete throughout their reconstructive journey. It is hoped that it will allow comparison from the preoperative period to the end of treatment. This will see if there is an improvement from the women's point of view. In addition it will allow PROM profiles between different types of reconstructions. Furthermore, PROM scores for individual consultants will be possible with the collection of this prospective information.

Clinical effectiveness indicator and why we measure it	How the data is collected	Target	Benchmark	2011/12	2012/13	2013/14
Breast reconstruction after mastectomy using free tissue transfer – flap survival	Continuous prospective electronic database	100%	95–98% (published literature) 98% BAPRAS 2009	99.2%	99.44%	98.94%

Comment: The 'gold standard' for breast reconstruction after a mastectomy is a 'free flap' reconstruction using microvascular techniques. The breast team's results continue to exceed the national average for free flap survival.

Plastic surgery – breast surgery, hand surgery, skin cancer care and trauma (continued)

Hand surgery

The QVH hand surgery department accounts for approximately one-third to one-half of elective plastic surgical operations. It also comprises a majority (approximately 80%) of the trauma workload at the hospital.

The department now comprises five full-time hand consultants and a hand therapy department with outreach clinics for consultants and therapists. Consultant outreach clinics are held at Medway, Dartford, Faversham, Hastings, Horsham and Brighton.

The geographical intake for acute trauma comes from most of South East England and South East London. Besides acute trauma, elective work comprises secondary reconstruction following trauma, paediatric hand surgery and arthritis and neurological conditions. In addition, vascular problems are also handled.

Clinical effectiveness indicator and why we measure it	How the data is collected	Target	Benchmark	2011/12	2012/13	2013/14
Rupture rate following repair of flexor tendon injuries	On-going monthly audit between hand surgeons and hand therapists, with complication data collected via a trauma database	0%	9–13% (published literature)	3.5%	5%	2%

Comment: Hand surgery accounts for 80% of the trauma workload of the hospital, with flexor tendon repair the most common injury requiring surgery. In 2013 we carried out 283 primary repairs of flexor tendon injuries. Monitoring rates of rupture of the repaired tendon is one way of monitoring quality of surgery and post-operative therapy.

Skin cancer care and surgery

Our Melanoma and Skin Cancer Unit (MASCU) is the tertiary referral centre for all skin cancers across the South East Coast catchment area and is recognised by the Kent and Sussex cancer networks. The multidisciplinary team consists of consultant plastic surgeons, consultant maxillofacial surgeons, consultant ophthalmic surgeons and a consultant dermatologist. QVH also provides specialist dermato-histopathology services for skin cancer.

Clinical effectiveness indicator and why we measure it	How the data is collected	Target	Benchmark	2011/12	2012/13	2013/14
Complete excision rates in Basal Cell Carcinoma (BCC)	Audit of two months activity (286 BCC cases)	100%	88.9–95.3% (published literature)	90.7%	91.7%	92.5%

Comment: BCC is the most common cancer in Europe, Australia and the USA. Management usually involves surgical excision, photodynamic therapy (PDT), curettage, immuno-modulators, or a combination. Surgical excision is highly effective with a recurrence rate of 2%. Complete surgical excision is important to reduce recurrence rates. This may not be possible because of the size or position of the tumour or because the incomplete excision will only be evident with histological examination of the excised tissue. The high rate of complete excision for QVH is particularly pleasing as 40% of our referrals are from dermatologists who refer more complex cases. In 2013, 1,513 BCCs were removed at QVH.

Complete excision rates in malignant melanoma	Audit of two months activity (42 melanoma cases)	100%	75% NICE guidance	90%	95.6%	96.5%

Comment: Melanomas are excised with margins of healthy tissue around them, depending on the type, size and spread of tumour. These margins are set by national and local guidelines and each case is discussed in a multidisciplinary team (MDT). Total excision may not be possible because of the health of the patient or the size, position or spread of the tumour, and the MDT may recommend incomplete excision. In 2013, 326 melanomas were removed at QVH.

Head and neck, including head and neck oncology, orthognathic and orthodontic surgery

Our head and neck services are recognised, regionally and nationally, for the specialist expertise offered by our large consultant body. In particular, QVH is the Kent and Sussex surgical centre for head and neck cancer and is recognised by the Royal College of Surgeons as a training centre for head and neck surgical fellows.

We also have the largest maxillofacial and general prosthetics laboratory in the country which provides a wide range of support to orthodontists and maxillofacial and plastic surgeons. Our specialist orthodontic team advises and treats children and adults with complex orthodontic problems such as facial deformity and anomaly, hypodontia, malalignment of the jaws and positional problems of the teeth.

Clinical effectiveness indicator and why we measure it	How the data is collected	Target	Benchmark	2011/12	2012/13	2013/14
Facial nerve injury rates in condylar fracture (jaw fracture) repair	Trauma Card (continuous trauma and complications database)	0%	17%	0%	5.8%	0%
Comment: We monitor damage to the facial nerve during open fixation of mandibular fractures. We continue to have a zero permanent nerve injury rate. In 2013 we identified 12 cases that had the potential for injury to the facial nerve (mandibular condylar fractures treated with open reduction and internal fixation). There was no evidence of facial injury in any of the patients surveyed.						
Nerve injury rates in third molar (wisdom tooth) extraction and mandibular (jaw) fracture surgery	Telephone review of patients with 60% response rate from a sample of 100 consecutive cases	0% lip 0% tounge	5-10% (Temp) 2-8% (Temp)	5% (Temp) 9% (Temp)	4.7% (temp) 0.79% (> 6 months) 8.7% (Temp)	6.5% (temp) 0% (> 6 months) 8.2% (Temp)
	Temp = temporary >6 months = nerve injury taking more than 6 months to recover				1.2% (>6 months)	0% (>6/ months)
Comment: Wisdom tooth extraction is a common procedure. A recognised complication is inferior dental or lingual nerve injury, which may be temporary or permanent. In 2013 we treated 693 patients for extraction of the third molar tooth. The rates for 2011/12 and 2012/13 have been collected initially through telephone interview, rather than direct examination as in earlier years. For 2014 we plan to carry out a retrospective telephone interview at one, three and six months, with the aim of surveying 200 patients.						
Patient reported outcome measures (PROM) in Orthognathic surgery (correction of bony jaw abnormalities)	Prospective database of all orthognathic surgery patients	How do you rate the orthodontic service and care?		**2011** 80% excellent; 10% good; 10% average	**2012** 90% excellent; 10% good	**2013** 83% excellent; 17% good
		How do you rate the surgical service and care?		90% excellent; 10% good	92% excellent; 8% good	85% excellent; 15% good
		How satisfied are you with facial appearance?		70% very satisfied; 10% satisfied 20% neither satisfied or dissatisfied	74% very satisfied; 26% satisfied	71% very satisfied; 28% satisfied; 1% neither satisfied or dissatisfied
		How satisfied are you with dental appearance?		80% very satisfied; 10% neither satisfied or dissatisfied; 10% dissatisfied	85% very satisfied; 15% satisfied	72% very satisfied; 27% satisfied; 1% neither satisfied or dissatisfied
Comment: We undertake approximately 120 orthognathic surgical procedures per year. Successful orthognathic surgery demands good teamwork between the orthodontic team and the maxillofacial surgery team. Our results demonstrate a very high level of satisfaction with both teams as well as good satisfaction with the overall facial and dental result.						

Clinical effectiveness indicator and why we measure it	How the data is collected	Benchmark	2011/12	2012/13	2013/14
Peer Assessment Rating (PAR) index for orthodontic treatment	Continuous prospective data collection on all orthodontic patients	>70% = very high standard < 50% = poor standard	95%	95%	95%

Comment: The PAR (Peer Assessment Rating) index provides an objective measure to assess the improvement gained by orthodontic treatment. The higher the pre-treatment PAR score, the poorer the bite / occlusion. At QVH, data continues to be prospectively collected by independent third-party assessment of all our orthodontic patients following their treatment.

A graph produced from the results splits the data into three clearly defined categories: greatly improved, improved and worse/no different. With respect to interpreting the results, a mean PAR score improvement of greater than 70% represents a high standard of treatment.

For QVH, 95% of our patients were assessed in the first two categories with 50% in the 'greatly improved' category. These results are well in excess of national average figures and demonstrate very good outcomes for patients treated by the orthodontic department at QVH.

Patients whose outcomes do not improve as we would like are investigated by the team and a root cause analysis undertaken so we can identify causes and improve future care for others wherever possible. This investigation and review occurs on an annual basis.

Patient satisfaction in orthodontics

Questionnaires are given to every patient who has completed orthodontic treatment. The aim of this rolling prospective audit is to measure the level of patient satisfaction on completion of their treatment and at one year after completion of treatment. In 2013, 211 patients completed a satisfaction questionnaire. The majority (89%) were completely satisfied with the result of their treatment, and the reaming 11% were fairly satisfied.

Results showed that 96% of patients were happy with the appearance of their teeth after treatment, 72% reported improved self-confidence, and 92% would recommend a similar course of treatment to a friend. In addition, 96% of patients felt that they were given sufficient information regarding their proposed treatment with 99% of patients stating they were glad they undertook their course of treatment.

Corneoplastic and oculoplastic surgery

Our corneoplastic unit, including our eye bank, is a high-profile and technologically advanced specialist centre for complex corneal problems and oculoplastics. Our specialist cornea services include high-risk corneal transplantation, stem cell transplantation for ocular surface rehabilitation, innovative partial thickness transplants (lamellar grafts) and vision correction surgery.

The team also offer specialist techniques in oculoplastic surgery including Mohs micrographic excision for eyelid tumour management, facial palsy rehabilitation, endoscopic DCR (for tear duct problems) and modern orbital decompression techniques for thyroid eye disease.

Clinical effectiveness indicator and why we measure it	How the data is collected	Target	Benchmark	2011/12	2012/13	2013/14
Percentage of patients achieving vision better than 6/12 after cataract surgery without other eye disease	Annual audit of 100 patients	100%	96% (UK EPR)	96%	100% with correction 90% unaided	100% with correction 90% unaided

Comment: There were 815 cases of phacoemulsification for cataracts recorded in 2013. Departmental audit shows that cases of post-operative eye infection are extremely rare and well below national average rates. We monitor the number of these patients who achieve significant improvement to the vision in that eye.

Anaesthetics

We have 19 consultant anaesthetists at QVH with supporting staff in the operating theatres, high dependency unit and in the burns centre. The department has pioneered and developed special expertise in dealing with patients with abnormal airways due to facial deformity, techniques to lower blood pressure and reduce bleeding during delicate surgery, and the use of ultrasound for the placement of regional local anaesthetic for the upper limb.

Clinical effectiveness indicator and why we measure it	How the data is collected	Target	Benchmark	2011/12	2012/13	2013/14
Clinical effectiveness indicator and why we measure it	Continuous prospective audit of all inpatient recovery room procedures	100%		79%	84%	88%

Comment: The anaesthetic recovery room exists to ensure that patients are fit to discharge to the ward following surgery. We monitor all interventions that are made in recovery, including medical review, intravenous analgesia, unexpected discharge to critical care and all complications such as hypothermia or airway difficulties. A supplementary local audit of 100 patients having upper limb surgery under regional anaesthesia showed that 94% of these patients rated their experience of anaesthesia as excellent or good, and 94% would be happy to have a similar procedure under regional anaesthesia.

Patient experience

QVH places great importance on ensuring our patients have an excellent experience and we continue to have exceptional patient satisfaction survey results.

The CQC has recently published the results of the 2013 national NHS inpatient survey. The survey was completed by 415 patients who had stayed at QVH for at least one night during June, July or August 2013. For the second year in a row, we achieved the highest overall score of any trust in England for the section of questions on the quality of nursing care and the support available on leaving hospital. Compared with the other 156 acute and specialist trusts in England, QVH scored better than average on 45 of the 68 questions and about the same as average on the remaining 23.

The trust continues to hold a patient experience group chaired by the director of nursing and quality. The group looks at all information relating to patient experience at the hospital and drives changes required based on the feedback received.

The trust also uses the NHS friends and family test for all inpatients that use QVH services. The NHS friends and family test was introduced in April 2014. All patients discharged from an adult inpatient ward are given a questionnaire asking if they would recommend QVH to their friends and family based on their experience in the hospital on a scale from 'extremely likely' to 'extremely unlikely'. Patients also have an opportunity to add comments and give reasons for their answer. The test is based on the 'net promoter score' survey used by commercial companies. The percentage who would not recommend is subtracted from the percentage that would, providing a score of between -100 and +100.

During 2013/14 we rolled out the friends and family test to our minor injuries unit, some of our outpatient clinics and the day surgery unit. During 2014/15 we hope to continue this roll out to the remainder of our outpatient clinics including physiotherapy and burns assessment clinics. We will also be rolling out the friends and family test for staff in 2014.

For all patient experience measures QVH considers that this data is as described for the following reasons: data is routinely collected and reported through internal meetings and these figures reflect those used throughout the year. In addition our auditors routinely review our processes for producing data and have acknowledged its accuracy.

Patient experience indicator and why we measure it	How the data is collected	Target	Benchmark	2010/11	2011/12	2012/13
Failure to deliver single sex accommodation (occasions)	Continuous internal audit	0	N/A	0	0	0 G
Comment: In all wards, outside of theatre recovery areas and critical care, we endeavour to deliver care in male and female segregated wards or bays. Failure to meet this requires formal reporting. We are pleased to have been able to maintain segregated accommodation during 2013/14 and this has been achieved because we have a number of single rooms available for use.						
Complaints per 1000 spells	Continuous internal audit	<5 per 1000 spells	N/A	4.4	4.4	4.7 G
Comment: We monitor complaints about the quality of service we provide to help us continuously improve. All of our complaints are reviewed by the executive team and all complaints are investigated. If the complainant remains dissatisfied we will actively support them in going to the ombudsman for assurance that their complaint has been appropriately responded to. We are reviewing our current complaints handling policy to ensure we are following all of the best practice recommendations from the national report Putting patients back in the picture. That our complaint numbers have increased slightly is viewed positively as we believe it means that patients have felt confident in raising issues with us. This in turn offers us an opportunity to investigate and implement changes for the benefit of all patients.						
Claims per 1000 spells	Continuous internal audit	<1	N/A	0.8	0.7	1.0 G
Comment: This reflects legal action against the trust by patients/carers, and includes all cases, whether founded or unfounded. All findings from claims is fed back to the consultant involved. During 2013/14 we intend making this information more widely available so that others can learn from incidents where a claim is upheld.						
Overall experience	National inpatient survey	>9	Range 7.2-9.1 2013	N/A	9.0	8.9 A
Comment: This was a new measure from the national NHS inpatient survey that was introduced last year. QVH are pleased to have maintained a high score and will aim to continue to provide an improving experience for patients.						
Percentage of patients who felt they were always treated with respect and dignity	National inpatient survey	10	9.7 highest national score 2012	9.7	9.6	9.6 G
Comment: Patients continue to report that they are treated with dignity and respect at QVH.						

Patient experience indicator and why we measure it	How the data is collected	Target		2011/12	2012/13	2013/14
PLACE scores (these have replaced the PEAT scores)	National Reporting Learning Service	Excellent				A
				2011	**2012**	**2013**
Environment				Good	Good	98.9%
Food				Excellent	Excellent	81.3%
Privacy, dignity and wellbeing				Excellent	Excellent	91.2%
Condition, appearance and maintenance				N/A	N/A	90.7%
Comment: PLACE is an annual assessment of inpatient healthcare sites in England with more than 10 beds. It is self-assessed and inspects standards across a range of factors including food, cleanliness, infection control and patient environment (including bathroom areas, décor, lighting, floors and patient areas). Overall we scored well although food is noted – both through this assessment and patient surveys - as an area where we can improve further.						
Responsiveness to inpatients' personal needs		>82	76.9 national average 2013 Range 72.8-86.3 Surrey & Sussex Area Team	87.8	88.2	86.3 G
Comment: This is an amalgamated score from five questions within the national NHS inpatient survey. QVH continues to monitor staff awareness of the expectation that delivering excellent care should be a priority for everyone, and is rolling out further awareness sessions linked to the Chief Nursing Officer's 6Cs.						
***NHS friends and family test**	NHS friends and family test average score over the year	>80	2013-14 range for acute specialist trusts 62-97	N/A	N/A	86 G
Comment: QVH considers that this data is as described for the following reasons: The NHS friends and family test was introduced in April 2014. All patients discharged from an adult inpatient ward are given a questionnaire asking if they would recommend QVH to their friends and family based on their experience in the hospital on a scale from 'extremely likely' to 'extremely unlikely'. Patients also have an opportunity to give reasons for their answer. The test is based on the 'net promoter score' survey used by commercial companies. The percentage who would not recommend is subtracted from the percentage who would, providing a score of between -100 and +100. QVH intends to take the following action to improve this score and so the quality of its services by continuing to provide feedback questionnaires to patients and providing information back to staff on patient views of the services they received.						
Percentage of patients who rated their quality of care as good or excellent	NHS friends and family test	>95%		99%	99%	98% G
Comment: We invite all inpatients to complete a questionnaire about their quality of care on discharge. This score is taken from the NHS friends and family test question which asks if patients would recommend the ward they visited to their family and friends and provides a percentage score rather than a 'net promoter score' which some people find difficult to interpret.						
Percentage of patients who reported sufficient privacy when discussing their condition or treatment	National inpatient survey 2013	>9	9.8 highest score achieved in national inpatient survey 2013	9.7	9.3	9.0 G
Comment: That patients felt their privacy was respected when discussing their condition is a key measure of the quality of care delivered. We will work with patients and staff to see how this could be further improved.						

Satisfaction with anaesthetic service	National inpatient survey 2013	>9	9.6 highest score achieved in national inpatient survey 2013	9.2	9.6	9.2 G
Comment: This year we have taken information on satisfaction with our anaesthetic services from the national inpatient survey and the question 'Did the anaesthetist or another member of staff explain how he or she would put you to sleep or control your pain?'						
***Staff recommendation of the trust as a place to work or receive treatment**	National staff survey	>4	4.08 national average acute specialist trusts 2013 (highest 4.33)	4.02	4.24	4.26 G
Comment: QVH considers that this data is as described for the following reasons: data is taken from the NHS staff survey results. This indicates an employee's view of the quality of care delivered by their organisation (scale 1-5). QVH intends to take the following actions to improve this score and so the quality of its services by continuing to work with staff and patients to ensure we are able to deliver the best care possible for patients. During 2013/14 we have commenced recruitment linked to the trust's values so we can be sure that the staff we employ believe in delivering compassionate care to patients.						

Statements from third parties

Statement from Healthwatch West Sussex

Healthwatch West Sussex welcomes the emphasis given to the importance of patient survey results in the chief executive's statement in the quality accounts and the commendable feedback from patients on the quality of service received. The annual inpatient survey for 2013 scored QVH as top out of all acute hospital trusts in England for how well patients rated their experience of being in hospital. Healthwatch West Sussex commends the trust on this exceptional result and in particular for scores on the quality of nursing, quality of care and treatment and support of patients on leaving hospital.

We commend the comprehensive data presented on patient experience but we would emphasise the importance of independent patient involvement in reviewing relevant processes, for instance in assessing the quality of the patient environment through the annual PLACE audits. With this in mind, we are disappointed at the lack of engagement with the trust on significant issues such PLACE audits (where trusts should be initiating contacts with Healthwatch for the supply of patient assessors) and the quality acounts prioritisation and criteria selection process itself, despite email contact from Healthwatch West Sussex last year. Healthwatch West Sussex looks forward to a marked improvement in its contacts with the trust next year and jointly reviewing performance from the patient and public perspective.

Statement from West Sussex Health & Adult Social Care Select Committee

Thank you for offering the West Sussex Health & Adult Social Care Select Committee (HASC) the opportunity to comment on QVH's quality account for 2013/14.

Overall, we do not necessarily find the quality account format very 'user friendly' – but understand that you are following national requirements. Quality accounts tend to be too long and too detailed to provide the kind of information that is readily digestible by the public and lay-people.

However, your quality account for 2013/14 provides thorough and clear information on the quality and performance of services. You are to be commended for the high rating QVH has achieved in both patient and staff surveys and for the strong performance you have demonstrated against your key priorities for 2013/14. You have explained measures taken to address areas where you have performed less well, and demonstrated good improvement in these. You have a strong focus on patient safety, outcomes and experience which is reflected in your proposed priorities for 2014/15.

From the HASC's perspective, a priority for the future must be ensuring safe, high quality services that are sustainable and deliverable for the future. This is not something you can achieve in isolation – it will require the whole health and social care system to work together to meet the challenges of increasing demand, pressure on services and financial constraints.

Statement from Crawley, Horsham and Mid Sussex Clinical Commissioning Groups

Crawley, Horsham and Mid Sussex Clinical Commissioning Groups have reviewed the quality account and are agreed that the document meets the Department of Health national guidance on quality account reporting.

As far as we can ascertain the information provided is accurate and complies with information provided by you to the CCGs, in addition to the nationally published data available.

The document provides clarity on the directors and staff involved in compiling the quality account. It might be beneficial as a public facing document to emphasise any patient or member involvement in fashioning the account.

Performance against 2013/14 priorities

The CCGs commend the trust on the high quality of care provided and are pleased to note that areas where improvement is needed are highlighted and appropriate action taken. The positive staff and patient surveys are good indicators of an organisation striving for continuous improvement.

As a specialist trust it is important to go beyond the usual regulator requirements, and in recognition the organisation would appear to have set some realistic standards for improvement. Most notable is the apparently resistant issues of outpatient management and reform. Additionally the consultant clinical outcomes work will provide patients with further information and assurance, and is a timely initiative in preparation for the national work underway.

Although all last year's priorities were not achieved it is helpful to know that they will continue to be monitored and acted upon through normal trust governance processes.

The priorities for 2014/15 appear appropriate in this context, and reflect the need to address areas needing more accelerated improvement. The nursing work on safe staffing will provide assurance that the skill and ratio numbers of nursing staff meets the needs of the patient group concerned. It is an important plank in the Francis report recommendations and would be in line with maintaining the excellent nursing reputation of the trust.

The quality account makes reference to the roll out of the friends and family test for staff in 2014, however it would also be useful to see how the workforce will be managed, supported and engaged. The trust has a Manchester Patient Safety Framework (MaPSaf) CQUIN agreed for 2014/15 to assist the organisation to reflect on their progress in developing a safety culture, through a programme of workshop discussions about the strengths and weaknesses of the culture in teams and/or organisations. It will therefore be of interest to see how outcomes of this triangulate with outcomes from the staff friends and family and other staff experience metrics.

The occurrence of 'never events' at QVH is of significant concern to the CCGs. The achievement of the performance relating to theatre lists starting with a surgical team safety briefing is welcomed, and the CCGs look forward to improved performance in the use of the WHO Safer Surgical checklist to minimise the risk of further occurrence.

It is noted that the prevalence of pressure damage has increased in 2013/14. Whilst the majority of these are as a result of prolonged surgery, the CCGs are encouraged by the work of the patient safety forum to identify further preventative measures, and look forward to the outcomes of these discussions.

The report recognises that further work is required to ensure that nutritional assessments are undertaken within 24 hours of admission, and therefore we welcome the enhanced reporting for the Safety Thermometer and ward safety dashboards. In addition however, it would be of interest to understand what processes are being put into place to improve performance in the ward areas.

The 'See and Do' clinics fit well into the outpatient reforms outlined in the document. It will be a test of the ability to meet patient demand whilst also introducing considerable consultant behaviour change aligned to streamlined outpatient processes. The CCGs look forward to supporting the trust in this improvement initiative.

The data presented and the use of RAG rating is helpful and provides a good visual picture of progress against last year's standards.

Conclusion

The trust has made good progress with its priorities and has been deemed above average in several categories. It has several challenges common to all health care organisations however, and will be challenged in the year ahead to further improve quality whilst maintaining financial stability.

The priorities for 2014/15 appear realistic in this respect and show that the trust is taking account of patient feedback whilst also planning ahead for better managed services and care pathways.

The CCGs look forward to regular updates on progress through the usual quality reviews which take place regularly throughout the year.

Statement from QVH Council of Governors

The council of governors takes a close interest in all forms of the patient experience within QVH. This covers the general experience of attending and being treated at the hospital to the specific issues of patient safety and clinical outcomes. The governors have multiple areas of interaction with the management and activities of the hospital and with the patients.

A governor representative attends the meetings of the board of directors, reporting back to the governors. Similarly a governor attends the meetings of the quality and risk committee which reviews all quality and risk activities within the trust on behalf of the board. One governor is responsible for the overview of the activities of the external auditors and the audit committee and is also on a board of directors' working group which reviews the effectiveness of board financial and operational reporting.

The governors' steering group meets monthly with the executive reviewing operational reports and discussing any issues arising. There are regular patient experience reports which cover all aspects of the patient experience and are presented to the board of directors and the council of governors. Governors attend meetings of the patient experience group chaired by the director of nursing, which monitors patient experience and maintains an action plan for improvements. There are other areas of involvement including individual governor tours of specific areas of the hospital and governor attendance on some of the regular management inspections which cover cleanliness and safety issues within all departments of the hospital.

During 2013/14 QVH has commenced a schedule of regular 'compliance in practice' assessments of all clinical areas. Governors are part of the teams which undertake the assessments. The assessments review safety of patients, how their needs are met, whether their care has been individually tailored, responsiveness to individual patients' needs and the effectiveness of leadership and management. During the assessment patients and staff are interviewed and patient records are reviewed.

During 2013/14, the governors have been very pleased to note the results of the national inpatient and outpatient surveys undertaken throughout the NHS. QVH has maintained consistently high scores on these surveys and continues to work to improve those areas which do not have the highest scores.

The work the governors undertake gives us a clear and comprehensive view of the activities within QVH and of the quality of the patient experience. We have reviewed the quality accounts produced for 2013/14 and are satisfied that they give an accurate and reliable picture of the quality of QVH's activities. We also agree with the priorities for improvement in 2014/15. The governors have always paid particular attention to the performance of the outpatient clinics and are pleased with the number of initiatives introduced in 2013/14 which have helped improve the patient experience.

The management, staff and governors of QVH take pride in the high standard of care being achieved within the hospital. However, QVH is constantly striving to improve further. The governors remain confident that QVH has the highest quality of care as a key priority and that it will continue to maintain and improve upon the current excellent standard.

Performance against key national targets for 2013/14

Please see Annex B.

Statement of director responsibilities in respect of the quality report

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

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

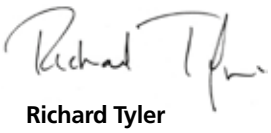
In preparing the quality report, directors are required to take steps to satisfy themselves that:

- the content of the quality report meets the requirements set out in the *NHS Foundation Trust Annual Reporting Manual 2013-14*;
- 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 2013 - May 2014
  - papers relating to quality reported to the board over the period April 2013 - May 2014
  - feedback from commissioners dated 20 May 2014
  - feedback from governors dated 21 May 2014.
  - feedback from Healthwatch West Sussex dated 15 May 2014.
  - feedback from the Health and Adult Social Care Select Committee dated 20 May 2014
  - the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated May 2014
  - QVH national inpatient survey results, April 2014
  - QVH national staff survey results, February 2014
  - the head of internal audit's annual opinion over the trust's control environment dated 14 May 2014
  - CQC quality and risk profiles (now hospital intelligent monitoring report) dated February 2014
- 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 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 and is subject to appropriate scrutiny and review; and
- the quality report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the quality accounts regulations) as well as the standards to support data quality for the preparation of the quality report (both available at www.monitor-nhsft.gov.uk/annualreportingmanual).

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

By order of the board,

Peter Griffiths
Chairman
28 May 2014



Richard Tyler
Chief Executive
28 May 2014

Independent auditors' report to the council of governors of Queen Victoria Hospital NHS Foundation Trust

We have been engaged by the council of governors of Queen Victoria Hospital NHS Foundation Trust to perform an independent assurance engagement in respect of Queen Victoria NHS Foundation Trust's quality report for the year ended 31 March 2014 (the "quality report") and certain performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2014 subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- 62 day cancer waits – the percentage of patients treated within 62 days of referral from GP; and
- Emergency readmissions within 28 days of discharge from hospital.

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 Monitor.

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

- the quality report 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 Detailed Guidance for External Assurance on Quality Reports; and.
- the indicators in the quality report identified as having been the subject of limited assurance in the quality report are not reasonably stated in all material respects in accordance with the *NHS Foundation Trust Annual Reporting Manual* and the six dimensions of data quality set out in the Detailed Guidance for External Assurance on Quality Reports.

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

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

- Board minutes for the period April 2013 to May 2014;
- Papers relating to quality reported to the board over the period April 2013 to May 2014;
- Feedback from the commissioners dated 20 May 2014;
- Feedback from local Healthwatch organisations dated 15 May 2014;
- The trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, 2013/14;
- The 2013/14 national patient survey;
- The 2013/14 national staff survey;
- Care Quality Commission quality and risk profiles/intelligent monitoring reports 2013/14; and
- The 2013/14 head of internal audit's annual opinion over the trust's control environment.

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 Queen Victoria Hospital NHS Foundation Trust as a body, to assist the council of governors in reporting Queen Victoria Hospital 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 2014, to enable the council of governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the council of governors as a body and Queen Victoria Hospital NHS Foundation Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

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

- Evaluating the design and implementation of the key processes and controls for managing and reporting the indicators.
- Making enquiries of management.
- Testing key management controls.
- Limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation.
- Comparing the content requirements of the *NHS Foundation Trust Annual Reporting Manual* to the categories reported in the quality report.
- 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 butacceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the quality report in the context of the criteria set out in the *NHS Foundation Trust Annual Reporting Manual.*

The scope of our assurance work has not included governance over quality or non-mandated indicators which have been determined locally by Queen Victoria Hospital NHS Foundation Trust.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2014:

- 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 above; 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*.

KPMG LLP, Statutory Auditor
15 Canada Square, London, E14 5GL
May 2014

Financial accounts 6

6.1 Statement of accounting officer's responsibilities

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 the independent regulator of NHS foundation trusts ("Monitor").

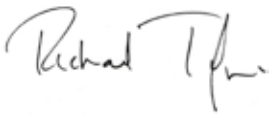
Under the NHS Act 2006, Monitor has directed Queen Victoria Hospital NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the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

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

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

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

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



Richard Tyler
Chief Executive
28 May 2014

6.2 Independent auditors' report to the council of governors

We have audited the financial statements of Queen Victoria Hospital NHS Foundation Trust for the year ended 31 March 2014 on pages 68 to 94. These financial statements have been prepared under applicable law and the *NHS Foundation Trust Annual Reporting Manual 2013/14*.

This report is made solely to the council of governors of Queen Victoria Hospital NHS Foundation Trust in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the council of governors of the trust, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the council of governors of the trust, as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of the accounting officer and the auditor

As described more fully in the statement of accounting officer's responsibilities on page 66, the accounting officer is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice's Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the trust's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the accounting officer and the overall presentation of the financial statements.

In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the trust's affairs as at 31 March 2014 and of its income and expenditure for the year then ended; and
- have been prepared in accordance with the *NHS Foundation Trust Annual Reporting Manual 2013/14*.

Opinion on other matters prescribed by the *Audit Code for NHS Foundation Trusts*

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report where under the *Audit Code for NHS Foundation Trusts* we are required to report to you if, in our opinion, the annual governance statement does not reflect the disclosure requirements set out in the *NHS Foundation Trust Annual Reporting Manual*, is misleading or is not consistent with our knowledge of the trust and other information of which we are aware from our audit of the financial statements.

We are not required to assess, nor have we assessed, whether all risks and controls have been addressed by the annual governance statement or that risks are satisfactorily addressed by internal controls.

Certificate

We certify that we have completed the audit of the accounts of Queen Victoria Hospital NHS Foundation Trust in accordance with Chapter 5 of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor

Neil Thomas
For and on behalf of KPMG LLP, Statutory Auditor

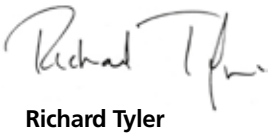
Chartered Accountants
15 Canada Square, London, E14 5GL

29 May 2014

6.3 Statements and notes

Foreword to the accounts

These accounts for the year ended 31 March 2014 have been prepared by Queen Victoria Hospital NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006.

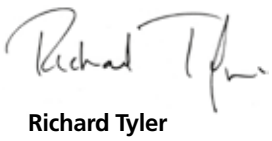


Richard Tyler
Chief Executive
28 May 2014

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2014							
	Notes		**2013/14 Group £000**		**2013/14 Trust £000**	2012/13 (restated) Group £000	2012/13 Trust £000
Operating income	3, 4, 5		**62,394**		**62,337**	61,333	61,267
Operating expenses	6		**(61,351)**		**(61,192)**	(54,539)	(54,490)
Operating surplus/(deficit)			**1,043**		**1,145**	6,794	6,777
Finance costs							
Finance income	10	25		20		24	20
Finance expense – unwinding of discount on provisions	19	(9)		(9)		(15)	(15)
Finance expense – other	20	(263)		(263)		(84)	(84)
PDC dividends payable		(832)		(832)		(935)	(935)
Net finance costs			**(1,079)**		**(1,084)**	(1,010)	(1,014)
SURPLUS/(DEFICIT) FOR THE YEAR			**(36)**		**61**	5,784	5,763
Other comprehensive income: (See statement of changes in taxpayers' equity on page 70)							
Revaluation gains/(losses) on property, plant and equipment			1,442		**1,442**	81	81
Impairment through revaluation reserve			(692)		**(692)**	(6,387)	(6,387)
Other recognised losses			(14)		**(14)**	40	40
INCOME/(EXPENSE) FOR THE PERIOD			700		**797**	(482)	(503)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014							
	Notes	**31 March 2014 Group £000**	**31 March 2014 Trust £000**	31 March 2013 (restated) Group £000	31 March 2013 Trust £000	31 March 2012 (restated) Group £000	31 March 2012 Trust £000
NON-CURRENT ASSETS:							
Intangible assets	11	**718**	**718**	593	593	93	93
Property, plant and equipment	12	**36,493**	**36,493**	33,030	33,030	30,706	30,706
Total non-current assets		**37,211**	**37,211**	33,623	33,623	30,799	30,799
CURRENT ASSETS:							
Inventories	14	**415**	**415**	390	390	304	304
Trade and other receivables	15	**8,939**	**8,939**	3,659	3,534	2,224	2,223
Cash and cash equivalents	16	**4,693**	**3,655**	9,166	8,137	7,101	5,979
Total current assets		**14,047**	**13,009**	13,215	12,061	9,629	8,506
CURRENT LIABILITIES:							
Trade and other payables	17	**(4,502)**	**(4,496)**	(5,194)	(5,169)	(3,491)	(3,476)
Borrowings	21.1	**(778)**	**(778)**	(250)	(250)	–	–
Provisions	19	**(1,108)**	**(1,108)**	(27)	(27)	(29)	(29)
Other liabilities	18	**(192)**	**(192)**	(129)	(129)	(495)	(495)
Total current liabilities		**(6,580)**	**(6,574)**	(5,600)	(5,575)	(4,015)	(4,000)
NON-CURRENT LIABILITIES:							
Provisions	19	**(554)**	**(554)**	(522)	(522)	(465)	(465)
Long term borrowings	21.1	**(8,933)**	**(8,933)**	(6,250)	(6,250)	(1,000)	(1,000)
Total non-current liabilities		**(9,487)**	**(9,487)**	(6,772)	(6,772)	(1,465)	(1,465)
TOTAL ASSETS EMPLOYED		**35,191**	**34,159**	34,466	33,337	34,948	33,840
TAXPAYERS' EQUITY: (See statement of changes in taxpayers' equity on page 70)							
Public dividend capital		**12,237**	**12,237**	12,212	12,212	12,212	12,212
Revaluation reserve		**6,173**	**6,173**	6,266	6,266	12,808	12,808
Income and expenditure reserve		**15,749**	**15,749**	14,859	14,859	8,820	8,820
Charitable fund reserves		**1,032**	**-**	1,129	-	1,108	0
TOTAL TAXPAYERS' EQUITY		**35,191**	**34,159**	34,466	33,337	34,948	33,840

The accounts on pages 68 to 71 were approved by the board on 22 May 2014 and are signed on the board's behalf by:



Richard Tyler
Chief Executive
28 May 2014

The notes on pages 72 to 94 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY					
2013/14	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Charitable fund reserve £000	**Total £000**
Group					
Taxpayers' equity at 1 April 2013	12,212	6,266	14,859	1,129	**34,466**
Surplus / (Deficit) for the year	–	–	61	(97)	**(36)**
Revaluation of property, plant and equipment	–	1,442	–	–	**1,442**
Impairments	–	(692)	–	–	**(692)**
Public dividend capital received	25	–	–	–	**25**
Other reserves movements	–	(843)	829	–	**(14)**
Taxpayers' equity at 31 March 2014	12,237	6,173	15,749	1,032	**35,191**
Trust					
Taxpayers' equity at 1 April 2013	12,212	6,266	14,859	–	**33,337**
Surplus for the year	–	–	61	–	**61**
Revaluation of property, plant and equipment	–	1,442	–	–	**1,442**
Impairments	–	(692)	–	–	**(692)**
Public dividend capital received	25	–	–	–	**25**
Other reserves movements	–	(843)	829	–	**(14)**
Taxpayers' equity at 31 March 2014	12,237	6,173	15,749	–	**34,159**

2012/13	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Charitable fund reserve £000	**Total £000**
Group (restated)					
Taxpayers' equity at 1 April 2012	12,212	12,808	8,820	1,108	**34,948**
Surplus for the year	–	–	5,763	21	**5,784**
Transfers between reserves	–	(276)	276	–	**—**
Revaluation of property, plant and equipment	–	81	–	–	**81**
Impairments	–	(6,387)	–	–	**(6,387)**
Other reserves movements	–	40	–	–	**40**
Taxpayers' equity at 31 March 2013	12,212	6,266	14,859	1,129	**34,466**
Trust					
Taxpayers' equity at 1 April 2012	12,212	12,808	8,820	–	**33,840**
Surplus for the year	–	–	5,763	–	**5,763**
Transfers between reserves	–	(276)	276	–	**—**
Revaluation of property, plant and equipment	–	81	–	–	**81**
Impairments	–	(6,387)	–	–	**(6,387)**
Other reserves movements	–	40	–	–	**40**
Taxpayers' equity at 31 March 2013	12,212	6,266	14,859	–	**33,337**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2014							
	Notes		**2013/14 Group £000**		**2013/14 Trust £000**	2012/13 (restated) Group £000	2012/13 Trust £000
Operating surplus			**1,043**		**1,145**	6,794	6,777
Non-cash income and expense							
Depreciation and amortisation	6		**2,190**		**2,190**	1,786	1,786
Impairments	6		**3,530**		**3,530**	1,197	1,197
Reversal of impairments	5		**(736)**		**(736)**	(2,848)	(2,848)
Loss on disposal of property, plant and equipment	6		**1**		**1**	–	–
Non-cash donations credited to income	5		**(213)**		**(213)**	(240)	(240)
Dividend accrued			**–**		**–**	(65)	(65)
(Increase)/decrease in inventories	14		**(25)**		**(25)**	(86)	(86)
(Increase)/decrease in trade receivables	15		**(5,270)**		**(5,395)**	(1,435)	(1,311)
Increase/(decrease) in trade and other payables	17		**255**		**274**	1,703	1,693
Increase/(decrease) in provisions	19		**1,104**		**1,104**	55	55
Increase/(decrease) in other liabilities	18		**63**		**63**	(366)	(366)
Net cash inflow from operations			**1,942**		**1,938**	6,495	6,592
Cash flows from investing activities							
Interest received	10	**25**		**20**		24	20
Payments to acquire intangible assets	11	**(291)**		**(291)**		(374)	(374)
Payments to acquire property, plant and equipment	12	**(8,424)**		**(8,424)**		(8,496)	(8,496)
Net cash used in investing activities			**(8,690)**		**(8,695)**	(8,846)	(8,850)
Cash flows from financing activities							
Public dividend capital received		**25**		**25**		–	–
Loans from Independent Trust Financing Facility	21.1	**3,600**		**3,600**		5,500	5,500
Loans repaid to the Independent Trust Financing Facility		**(389)**		**(389)**		–	–
Interest paid	20	**(226)**		**(226)**		(84)	(84)
PDC dividends paid		**(735)**		**(735)**		(1,000)	(1,000)
			2,275		**2,275**		
Increase in cash			**(4,473)**		**(4,482)**	2,065	2,158
Cash and cash equivalents at 1 April 2013	16		**9,166**		**8,137**	7,101	5,979
Cash and cash equivalents at 31 March 2014	16		**4,693**		**3,655**	9,166	8,137

Notes to the financial statements

1. Accounting policies

Monitor has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the NHS Foundation Trust Annual Reporting Manual which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2013/14 NHS Foundation Trust Annual Reporting Manual issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual (FReM) to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

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 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the trust is contracts with commissioners in respect of healthcare services.

Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

1.2 Expenditure on employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension costs

NHS pension scheme

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. It is not possible for the NHS foundation trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme.

Employers pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment.

1.3 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.4 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the cost of the item is at least £5,000; or
- groups of items collectively have a cost of at least £5,000, individually have a cost of more than £250, are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- form part of the initial equipping and setting-up cost of a new building, ward or unit irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

To this end, valuations of land, buildings and fixtures are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. Revaluations are performed

with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the balance sheet date. Revaluations are never less than triennial. The latest valuations were undertaken in 2014 as at the prospective valuation date of 31 March 2014 and were accounted for in the 2013/14 accounts.

Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost.

The depreciated replacement cost of specialised buildings is based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.

For non-operational properties including surplus land, the valuations are carried out at open market value.

Properties in the course of construction are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

Land and buildings are stated in the Statement of Financial Position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Equipment is stated in the Statement of Financial Position at its revalued amount, 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 balance sheet date. In the intervening periods the trust considers depreciated historic cost to be a suitable estimate of fair value. In the absence of regular markets from which market values can be assessed, revaluations are based on suitable indices such as the Hospital Service Cost Index published by the Department of Health. No such valuation was carried out in 2013/14.

Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is added to the asset's carrying value. Where subsequent expenditure is simply restoring the asset to the specification assumed by its economic useful life then the expenditure is charged to operating expenses.

Depreciation

Items of property, plant and equipment are depreciated on a straight line basis over their remaining useful economic lives. This is considered to be consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

The remaining economic lives of each element of each building are determined by an independent valuer and each element is depreciated individually. Currently, lives range from three to seventy years.

Plant, machinery and medical equipment are generally given lives of five, 10 or 15 years, depending on their nature and the likelihood of technological obsolescence. Information technology equipment is generally given a life of five years.

Property, plant and equipment which has been reclassified as 'held for sale' ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use or reverts to the trust.

Revaluation and impairment

In accordance with the NHS Foundation Trust Annual Reporting Manual, impairments that are due to a loss of economic benefits or service potential in the asset are charged to operating expenses. Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in operating expenses, in which case they are recognised in operating income.

Decreases in asset values and impairments resulting from loss of economic benefit or service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment arising from a 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 income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Land and buildings were revalued as at 31 March 2014 and the effect of that revaluation has been included in these accounts.

The revaluation was carried out by an independent, qualified valuer on the modern equivalent asset basis and the assumption that the property is sold as part of the continuing enterprise in occupation. The valuation was based on the

existing site rather than an alternative.

The valuations were carried out on the basis of depreciated replacement cost for specialised operational property and existing use value for non-specialised operational property.

For specialised buildings where there is no market-based evidence of fair value, the latter is estimated using a depreciated replacement cost approach based on the assumption of the asset's replacement by a modern equivalent asset, in accordance with International Valuation and RICS standards.

For non-operational properties including surplus land, the valuations were carried out at open market value.

Plant and machinery and information technology equipment were last revalued as at 31 March 2008 using suitable indices supplied by the Department of Health. The movement in indices since that time has not been sufficient to affect values materially.

Donated assets

From 1 April 2011, NHS foundation trusts have adopted IAS 20 in accordance with the Treasury FReM. Donations are therefore recognised in income and a donated asset reserve is no longer maintained. Donated non-current assets are capitalised at their fair value on receipt, with a matching credit to income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are as described above for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

1.5 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the trust intends to complete the asset and sell or use it;
- the trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the trust to complete the development and sell or use the asset; and
- the trust can measure reliably the expenses attributable to the asset during development.

Software

Software which is integral to the operation of hardware e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at fair value. Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in operating expenses, in which case they are recognised in operating income. Decreases in asset values and impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses. Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

In the case of software, amortised historic cost is considered to be the fair value.

Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. In the case of software licenses useful economic life is assumed to be five years.

1.6 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is determined by reference to current prices, using the First In, First Out (FIFO) method.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within current borrowings in current liabilities on the statement of financial position.

1.8 Trade receivables

Trade receivables are recognised at fair value less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the trust will not be able to collect all amounts due according

to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the estimated future cash flows. The carrying amount of the asset is reduced through the use of a provision for doubtful debts account, and the amount of the loss is recognised in the income statement within 'operating expenses'. When a trade receivable is uncollectible, it is written off against the provision account. Subsequent recoveries of amounts previously written off are credited against 'operating expenses' in the income statement.

1.9 Trade payables

Trade payables are recognised at fair value. Fair value is deemed to be invoice value less any amounts that the trust does not believe to be due.

1.10 Financial assets and financial liabilities

Recognition

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made.

All other financial assets and financial liabilities are recognised when the trust becomes a party to the contractual provisions of the instrument.

De-recognition

All financial assets are de-recognised when the rights to receive cashflows from the assets have expired or the trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Classification and measurement

Financial assets are categorised as 'loans and receivables'.

Financial liabilities are classified as 'financial liabilities'.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets at the prices current when the goods or services were delivered.

The Trust's loans and receivables comprise: current investments, cash and cash equivalents, NHS debtors, accrued income and 'other debtors'.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Financial liabilities

All financial liabilities are recognised initially at cost, which the Trust deems to be fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as non-current liabilities.

Impairment of financial assets

At the Statement of Financial Position date, the Trust assesses whether any financial assets are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cashflows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced through the use of a bad debt provision.

1.11 Leases

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to finance costs in the statement of comprehensive income.

Operating leases

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately. Where land is leased for a short term (eg 10 years) and there is no provision for the transfer of title, the lease is considered to be an operating lease.

The trust as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.12 Provisions

The NHS foundation trust provides for legal or constructive obligations that are of uncertain timing or amount at the statement of financial position date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS foundation trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS foundation trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the trust is disclosed at Note 19. The trust does not carry any amounts relating to these cases in its own accounts.

Other NHSLA schemes

The trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to the NHS Litigation Authority and in return receives assistance with the costs of claims arising. The annual membership contributions, and any 'excesses' payable in respect of particular claims are charged to operating expenses when the liability arises.

1.13 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed 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.

1.14 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, as PDC is issued under legislation rather than contract, it 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) net cash balances held with the Government Banking Services and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

1.15 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.

1.16 Corporation tax

Section 148 of the Finance Act 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:

- *Is the activity an authorised activity related to the provision of core healthcare?* 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.
- *Is the activity actually or potentially in competition with the private sector?* 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.

- *Are the annual profits significant?* Only significant trading activity is subject to tax. Significant is defined as annual taxable profits of £50,000 per trading activity.

The majority of the trust's activities are related to core healthcare and are not subject to tax. Where trading activities are undertaken that are commercial in nature they are considered insignificant with profits per activity below the £50,000 tax threshold.

No corporation tax was charged to the trust for the financial year ending 31 March 2014.

1.17 Foreign exchange

The functional and presentational currencies of the trust are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the statement of financial position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.18 IASB standard and IFRIC interpretations

The following accounting standards have been issued but have not yet been adopted. NHS bodies cannot adopt new standards unless they have been adopted in the HM Treasury FReM. The HM Treasury FReM generally does not adopt an international standard until it has been endorsed by the European Union for use by listed companies.

i) IFRS 9 - Financial Instruments
Financial Assets. Financial Liabilities. This is a new standard to replace - IAS 39 Financial Instruments: Recognition and Measurement. Two elements of the standard have been issued so far: Financial Assets and Financial Liabilities. The main changes are in respect of financial assets where the existing four categories will be reduced to two: Amortised Cost and 'Fair Value through Profit and Loss'. Uncertain implementation date. Not likely to be adopted by the EU until the IASB has finished the rest of its financial instruments project.

ii) IFRS 10 - Consolidated Financial Statements
This builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company and provides quidance to assist in the determination of control. Effective date of EU adoption, 2014/15.

iii) IFRS 11 - Joint Arrangements
This provides for a more realistic reflection of joint arrangements by focussing on the rights and obligations of the arrangements, rather than its legal form. It also requires a single method of accounting for interests in jointly controlled entities as such ensures consistency of reporting of joint arrangements. Effective date of EU adoption, 2014/15.

iv) IFRS 12 - Disclosure of Interests in Other Entities
This is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. Effective date of EU adoption, 2014/15.

v) IFRS 13 - Fair Value Measurement
This provides a single source of guidance for all fair value measurements, clarifying the definition of fair value and enhancing disclosures about reported fair value estimates. Effective date of 2013/14 but not yet adopted by HM Treasury.

vi) IAS 27 - Separate Financial Statements
This provides the requirement for preparing and presenting consolidated financial statements for a group of entities under the control of a parent and for presenting separate (non-consolidated) financial statements for investments in subsidiaries, jointly controlled entities and associates. Effective date of EU adoption, 2014/15.

vii) IAS 28 - Associates and joint ventures
This amended version prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The main change here is that the use of the equity method is now extended to joint arrangements with the proportionate consolidation method eliminated. Effective date of EU adoption, 2014/15.

viii) IAS 32 Financial Instruments: Presentation - amendment
Offsetting financial assets and liabilities. This standard describes the presentation of offsetting financial assets and liabilities. Effective date of 2014/15.

1.19 Critical accounting estimates and assumptions

International accounting standard IAS 1 requires estimates, assumptions and judgements to be continually evaluated and to be based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The purpose of the evaluation is to consider whether there may be a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year, compared to the carrying value in these accounts. The following significant assumptions and areas of estimation and judgement have been considered in preparing these financial statements.

Value of land, buildings and dwellings £30,428,000 (2012/13 £21,114,000) - This is the most significant estimate in the accounts and is based on the professional judgement of the trust's independent valuer with extensive knowledge of the physical estate and market factors. The value does not take into account potential future changes in market value which cannot be predicted with any certainty.

Accruals of income - The major income streams derive from the treatment of patients or from funding provided by government bodies and can be predicted with reasonable accuracy. Provisions are made where there is doubt about the likelihood of the trust actually receiving the income due to it. See Note 15.1.

Income for an inpatient stay can start to be recognised from the day of admission, but cannot be precisely calculated until after the patient is discharged. For patients occupying a bed at the 2013/14 financial year end, the estimated value of partially completed spells is £72,000 (2012/13 £33,000).

Accruals of expenditure - Where goods or services have been received by the trust but have not been invoiced at the end of the financial year estimates are based on the best information available at the time and where possible on known prices and volumes. See Note 17.

Provisions for early retirements - The trust makes additional pension contributions in respect of a number of staff who have retired early from the service. Provisions have been made for these contributions, based on information from the NHS Pensions Agency. See Note 19.

1.20 Operating segments

An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other operating segments. Under IFRS 8 an operation is considered to be a separate operating segment if its revenues exceed 10% of total revenues. Operations that contribute less than 10% of total revenue may be aggregated.

The trust derives its income from the provision of healthcare, chiefly in its capacity as a specialist provider of various forms of reconstructive surgery. Reconstructive surgery includes plastic surgery, burns surgery, maxillofacial surgery and corneoplastic surgery.

Reconstructive surgery is the trust's principal activity. Its other activities do not, individually, constitute 10% of revenue and have been aggregated.

The Queen Victoria Hospital NHS Trust Charitable Fund (see Note 1.21 below) exists to carry out charitable activities relating to the NHS and the Queen Victoria Hospital in particular. It therefore constitutes an operating segment within the group accounts.

Total assets are not reported to the board by segment as all costs and activities relating to property, plant and equipment are managed centrally. Other balance sheet items, including current assets and current liabilities are also managed centrally and are therefore not analysed or reported by segment.

1.21 Consolidation of accounts

The NHS foundation trust is the corporate trustee to the Queen Victoria Hospital NHS Trust Charitable Fund. The foundation trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the foundation trust has the power to govern the financial and operating policies of the charitable fund so as to obtain benefits from its activities for itself, its patients or its staff.

Prior to 2013/14, the NHS Foundation Trust Annual Reporting Manual permitted the NHS foundation trust not to consolidate the charitable fund. From 2013/14, the foundation trust has consolidated the charitable fund and has applied this as a change in accounting policy.

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Generally Accepted Accounting Principles (UK GAAP). We have considered the differences between UK GAAP and the NHS Foundation Trust Annual Reporting Manual and conclude that there are no material differences in accounting treatment. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- recognise and measure them in accordance with the foundation trust's accounting policies; and
- eliminate intra-group transactions, balances, gains and losses.

The funds of the charitable fund fall into three categories:

Restricted funds – to be used in accordance with specific restrictions imposed by the donor;

Unrestricted funds – which the trustee is free to use for any purpose in furtherance of the charitable objects of the charitable fund; and

Endowment funds – which, by the stated wish of the donor, the trustee cannot spend as income but which are held as assets from which to generate income.

1.22 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, if significant, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual. Amounts held at the balance sheet date were negligable.

2. Consolidation of accounts

As explained in Note 1.21, 2013/14 is the first year in which the accounts of the Queen Victoria Hospital NHS Trust Charitable Fund have been consolidated with those of the trust. These accounts therefore present the results for both the group and the trust. The 2012/13 comparative figures have been restated in the same format.

3. Operating segments

The chief operating decision maker is considered to be the trust board because it is the board that makes all major strategic decisions and oversees the day-to-day running of the trust. At monthly board meetings key operational decisions are reached following scrutiny of performance and resource allocation across the trust's operating segments

The trust's principal activity is reconstructive surgery. Its other activities do not, individually, constitute 10% of revenue and have been aggregated.

The Queen Victoria Hospital NHS Trust Charitable Fund (see Note 1.21) exists to carry out charitable activities relating to the NHS and the Queen Victoria Hospital in particular. It therefore constitutes an operating segment within the group accounts.

All accounting during the year is done on an IFRS basis and financial performance against budget for each segment is presented to senior management on a monthly basis.

The financial results for each segment were as follows:

Group	2013/14		2012/13 (restated)	
	Income £000	Expenditure £000	Income £000	Expenditure £000
Reconstructive surgery	**49,276**	**36,776**	48,978	35,373
Charitable activities	**57**	**159**	261	50
All other segments	**13,061**	**4,244**	9,330	4,424
Total of reportable segments	**62,394**	**41,179**	58,569	39,847
Corporate services (see note below)		**15,188**		11,677
Depreciation and amortisation		**2,190**		1,786
(Reversal of) Impairment of property, plant and equipment		**2,794**		(1,648)
Restructuring costs		**–**		113
Finance income		**(25)**		(24)
Finance expense – unwinding of discount on provisions		**272**		99
PDC dividends payable		**832**		935
Surplus/(deficit) for the year		**(36)**		**5,784**

Trust	2013/14		2012/13 (restated)	
	Income £000	Expenditure £000	Income £000	Expenditure £000
Reconstructive surgery	**49,276**	**36,776**	48,978	35,373
All other segments	**13,061**	**4,244**	9,330	4,244
Total of reportable segments	**62,337**	**41,020**	58,308	39,617
Corporate services (see note below)		**15,188**		11,663
Depreciation and amortisation		**2,190**		1,786
Impairment (reversal of impairment) of property, plant and equipment		**2,794**		(1,648)
Restructuring costs		**–**		113
Finance income		**(20)**		(20)
Finance expense		**272**		99
PDC dividends payable		**832**		935
Surplus/(deficit) for the year		**61**		**5,763**

Corporate services includes all the costs of shared clinical services, the board, finance, IT, human resources, nursing management, estates and facilities.

4. Income from patient care activities

	2013/14 Group £000	2013/14 Trust £000	2012/13 (restated) Group £000	2012/13 Trust £000
Clinical commissioning groups and NHS England	**55,178**	**55,178**	–	–
Primary care trusts	**–**	**–**	53,243	53,243
Strategic health authorities	**–**	**–**	45	45
Non-NHS:				
Private patients	**185**	**185**	142	142
Injury costs recovery	**279**	**279**	266	266
Other	**121**	**121**	–	–
	55,763	**55,763**	53,696	53,696

Notes

'Injury costs recovery' is income received from insurance companies for the treatment of patients who have been involved in road traffic accidents. It is subject to a provision for impairment of receivables of 16.5% to reflect expected rates of collection.

Commissioner requested services

The trust is working with its commissioners to determine the level of commissioner requested services currently provided. Within the 2013/14 financial statements management has taken the view to define commissioner requested services as those which provide for the healthcare of NHS patients.

Of the total income reported above, £55,578,000, (2012/13 £53,554,000) was derived from the provision of commissioner requested services.

5. Other operating income

	2013/14 Group £000	2013/14 Trust £000	2012/13 (restated) Group £000	2012/13 Trust £000
Education and training	**1,569**	**1,569**	1,516	1,516
Charitable and other contributions to expenditure	**129**	**213**	-	191
Non-patient care services to other bodies	**1,701**	**1,701**	1,643	1,643
Reversal of impairments	**736**	**736**	2,848	2,848
Other income	**2,496**	**2,355**	1,630	1,373
	6,631	**6,574**	7,637	7,571

6. Operating expenses

	2013/14 Group £000	2013/14 Trust £000	2012/13 (restated) Group £000	2012/13 Trust £000
Services from NHS foundation trusts	**141**	**141**	72	72
Purchase of healthcare from non NHS bodies	**139**	**139**	141	141
Executive directors' costs	**411**	**411**	422	422
Non-executive directors' costs	**114**	**114**	113	113
Staff costs	**37,570**	**37,570**	35,754	35,754
Consultancy	**60**	**60**	187	187
Drugs	**1,187**	**1,187**	1,117	1,117
Supplies and services - clinical (excluding drugs)	**8,883**	**8,883**	8,554	8,554
Supplies and services - general	**599**	**599**	557	557
Establishment	**725**	**725**	932	932
Transport	**376**	**376**	417	417
Premises	**1,931**	**1,931**	1,935	1,935
Provision for impairment of receivables	**307**	**307**	(313)	(313)
Depreciation	**2,024**	**2,024**	1,707	1,707
Amortisation	**166**	**166**	79	79
Audit fees – statutory audit	**58**	**52**	58	52
– audit-related assurance services	**7**	**7**	7	7
– other assurance services	**17**	**17**	–	–
Clinical negligence	**341**	**341**	493	493
Restructuring costs - pay	**–**	**–**	126	126
Loss on disposal of plant and equipment	**1**	**1**	–	–
Other	**2,764**	**2,611**	984	941
	57,821	**57,662**	**53,342**	53,293
Impairments of property, plant and equipment	**3,530**	**3,530**	**1,197**	1,197
	61,351	**61,192**	**54,539**	54,490

Note: External audit
The contract between the trust and its auditors provides for the latter's liability to be limited to £5,000,000.

7. Operating leases

As lessee

Operating leases relate to buildings, heating systems, medical equipment and vehicles. Buildings are leased for periods of five or ten years. Medical equipment and vehicles are leased for periods of between two and five years.

Payments recognised as an expense	2013/14 Group £000	2013/14 Trust £000	2012/13 (restated) Group £000	2012/13 Trust £000
Minimum lease payments	**478**	**478**	516	516

7. Operating leases (cont.)

Total future minimum lease payments	2013/14 Group £000	2013/14 Trust £000	2012/13 (restated) Group £000	2012/13 Trust £000
Payable:				
Not later than 1 year	**496**	**496**	356	356
Between 1 and 5 years	**953**	**953**	1,025	1,025
After 5 years	**211**	**211**	423	423
Total	**1,660**	**1,660**	1,804	1,804

8. Employee benefits and staff numbers

8.1 Employee benefits	2013/14 Group £000	2013/14 Trust £000	2012/13 (restated) Group £000	2012/13 Trust £000
Salaries and wages	**31,140**	**31,140**	30,084	30,084
Social security costs	**2,651**	**2,651**	2,579	2,579
Employer contributions to NHS Pension Scheme	**3,704**	**3,704**	3,423	3,423
Agency/contract staff	**1,139**	**1,139**	755	755
Employee benefits expense	**38,634**	**38,634**	36,841	36,841
Non-executive directors' benefits not included above	**114**	**114**	113	113
Total	**38,748**	**38,748**	36,954	36,954

8.2 Average number of people employed	2013/14 Group number	2013/14 Trust number	2012/13 (restated) Group number	2012/13 Trust number
Medical and dental	**124**	**124**	123	123
Administration and estates	**219**	**219**	206	206
Healthcare assistants and other support staff	**122**	**122**	118	118
Nursing, midwifery and health visiting staff	**184**	**184**	181	181
Scientific, therapeutic and technical staff	**146**	**146**	137	137
Bank and agency staff	**59**	**59**	50	50
Total	**854**	**854**	815	815

8.3 Directors' remuneration

Total remuneration paid to directors for the year ended 31/03/2014 (in their capacity as directors) totalled £525,000 (2012/13 £535,000). No other remuneration was paid to directors in their capacity as directors. There were no advances or guarantees entered into on behalf of directors by the trust. Employer contributions to the NHS Pension Scheme for executive directors for the year ended 31/03/2014 totalled £62,000 (2012/13 £47,000). The total number of directors to whom benefits are accruing under the NHS defined benefit scheme (the NHS Pension Scheme) was four.

8.4 Staff exit packages for staff leaving in 2013/14

Staff exit packages are payable when the trust terminates the employment of an employee before the normal retirement date or whenever an employee accepts voluntary redundancy in return for these benefits. During the year there was one case in which a contractual payment was made in lieu of notice. The cost of the packages paid in 2013/14 and 2012/13 fell within the following bands:

Exit package cost band	**2013/14 Group and trust**		2012/13 Group and trust	
£000	**Number of exit packages**	**Total exit packages by cost band**	Number of exit packages	Total exit packages by cost band
10–25 (Payment in lieu of notice)	**1**	**1**	–	–
25–50 (Compulsory redundancies)	**–**	**–**	3	3
Total	**1**	**1**	3	3

9. Retirements due to ill-health

During the year there were two early retirements due to ill health at a cost to the NHS pension scheme of £130,000 (2012/13, none).

10. Finance revenue

	2013/14 Group £000	**2013/14 Trust £000**	2012/13 (restated) Group £000	2012/13 Trust £000
Interest revenue from bank accounts	**25**	**20**	24	20

11. Intangible assets - group and trust

Software licences	**2013/14 £000**	2012/13 £000
Gross cost at 1 April 2013	**818**	281
Additions	**291**	579
Disposals	**–**	(42)
Gross cost at 31 March 2014	**1,109**	818
Amortisation at 1 April 2013	**225**	188
Provided during the year	**166**	79
Disposals	**–**	(42)
Amortisation at 31 March 2014	**391**	225
Net book value		
Purchased assets at 1 April 2013	**593**	93
Purchased assets at 31 March 2014	**718**	593

12. Property, plant and equipment – group and trust

12.1 Property, plant and equipment at 31 March 2014	Land £000	Buildings £000	Assets under construction £000	Plant and machinery £000	Information technology £000	Total £000
Cost or valuation at 1 April 2013	3,620	17,494	9,230	9,503	1,831	**41,678**
Additions - purchased	–	198	6,797	350	100	**7,445**
Additions - donated	–	–	–	178	35	**213**
Reclassifications	–	11,142	(11,937)	756	39	**–**
Impairments recognised in operating expenses	**(570)**	(1,989)	(971)	–	–	**(3,530)**
Reversal of impairments	–	736	–	–	–	**736**
Impairments recognised in revaluation reserve	–	(692)	–	–	–	**(692)**
Revaluation	–	1,442	–	–	–	**1,442**
In-year depreciation transferred on revaluation	–	(953)	–	–	–	**(953)**
Disposals	–	–	(127)	(436)	–	**(563)**
At 31 March 2014	**3,050**	**27,378**	**2,992**	**10,351**	**2,005**	**45,776**
Depreciation at 1 April 2013	–	–	–	7,371	1,277	**8,648**
Provided during the year	–	**953**	–	845	226	**2,024**
In-year depreciation transferred on revaluation	–	**(953)**	–	–	–	**(953)**
Disposals	–	–	–	(436)	–	**(436)**
Depreciation at 31 March 2014	**–**	**–**	**–**	**7,780**	**1,503**	**9,283**
Net book value						
Purchased assets as at 1 April 2013	3,620	13,030	9,201	1,893	552	**28,296**
Donated assets as at 1 April 2013	–	4,464	29	239	2	**4,734**
Total at 1 April 2013	**3,620**	**17,494**	**9,230**	**2,132**	**554**	**33,030**
Purchased assets as at 31 March 2014	3,050	25,112	2,992	2,222	468	**33,844**
Donated assets as at 31 March 2014	–	2,266	–	349	34	**2,649**
Total at 31 March 2014	**3,050**	**27,378**	**2,992**	**2,571**	**502**	**36,493**

2012/13 comparators overleaf

12.1 Property, plant and equipment (continued)						
2012-13 comparators	Land	Buildings	Assets under construction	Plant and machinery	Information technology	**Total**
	£000	£000	£000	£000	£000	**£000**
Cost or valuation at 1 April 2012	9,513	15,942	2,131	9,938	2,357	**39,881**
Additions – purchased	–	508	7,610	328	110	**8,556**
Additions – donated	–	–	29	101	–	**130**
Reclassifications	–	(194)	(540)	–	92	**(642)**
Impairments recognised in operating expenses	**(518)**	(679)	–	–	–	**(1,197)**
Reversal of impairments	–	2,848	–	–	–	**2,848**
Impairments recognised in revaluation reserve	**(5,375)**	(1,012)	–	–	–	**(6,387)**
Revaluation gain/(loss)	–	81	–	–	–	**81**
Disposals	–	–	–	(864)	(728)	**(1,592)**
At 31 March 2013	**3,620**	**17,494**	**9,230**	**9,503**	**1,831**	**41,678**
Depreciation at 1 April 2012	–	–	–	7,392	1,783	**9,175**
Provided during the year	–	–	–	843	222	**1,065**
Disposals	–	–	–	(864)	(728)	**(1,592)**
Depreciation at 31 March 2013	**–**	**–**	**–**	**7,371**	**1,277**	**8,648**
Net book value						
Purchased assets as at 1 April 2012	9,513	14,213	2,131	2,325	569	**28,751**
Donated assets as at 1 April 2012	–	1,729	–	221	5	**1,955**
Total at 31 March 2012	**9,513**	**15,942**	**2,131**	**2,546**	**574**	**30,706**
Purchased assets as at 31 March 2013	3,620	13,030	9,201	1,893	552	**28,296**
Donated assets as at 31 March 2013	–	4,464	29	239	2	**4,734**
Total at 31 March 2013	**3,620**	**17,494**	**9,230**	**2,132**	**554**	**33,030**

12.2 Fully depreciated assets

Fully depreciated assets with an aggregate gross carrying value of £3,874,000 are still in use.

12.3 Property, plant and equipment donated during the year

During the year, medical equipment with a value of £84,000 was donated to the trust by the Queen Victoria Hospital NHS Trust Charitable Fund (2012/13 £112,000).

13. Capital commitments

Contracted capital commitments at 31 March not otherwise included in these financial statements:

Group and trust	**31 March 2014 £000**	31 March 2013 £000
Property, plant and equipment	**328**	2,450

The decrease in capital comitments reflects the completion of the operating theatres new build by 31 March 2014.

14. Inventories

Inventories at 31 March	2013/14 Group £000	2013/14 Trust £000	2012/13 (restated) Group £000	2012/13 Trust £000
Drugs	**93**	**93**	100	100
Clinical consumables	**322**	**322**	290	290
Total	**415**	**415**	390	390

15. Trade and other receivables

15.1 Trade and other receivables comprise	31 March 2014 Current Group £000	31 March 2014 Current Trust £000	31 March 2013 Current (restated) Group £000	31 March 2013 Current Trust £000
NHS and other related party receivables	**8,411**	**8,411**	2,745	2,745
Other trade receivables	**–**	**–**	776	776
Accrued income	**144**	**144**	116	116
Provision for the impairment of receivables	**(1,021)**	**(1,021)**	(724)	(724)
Prepayments	**316**	**316**	331	331
Other receivables	**1,089**	**1,089**	415	415
Total	**8,939**	**8,939**	3,659	3,534

The great majority of trade was with clinical commissioning groups, as commissioners for NHS patient care services. As clinical commissioning groups were funded by government to buy NHS patient care services, no credit scoring of them is considered necessary.

15.2 Receivables past their due date but not impaired	31 March 2014 Group £000	31 March 2014 Trust £000	31 March 2013 (restated) Group £000	31 March 2013 Trust £000
By up to three months	**3,831**	**3,831**	1,471	1,471
By between three and six months	**752**	**752**	213	213
By more than six months	**970**	**970**	264	264
Total	**5,553**	**5,553**	1,948	1,948

15.3 Provision for impairment of NHS receivables	31 March 2014 Group £000	31 March 2014 Trust £000	31 March 2013 (restated) Group £000	31 March 2013 Trust £000
Balance at 1 April 2013	**(712)**	**(712)**	(1,104)	(1,104)
Amount recovered or written off during the year	**10**	**10**	637	637
Increase in receivables impaired	**(291)**	**(291)**	(245)	(245)
Balance at 31 March 2014	**(993)**	**(993)**	(712)	(712)

The provision represents amounts which are either considerably beyond their due date, known to be in dispute or which the trust considers may be disputed by the debtor body.

15.4 Provision for impairment of non-NHS receivables	31 March 2014 Group £000	31 March 2014 Trust £000	31 March 2013 (restated) Group £000	31 March 2013 Trust £000
Balance at 1 April 2013	**(28)**	**(28)**	(26)	(26)
Amount recovered or written off during the year	**–**	**–**	11	11
Increase in receivables impaired	**–**	**–**	(13)	(13)
Balance at 31 March 2014	**(28)**	**(28)**	(28)	(28)

16. Cash and cash equivalents

	31 March 2014 Group £000	31 March 2014 Trust £000	31 March 2013 (restated) Group £000	31 March 2013 Trust £000
Balance at 1 April 2013	**9,166**	**8,137**	7,101	5,979
Net change in year	**(4,473)**	**(4,482)**	2,065	2,158
Balance at 31 March 2014	**4,693**	**3,655**	9,166	8,137
Comprising:				
Cash with the Government Banking Service (GBS)	**3,651**	**3,651**	8,075	8,075
Commercial banks and cash in hand	**1,042**	**4**	1,091	62
Cash and cash equivalents as in statement of cash flows	**4,693**	**3,655**	9,166	8,137

17. Trade and other payables

	31 March 2014 Group £000	31 March 2014 Trust £000	31 March 2013 (restated) Group £000	31 March 2013 Trust £000
NHS payables	**999**	**999**	578	578
Trade payables – capital	**328**	**328**	1,307	1,307
Other payables – revenue	**1,409**	**1,409**	1,343	1,343
Accruals	**973**	**967**	1,154	1,129
	3,709	**3,703**	4,382	4,357
Tax and social security costs	**793**	**793**	812	812
Total	**4,502**	**4,496**	5,194	5,169

NHS payables include £536,000 outstanding pensions contributions at 31 March 2014 (31 March 2013 £469,000).

18. Deferred income

Current	31 March 2014 Group £000	31 March 2014 Trust £000	31 March 2013 (restated) Group £000	31 March 2013 Trust £000
Total	**192**	**192**	129	129

19. Provisions

Current	31 March 2014 Group £000	31 March 2014 Trust £000	31 March 2013 (restated) Group £000	31 March 2013 Trust £000
Pensions relating to staff	**27**	**27**	26	26
Legal claims	**1**	**1**	1	1
Contract provision	**1,080**	**1,080**	–	–
Total	**1,108**	**1,108**	27	27

Non-current	31 March 2014 Group £000	31 March 2014 Trust £000	31 March 2013 (restated) Group £000	31 March 2013 Trust £000
Pensions relating to staff	**554**	**554**	522	522

19. Provisions (cont.)

Movements in-year – group and trust	Pensions relating to staff £000	Legal claims £000	Total £000
At 1 April 2013	**548**	**1**	**549**
Change in discount rate	**37**	**–**	**37**
Arising during the year	**14**	**–**	**14**
Used during the year	**(27)**	**–**	**(27)**
Reversed unused	**–**	**–**	**–**
Unwinding of discount	**9**	**–**	**9**
At 31 March 2014	**581**	**1**	**582**

Expected timing of cash flows:			
Within one year	**27**	**1**	**28**
Between one and five years	**102**	**–**	**102**
After five years	**452**	**–**	**452**
	581	**1**	**582**

The provision for pensions relating to staff comprises £526,000 in respect of injury benefit (31/3/2013 – £490,000) and £55,000 in respect of early retirements (31/3/2013 – £58,000). The amounts represent the discounted future value of annual payments made to the NHS Pensions Agency calculated on an actuarial basis.

'Legal Claims' are claims relating to third party and employer's liabilities. Where the case falls within the remit of the risk pooling schemes run by the NHS Litigation Authority (NHSLA), the trust's liablility is limited to £3,000 or £10,000 depending on the nature of the case. The remainder is borne by the scheme. The provision is shown net of any reimbursement due from the NHSLA.

£1,564,000 was included in the provisions of the NHS Litigation Authority at 31/3/2014 in respect of clinical negligence liabilities of the trust (31/3/2013 £2,541,000).

20. Finance expense

Interest expense	31 March 2014 £000	31 March 2013 £000
Loans from the Foundation Trust Financing Facility	**263**	84

21. Financial instruments

Accounting standards IAS 32, 39 and IFRS 7 require disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities.

Financial Instruments are recognised and measured in accordance with the accounting policy described under Note 1.10.

21.1 Financial assets and liabilities by category

All financial assets and liabilities are denominated in sterling.

Financial assets	**31 March 2014 Group £000**	**31 March 2014 Trust £000**	31 March 2013 (restated) Group £000	31 March 2013 Trust £000
Loans and receivables:				
NHS and other related party receivables	**8,411**	**8,411**	2,215	2,215
Accrued income	**144**	**144**	241	116
Other receivables	**68**	**68**	878	878
Cash at bank and in hand	**4,693**	**3,655**	9,166	8,137
Total	**13,316**	**12,278**	12,500	11,346

The above balances have been included in the accounts at amortised cost as 'loans and receivables', with no financial assets being classified as 'assets at fair value through the statement of comprehensive income', 'assets held to maturity' nor 'assets held for resale'.

Financial liabilities	**31 March 2014 Group £000**	**31 March 2014 Trust £000**	31 March 2013 (restated) Group £000	31 March 2013 Trust £000
Carrying value:				
Borrowings	**9,711**	**9,711**	6,500	6,500
Trade and other payables	**2,736**	**2,736**	3,228	3,228
Accrued expenditure	**973**	**967**	1,154	1,129
Total	**13,420**	**13,414**	10,882	10,857

Borrowings represents a loan from the Foundation Trust Financing Facility provided by the Department of Health.

All financial liablities are classified as 'other financial liabilities', with no financial liabilities being classified as 'liabilities at fair value through the statement of comprehensive income'.

Other tax and social security cost amounts of £793,000 (2012/13 £812,000) and deferred income of £192,000 (2012/13 £129,000) are not classed as financial instruments and have therefore been excluded from the above analysis.

21.2 Maturity of financial assets

All of the trust's financial assets mature within one year.

21.3 Maturity of financial liabilities

All of the trust's financial liabilities fall due within one year with the exception of the £8,933,000 portion of the borrowings that falls due after more than one year.

21.4 Derivative financial instruments

In accordance with IAS 39, the trust has reviewed its contracts for embedded derivatives that are required to be separately accounted for if they do not meet the requirements set out in the standard. Accordingly the trust has no embedded derivatives that require recognition in the financial statements.

21.5 Financial risk management

Because of the service provider relationship that the trust has with clinical commissioning groups and NHS England and the way those bodies 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. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the NHS 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. Trust treasury activity is subject to review by the trust's internal auditors.

Currency risk

The trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The trust has no overseas operations. The trust therefore has low exposure to currency rate fluctuations.

Credit risk

Because the majority of the trust's income comes from contracts with other public sector bodies, the trust has low exposure to credit risk. The maximum exposures as at 31 March 2014 are in receivables from customers, as disclosed in Note 15.

Liquidity risk

The trust's operating costs are incurred under contracts with clinical commisssioning groups, which are financed from resources voted annually by Parliament. The trust is not, therefore, exposed to significant liquidity risks.

22. Related party transactions

No board members or members of the key management staff or parties related to them undertook any transactions with Queen Victoria Hospital NHS Foundation Trust during 2013/14 (2012/13 none).

The trust received donations from the Queen Victoria Hospital NHS Trust Charitable Fund, the trustee of which is Queen Victoria Hospital NHS Foundation Trust.

Goods and services were bought from and sold to McIndoe Surgical Centre Ltd, a private healthcare company many of whose shareholders are consultants employed by the trust and with which the trust has a profit-sharing agreement.

Other public sector bodies included within the Whole of Government Accounts are also deemed to be related parties. The trust has financial transactions with many such bodies.

The total income and expenditure transactions with all these organisations and the debtor and creditor balances with them at the year end are shown below.

	2013/14		2012/13	
Private sector and charitable organisations	**Income £000**	**Expenditure £000**	Income £000	Expenditure £000
The Queen Victoria Hospital NHS Trust Charitable Fund	**84**	**–**	191	–
McIndoe Surgical Centre Ltd	**88**	**2**	121	8
	172	**2**	312	8

	31 March 2014		31 March 2013	
	Receivables £000	**Payables £000**	Receivables £000	Payables £000
The Queen Victoria Hospital NHS Trust Charitable Fund	**–**	**–**	–	1
McIndoe Surgical Centre Ltd	**36**	**–**	30	–
	36	**–**	30	1

Whole of Government Accounts bodies	**2013/14**		2012/13	
Bodies with whom either income or expenditure exceeded £150,000 during the year:	**Income £000**	**Expenditure £000**	Income £000	Expenditure £000
Income and expenditure				
Brighton and Sussex University Hospitals NHS Trust	**903**	**919**	1,713	818
Guy's and St Thomas' NHS Foundation Trust	**159**		254	32
Maidstone and Tunbridge Wells NHS Trust	**266**		162	33
Dartford and Gravesham NHS Trust	**–**	**799**	1	860
Medway NHS Foundation Trust	**–**	**886**	–	850
East Sussex Hospitals NHS Trust	**–**	**826**	85	728
NHS Litigation Authority	**–**	**341**	–	495
Mid Sussex District Council	**–**	**181**	–	–

The following organisations came into existence in 2013/14, replacing strategic health authorities and primary care trusts. Comparative figures for 2012/13 are therfore not available.

Health Education England	**782**	**–**	–	–
NHS England	**20,585**	**–**	–	–
NHS Ashford CCG	**473**	**–**	–	–
NHS Bexley CCG	**753**	**–**	–	–
NHS Brighton and Hove CCG	**1,237**	**–**	–	–
NHS Bromley CCG	**683**	**–**	–	–
NHS Canterbury and Coastal CCG	**750**	**–**	–	–
NHS Coastal West Sussex CCG	**2,017**	**–**	–	–
NHS Crawley CCG	**1,579**	**–**	–	–
NHS Croydon CCG	**396**	**–**	–	–
NHS Dartford Gravesham and Swanley CCG	**2,415**	**–**	–	–
NHS East Surrey CCG	**2,741**	**–**	–	–
NHS Eastbourne Hailsham and Seaford CCG	**861**	**–**	–	–
NHS Guildford and Waverley CCG	**442**	**–**	–	–
NHS Hastings and Rother CCG	**1,647**	**–**	–	–
NHS High Weald Lewes Havens CCG	**3,248**	**–**	–	–
NHS Horsham and Mid Sussex CCG	**5,414**	**–**	–	–
NHS Medway CCG	**2,464**	**–**	–	–
NHS South Kent Coast CCG	**773**	**–**	–	–
NHS Surrey Downs CCG	**748**	**–**	–	–
NHS Swale CCG	**1,003**	**–**	–	–
NHS Thanet CCG	**529**	**–**	–	–
NHS West Kent CCG	**4,777**	**–**	–	–
	57,645	**3,952**	2,215	3,816

22. Related party transactions (cont.)

	2013/14		2012/13	
	Receivables £000	**Payables £000**	Receivables £000	Payables £000
Receivables and payables				
Brighton and Sussex University Hospitals NHS Trust	**413**	**214**	272	109
Guy's and St Thomas' NHS Foundation Trust	**140**	**3**	237	5
Maidstone and Tunbridge Wells NHS Trust	**37**	**20**	61	11
Dartford and Gravesham NHS Trust	**5**	**73**	1	–
Medway NHS Foundation Trust	**28**	**144**	–	23
East Sussex Hospitals NHS Trust	**9**	**154**	108	67
NHS Litigation Authority	**–**	**–**	–	2
Mid Sussex District Council	**–**	**–**	–	–

The following organisations came into existence in 2013/14, replacing strategic health authorities and primary care trusts. Comparative figures for 2012/13 are therfore not available.

Health Education England	**42**	**–**	–	–
NHS England	**3,331**	**62**	–	–
NHS Ashford CCG	**11**	**–**	–	–
NHS Bexley CCG	**48**	**–**	–	–
NHS Brighton and Hove CCG	**88**	**–**	–	–
NHS Bromley CCG	**1**	**–**	–	–
NHS Canterbury and Coastal CCG	**101**	**–**	–	–
NHS Coastal West Sussex CCG	**443**	**–**	–	–
NHS Crawley CCG	**26**	**–**	–	–
NHS Croydon CCG	**41**	**–**	–	–
NHS Dartford Gravesham and Swanley CCG	**245**	**–**	–	–
NHS East Surrey CCG	**181**	**–**	–	–
NHS Eastbourne Hailsham and Seaford CCG	**53**	**–**	–	–
NHS Guildford and Waverley CCG	**41**	**–**	–	–
NHS Hastings and Rother CCG	**346**	**–**	–	–
NHS High Weald Lewes Havens CCG	**291**	**–**	–	–
NHS Horsham and Mid Sussex CCG	**460**	**–**	–	–
NHS Medway CCG	**146**	**–**	–	–
NHS South Kent Coast CCG	**91**	**–**	–	–
NHS Surrey Downs CCG	**130**	**–**	–	–
NHS Swale CCG	**–**	**–**	–	–
NHS Thanet CCG	**–**	**–**	–	–
NHS West Kent CCG	**366**	**–**	–	–
	7,114	**670**	679	217

23. Intra-government and other balances

Receivables: amounts falling due within one year	31 March 2014 Group £000	31 March 2014 Trust £000	31 March 2013 (restated) Group £000	31 March 2013 Trust £000
Balances with NHS bodies	**8,199**	**8,199**	2,810	2,810
Balances with other government bodies	**301**	**301**	218	218
Balances with bodies external to government	**439**	**439**	631	506
	8,939	**8,939**	3,659	3,534

Payables: amounts falling due within one year	31 March 2014 Group £000	31 March 2014 Trust £000	31 March 2013 (restated) Group £000	31 March 2013 Trust £000
Balances with NHS bodies	**983**	**983**	578	578
Balances with other government bodies	**1,377**	**1,377**	1,282	1,282
Balances with bodies external to government	**2,148**	**2,142**	3,334	3,309
	4,508	**4,502**	5,194	5,169

24. Losses and special payments

Losses and special payments are calculated on an accruals basis.

There were 10 cases of losses and special payments totalling £1,000 approved during 2013/14, (18 cases totalling £91,000 in 2012/13). All cases arose from the writing-off of bad debts.

All cases are reported on an accruals basis, but do not include provisions for future losses.

There were no fraud cases.

25. Third party assets

The trust holds only minimal levels of third party assets usually related to patients' monies.

26. Pensions costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. Actuarial assessments are undertaken in intervening years between formal valuations using updated membership data and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2013, is based on the valuation data as 31 March 2012, updated to 31 March 2013 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2004. Consequently, a formal actuarial valuation would have been due for the year ending 31 March 2008. However, formal actuarial valuations for unfunded public service schemes were suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions, and while future scheme terms are developed as part of the reforms to public service pension provision due in 2015.

The scheme regulations were changed to allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the scheme actuary and appropriate employee and employer representatives as deemed appropriate.

The next formal valuation to be used for funding purposes will be carried out at as at March 2012 and will be used to inform the contribution rates to be used from 1 April 2015.

c) Scheme provisions

The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the scheme or the specific conditions that must be met before these benefits can be obtained:

The scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the scheme regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as 'pension commutation'.

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) has been used to replace the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional service in the NHS scheme and contribute to money purchase AVCs run by the scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

Annexes 7

Annex A: Governance statement

Scope of responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Queen Victoria 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 Queen Victoria Hospital NHS Foundation Trust for the year ended 31 March 2014 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

Risk management is a corporate responsibility and, accordingly, the board of directors has ultimate responsibility for ensuring that effective processes are in place. The board is committed to the continuous development of a framework to manage risks in a structured and focused way in order to prevent harm to its patients, staff, public and other stakeholders and to protect the trust from losses or damage to its reputation.

The director of nursing and quality is the trust's lead for risk, supported by the patient safety and governance manager (head of risk).

The trust's quality and risk committee oversees the management of all areas of risk in the organisation. It is chaired by a non-executive director and is attended regularly by directors and senior managers. Reporting lines to the board for quality and risk are through this committee.

The trust's risk management and incident reporting policy is available for all staff and provides clear procedures for identifying, reporting, investigating, managing and monitoring incidents and risks. Staff are trained or equipped to manage risk in a way appropriate to their authority and duties. The trust is committed to supporting its staff in exercising their roles and responsibilities with regard to health and safety and all other forms of risk management. Basic risk training is mandatory for all new staff to the trust and updates are delivered as part of the training programme. Department managers receive more in depth risk training and the trust's board members also receive an annual update. The trust has a risk team in place to provide support to staff and ensure effective risk processes are in place.

Systems are in place through effective risk management software, the risk team and organisational structures such as directorates and monitoring committees to manage risks and incidents and to ensure learning as a result of identified issues takes place.

The risk and control framework

The trust's risk strategy provides an outline of the risk processes such as the source of risks and clear escalation processes. This strategy is supported by the risk management and incident reporting policy. The trust risk assessment tool includes a 5 x 5 matrix to determine the level of risk based on likelihood x consequence and ensures hazards, existing controls and further controls required can be clearly identified and documented. Identification of risk is achieved through the directorates and departments, supported by the risk team, and can be from a variety of sources such as incidents, audits, external compliance, inspections and service reviews. There is a five-step process in place for a risk assessment:

- Look for the hazards
- Decide who / what might be affected and how
- Evaluate the risks and decide whether existing precautions (controls) are adequate or more should be done (actions)
- Record and communicate the findings
- Review.

Risks are recorded onto the central risk register which is a specific risk management software package designed to store information on risks, incidents, complaints, claims, CQC standards and freedom of information requests. The software allows risks, incidents complaints and claims to be linked and interpreted to look for trends and areas of concern. This system is managed by the risk team.

Identified risks are classed as departmental or corporate. Departmental risks are low-level risks managed within departments to ensure staff are aware of potential hazards within their working practice. Corporate risks may be from escalated departmental concerns or are risks affecting the whole trust requiring input and monitoring from directorates and senior committees. The trust risk appetite is based on the level of risk and the authority a manager or committee has in managing it. High-level risks (major and catastrophic rated 16-25) will be escalated to directorate level and reviewed by the directorates, quality and risk committee and trust board. If adequate controls cannot be put in place to treat the risk a decision will be made to terminate, transfer or accept the risk.

All risks rated 12 and above are escalated to the trust board and reviewed on a monthly basis. Where applicable actions to reduce each risk are assigned to an individual and monitored for progress by the relevant committee. The quality and risk committee reviews and monitors all corporate risks to ensure reduction of risks is taking place wherever possible. The risk team provides support to all departments and monitors the risks in terms of review dates, determined levels (risk rating) and progress, and highlights concerns to committees and individuals. Each risk is categorised in the system under one of the following headings:

- Patient safety
- Staff safety
- Estates infrastructure and environment
- Information governance
- Compliance (targets, assessments, standards)
- Finance.

Each risk on the register is linked to one of the five key strategic objectives to ensure the organisation can see the risks that could prevent achievement of the objective.

In addition to the risk register the trust has a board assurance framework in place designed to map the key risks and priorities identified in the annual plan that could prevent the organisation meeting its key strategic objectives. The assurance framework comprises the following elements:

- Risk source and description – high rated risks from risk register or priorities within the annual plan with the potential to prevent the trust achieving its five key strategic objectives.
- Key controls – controls currently in place to mitigate against the risks identified. Any gaps in control are identified as actions and listed within the framework for monitoring progress.
- Sources of assurance – these are the sources of assurance currently available for each area of risk. Any gaps in assurance are also identified.
- Current and residual rating – risk rating for each risk source based on assessment of likelihood x consequence taking into account controls in place.

Each risk source is allocated an executive lead to ensure appropriate controls and sources of assurance are in place. Gaps in either of these result in the development of an action plan recorded within the assurance framework. The risk team updates progress with each executive lead and the document is reviewed and monitored by the quality and risk committee, audit committee and trust board.

Risk management is included within each directorate meeting agenda and existing risks are discussed along with the identification of new risks. Learning from incidents is integral to the risk process and the trust therefore has an incident reporting system in place along with a process to investigate, review and learn from events. The clinical policy committee monitors the higher rated incidents to ensure correct action and learning has taken place. The quality and risk committee receives a full report on a quarterly basis covering qualitative and quantitative data on incidents, complaints, claims and patient experience. In addition, the trust board receives a monthly quality and risk report providing information on risks, incidents and quality.

Public stakeholders are also involved in managing risks through the risks identified by external assessors, incidents, complaints and other external bodies. In addition, a public governor attends the quality and risk committee.

In respect of maintaining registration with the CQC's *Essential Standards of Quality and Safety*, a robust assessment of compliance against the 28 outcomes has been undertaken and systems and processes are in place to provide management and board assurance. An executive lead is assigned to each outcome and the risk management software records evidence of compliance. The risk team monitor the process and any potential identified weakness is addressed and assigned to an individual as an action. The quality and risk committee reviews outstanding actions and the CQC quality and risk profile on a quarterly basis to ensure processes are in place to address areas of reduced compliance.

The foundation trust is fully compliant with the CQC registration requirements. QVH received a follow-up inspection to assess compliance with Outcome 21 relating to health records on 26 September 2013 and was found to be fully compliant with this standard. QVH received a CQC inspection to assess compliance with the IR(ME)R requirements on 18 February 2014 and was found to be compliant with all aspects of the review.

The board also gets its assurances from the internal auditors, external auditors, independent review bodies and audit committee, which has reviewed the trust's management of risk through the quality and risk committee. The board follows the principles of the Monitor quality governance framework in assessing the level of quality governance within the trust, determining the assurances required and designing the audit work programme.

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

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

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

Approach to quality governance

QVH uses the board's quality and risk sub-committee as a key source of assurance in respect of quality, but other bodies play an important part in measuring, monitoring and managing quality around the trust. The clinical cabinet is an essential part of that process, as is the system of 'compliance in practice' visits described earlier in the report. The board receives a detailed exception report in respect of quality indicators at each meeting. The areas covered in the report focus on patient experience, patient safety and clinical effectiveness and help the board to assess levels of assurance available to demonstrate that the trust is safe, caring, effective, responsive and well led.

The board will undertake an extensive review of its quality governance arrangements during the early part of 2014/15 and address areas of development indicated by the review.

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

QVH has a strong track record of financial performance with robust processes in place to ensure the economic, efficient and effective use of resources.

We have a detailed business planning process that involves comprehensive meetings with the clinical directorates to determine the business plans for the coming year. For 2013/14 the emphasis continued to focus on the planning of clinical activity and the establishment of the activity plans for the next three years and the process developed further the clinical input to planning at service line level.

QVH has strong financial management arrangements in place with a comprehensive finance and performance report presented to the board on a monthly basis which include key performance indicators for productivity and efficiency gains. Detailed activity and performance information is produced monthly for clinical service lines to inform management planning and decision making.

During the year, QVH continued to develop its service line reporting by ensuring the flow of patients through clinical services and the level of demand for services was assessed alongside financial performance. A number of the key corporate objectives for clinical directorates have been based on the outcome of service line reporting and specific action plans have been introduced where performance was below plan.

QVH continues to undertake value added reviews which are reported to the audit committee.

QVH has reviewed its use of natural resources and has developed a strategy to reduce its carbon footprint. This strategy includes a sustainable development management action plan, a commitment to sign up to best practice models, close monitoring of carbon usage and to promote awareness within the organisation.

Annual quality report

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

QVH has prepared its quality accounts with strong clinical and managerial input including:

- Quarterly updates to the quality and risk committee on progress against priorities identified in the 2012/13 quality accounts
- Monthly updates to clinical cabinet and the board of directors on metrics (including MRSA, cancer 62 days and 18 weeks referral to treatment targets)
- The clinical outcomes group receiving specialty information/ audit and national audit outcome data
- External audit of systems and processes for data collection.

Review of effectiveness

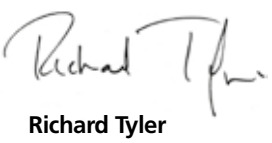
As accounting officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS 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 audit committee and the quality and risk committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The process for maintaining and reviewing the effectiveness of the system of internal controls includes:

- Regular board review of the assurance framework and risk registers, as well as minutes from audit committee and quality and risk committee meetings. Key risks are fully debated and the board ensures actions are in place where necessary.
- The board receives monthly reports on financial and quality performance.
- The board receives regular information governance reports.
- The audit committee reviews findings from internal and external audit work and ensures links to the risk register and assurance framework are maintained.
- The head of internal audit opinion has given a 'significant assurance' rating on the effectiveness of the systems of internal control.
- The quality and risk committee reviews feedback from external assessments on quality of service, including CQC, NHSLA and audit, as well as ensuring internal quality measures are regularly tested and standards are met.

Conclusion

The trust has continued to face significant challenges in 2013/14 and, despite on-going pressures, has continued to achieve good operational and financial performance in the year. The review of governance and controls confirms that the trust has managed risks effectively through the year and can provide assurance that effective systems are in place to support the running of the organisation. I am pleased to conclude that at the end of the year there are no significant internal control issues for the trust.



Richard Tyler
Chief Executive
28 May 2014

Annex B: Performance against national targets

	Measure	Target	2013/14	
Clostridium difficile infections	Count	0	1*	Green
MRSA bacteraemia	Count	0	0	Green
Cancer: 2 week wait from urgent GP referral to date first seen	%	93%	96.8%	Green
Cancer: 31 day wait from diagnosis to first treatment	%	96%	96.9%	Green
Cancer: 31 day wait for second or subsequent treatment - surgery	%	94%	97.8%	Green
Cancer: 62 day wait from urgent GP referral to treatment	%	85%	89.9%	Green
Cancer: 62 day wait (upgraded to urgent after referral)	%	N/A	97.7%	No target
Cancer screening: 62 day	%	N/A	50%	No target
Attendees seen within 4 hours in minor injuries unit	%	95%	99.6%	Green
18 week referral to treatment - admitted	%	90%	90.5%	Green
18 week referral to treatment - non-admitted	%	95%	96%	Green
18 week referral to treatment - incomplete pathways	%	92%	93.8%	Green
Receving diagnostic test within 6 weeks	%	99%	100%	Green
Cancellations on the day of operation	Count	N/A	38	No target

* Target met because below *de minimis* of 12.

Annex C: Remuneration report

Information not subject to audit

Details of the membership of the nomination and remuneration committee and of the number of meetings and individuals' attendance at each is disclosed at section 4.5 and Annex E. The policy on the remuneration of senior managers is given at section 4.5. Details of the service contract for each senior manager who has served during the year can be found in section 3.4. The expenses paid to governors and directors is shown below.

Governors and directors expenses

Category	Total number in office for 2013/14	1 April 2013 to 31 March 2014		1 April 2012 to 31 March 2013	
		Expenses Rounded to the nearest £100	**Number receiving expenses**	**Expenses** Rounded to the nearest £100	**Number receiving expenses**
Governors	25	800	3	1300	3
Directors	4	300	2	100	1
Chair/Non-Executive Directors	8	7000	3	1000	3

Off-payroll engagements

Off-payroll engagements as of 31 March 2014, for more than £220 per day and that last for longer than six months are as follows:

No. of existing engagements as of 31 March 2014	4
Of which...	
No. that have existed for less than one year at time of reporting	1
No. that have existed for between one and two years at time of reporting	1
No. that have existed for between two and three years at time of reporting	0
No. that have existed for between three and four years at time of reporting	0
No. that have existed for four or more years at time of reporting	2

All existing off-payroll engagements, outlined above, have at some point been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

New off-payroll engagements or those that reached six months in duration, between 1 April 2014 and 31 March 2014, for more than £220 per day and that last longer than six months

No. of new engagements, or those that reached six months in duration, between 1 April 2013 and 31 March 2014	1
No. of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and National Insurance obligations	0
No. for whom assurance has been requested	1
Of which...	
No. for whom assurance has been received	1
No. for whom assurance has been received	0
No. that have been terminated as a result of assurance not being received	0

Off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2013 and 31 March 2014

No. of off-payroll engagements of board members and/or, senior officials with significant financial responsibility, during the financial year	0
No. of individuals that have been deemed "board members and/or senior officials with significant financial responsibility" during the financial year, including both off-payroll and on-payroll engagements	4

Information subject to audit

Salary and pension entitlements of senior managers						
A) Remuneration	**2013/14**					
Name and title	**Salary**	**Taxable Benefits**	**Annual performance-related bonus**	**Long-term performance-related bonus**	**Pension-related benefits**	**Total**
	(bands of £5,000)	Rounded to the nearest £100	(bands of £5,000)	(bands of £5,000)	(bands of £2,500)	(bands of £5,000)
J Beech (Non-Executive Director)	10-15	2200	0	0	0	15-20
V Colwell (Non-Executive Director)	5-10	600	0	0	0	5-10
S Fenlon (Medical Director)	145-150	0	0	0	70-72.5	215-220
P Griffiths (Chairman)	40-45	4200	0	0	0	45-50
R Hathaway (Director of Finance)	105-110	0	0	0	30-32.5	135-140
N Hayward (Non-Executive Director)	0-5	0	0	0	0	0-5
R Leach (Non-Executive Director)	0-5	0	0	0	0	0-5
A Parker (Director of Nursing and Quality)	95-100	200	0	0	27.5-30	125-130
L Porter (Non-Executive Director)	10-15	0	0	0	0	10-15
J Thornton (Non-Executive Director)	5-10	0	0	0	0	5-10
R Tyler (Chief Executive)	105-110	100	0	0	0-2.5	110-115
S Winning (Non-Executive Director)	10-15	0	0	0	0	10-15

	2012/13					
Name and title	**Salary**	**Taxable Benefits**	**Annual performance-related bonus**	**Long-term performance-related bonus**	**Pension-related benefits**	**Total**
	(bands of £5,000)	Rounded to the nearest £100	(bands of £5,000)	(bands of £5,000)	(bands of £2,500)	(bands of £5,000)
J Beech (Non-Executive Director)	10-15	200	0	0	0	15-20
A Bull (Chief Executive)	140-145	100	0	0	5-7.5	145-150
P Griffiths (Chairman)	40-45	700	0	0	0	45-50
R Hathaway (Director of Finance)	100-105	0	0	0	0-2.5	100-105
K Lavery (Medical Director)	120-125	0	0	0	0	120-125
R Leach (Non-Executive Director)	10-15	100	0	0	0	15-20
A Parker (Director of Nursing and Quality)	90-95	100	0	0	0	90-95
L Porter (Non-Executive Director)	10-15	0	0	0	0	10-15
S Winning (Non-Executive Director)	10-15	0	0	0	0	10-15

No performance related bonus was paid in 2013/2014.

R Tyler joined the trust 1 July 2013.

V Colwell joined the trust 1 October 2013.

S Fenlon appointed as Medical Director 1 April 2013.

N Hayward joined the trust 1 October 2013 and left the trust 30 November 2013.

R Leach left the trust 30 April 2013.

J Thornton joined the trust 1 October 2013.

Salary and pension entitlements of senior managers							
B) Pension benefits							
Name and title	**Real increase in pension at age 60**	**Lump sum at age 60 related to real increase in pension**	**Total accrued pension at age 60 at 31 March 2014**	**Lump sum at age 60 related to accrued pension at 31 March 2014**	**Cash equivalent transfer value at 31 March 2014**	**Cash equivalent transfer value at 31 March 2013**	**Real increase in cash equivalent transfer value**
	(Bands of £2,500) £000	(Bands of £2,500) £000	(Bands of £5,000) £000	(Bands of £5,000) £000	£000	£000	£000
R Tyler Chief Executive	0-2.5	0-2.5	25-30	80-85	489	453	26
S Fenlon Medical Director	2.5-5	10-12.5	40-45	130-135	747	645	10
R Hathaway Director of Finance	0-2.5	5-7.5	30-35	95-100	532	474	48
A Parker Director of Nursing and Quality	0-2.5	5-7.5	30-35	90-95	582	521	49

As non-executive directors do not receive pensionable remuneration, there are no entries in respect of pensions for non-executive directors.

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

The CETV figures include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

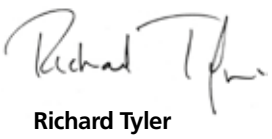
Real increase in CETV - This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

The median remuneration of all the trust's staff is £27,877.

The ratio of the mid-point of the banded remuneration of the highest paid director to the median is 5.3:1.

There were no payments to senior managers for loss of office during the financial year.

There were no payments to past senior managers during the financial year.



Richard Tyler
Chief Executive
28 May 2014

Annex D: Council of governors register

Governor	Constituency	Status of current term	Start of term	End of term	Meeting attendance
Brian Beesley *	Public	Elected 1st term	01/07/2011	30/06/2014	5 of 5
Liz Bennett	Stakeholder (West Sussex County Council)	Appointed	01/072013	30/06/2017	2 of 3
John Bowers	Public	Elected 1st term	01/07/2013	30/06/2016	2 of 3
Milton Chimonas	Public	Elected 1st term	01/07/2013	30/06/2016	3 of 3
Mabel Cunningham	Staff	Re-elected 2nd term	01/07/2011	30/06/2014	5 of 5
Jenny Cunnington	Public	Elected 1st term	01/07/2011	30/06/2014	3 of 5
John Dabell	Public	Elected 1st term	01/07/2011	30/06/2014	5 of 5
Robert Dudgeon	Public	Elected 1st term	01/07/2013	30/06/2016	2 of 3
Brian Goode **	Public	Re-elected 2nd term	01/07/2013	30/06/2016	5 of 5
Robin Graham	Public	Elected 1st term	01/07/2011	30/06/2014	3 of 5
Michael Hannah	Public	Elected 1st term	01/07/2011	Resigned 02/12/2013	1 of 3
John Harold	Public	Elected 1st term	01/07/2012	30/06/2015	5 of 5
Anne Higgins	Public	Elected 1st term	01/07/2011	30/06/2014	4 of 5
Valerie King	Public	Re-elected 2nd term	01/07/2011	30/06/2014	5 of 5
Carol Lehan	Staff	Re-elected 2nd term	01/07/2011	30/06/2014	4 of 5
Moira McMillan***	Public	Re-elected 2nd term	01/07/2013	30/06/2016	3 of 5
Christopher Orman	Public	Elected 1st term	01/07/2011	30/06/2014	4 of 5
Louise Reader	Public	Elected 1st term	01/07/2012	30/06/2015	4 of 5
Andrew Robertson	Stakeholder (League of Friends)	Appointed	01/07/2013	30/06/2014	5 of 5
Gillian Santi	Public	Elected 1st term	01/07/2011	30/06/2014	5 of 5
Michael Shaw	Public	Elected 1st term	01/07/2011	30/06/2014	5 of 5
Ian Stewart ****	Public	Re-elected 2nd term	01/07/2011	30/06/2014	5 of 5
Alan Thomas	Public	Re-elected 2nd term	01/07/2012	30/06/2015	4 of 5
Norman Webster	Stakeholder (East Grinstead Town Council)	Appointed	01/07/2011	11/05/2015	5 of 5
Peter Wickenden	Public	Elected 1st term	01/07/2011	30/06/2014	5 of 5
Vacancy	Staff				

Meeting attendance figures are provided for formal meetings of the council of governors held in public, not including the annual general meeting of the trust which was held on 12 September 2013. The meeting attendance column shows attendance compared to the maximum number of meetings each governor was expected to attend within their individual terms of office.

* As public governor representative to the charitable funds advisory committee, Brian Beesley attended one of the three committee meetings held in 2013/14.

** As governor representative to the board of directors, Brian Goode attended nine of the twelve board meetings held in 2013/14.

*** As governor representative to the quality and risk committee, Moira McMillan attended three of the four committee meetings held in 2013/14.

**** Ian Stewart remains vice-chairman and lead governor until 1 July 2014.

Annex E: Board of directors register

Name, title and appointment	Meeting attendance and role 2013/14					
	Board of directors	**Council of governors**	**Audit committee**	**Charitable funds advisory committee**	**Nomination and remuneration committee**	**Quality and risk committee**
Peter Griffiths Chairman 1 April 2005 to 31 March 2015	11 of 12 Chairman	5 of 5 Chairman	– –	– –	3 of 3 Member	– –
Jeremy Beech Non-Executive Director and Senior Independent Director 1 October 2005 to 31 March 2014	12 of 12 Member	4 of 5 Attendee	– –	– –	3 of 3 Chairman	3 of 4 Chairman
Lester Porter Non-Executive Director 1 September 2011 to 31 August 2014	12 of 12 Member	4 of 5 Attendee	– –	3 of 3 Chairman	3 of 3 Member	4 of 4 Member
Shena Winning Non-Executive Director 1 October 2005 to 30 March 2014	12 of 12 Member	5 of 5 Attendee	5 of 5 Chairman	3 of 3 Member	3 of 3 Member	– –
Ginny Colwell Non-Executive Director 1 October 2013 to 30 September 2016	6 of 6 Member	2 of 2 Attendee	– –	– –	1 of 1 Member	– –
Neil Hayward Non-Executive Director 1 October 2013 to 30 November 2013	1 of 2 Member	N/A	1 of 1 Member	– –	N/A	– –
John Thornton Non-Executive Director 1 October 2013 to 30 September 2016	5 of 6 Member	1 of 2 Attendee	2 of 2 Member	– –	1 of 1 Member	– –
Richard Tyler Chief Executive 1 July 2013 to present	8 of 9 Member	3 of 3 Attendee	2 of 3 Attendee	– –	3 of 3 Member	2 of 3 Member
Richard Hathaway Director of Finance and Commerce 1 April 2010 to present	11 of 12 Member	4 of 5 Attendee	5 of 5 Attendee	1 of 3 Member	– –	4 of 4 Member
Amanda Parker Director of Nursing and Quality 1 August 2009 to present	11 of 12 Member	3 of 5 Attendee	– –	2 of 3 Member	– –	3 of 4 Member
Steve Fenlon Medical Director 1 April 2013 to present	12 of 12 Member	3 of 5 Attendee	– –	2 of 3 Member	– –	3 of 4 Member

Annex F: Directors' biographies

Peter Griffiths, Chairman

Peter Griffiths has spent his entire career in healthcare.

His last executive appointments within the NHS were as Deputy Chief Executive for the Management Executive at the Department of Health, and Chief Executive of the Guys & Lewisham first-wave NHS Trust.

In the mid-1990s Peter moved to the King's Fund as Deputy Chief Executive and Director of their management college and subsequently headed up the Health Quality Service, an independent organisation providing quality development support to health services nationally and internationally. He was also President of the Institute of Health Services Management.

In 2005 he stepped down as Non-Executive Director of the Sussex Downs and Weald Primary Care Trust, to become QVH Chairman.

Over a seven-year period, Peter was both Director and subsequently Chairman of the Foundation Trust Network Board until stepping down in March 2013.

In June 2013, Peter was awarded a CBE in recognition of services to healthcare.

Richard Tyler, Chief Executive

Richard Tyler has over twenty years of experience gained in a variety of posts within the NHS.

In July 2013, Richard joined Queen Victoria Hospital Foundation Trust as Chief Executive. Previously, he was Chief Executive at Hounslow and Richmond Community Healthcare NHS Trust. Richard has held roles in operational management, business and performance management and strategic planning within acute trusts, primary care trusts and at strategic health authority level. He is a member of the NHS Top Leaders' Programme.

Richard Hathaway, Director of Finance and Commerce

Richard Hathaway is a chartered accountant and joined QVH from NHS South East Coast, the region's strategic health authority.

Richard was Director of Finance at the Royal West Sussex NHS Trust for three years until 2009 and was previously the Director of Finance at Mid Sussex Primary Care Trust. He joined the NHS from an international accountancy practice in 1992.

In addition to financial management, Richard and his team are responsible for QVH's procurement and contracting, performance management, information and IT functions.

Dr Stephen Fenlon

Stephen Fenlon was appointed QVH's Medical Director in April 2013. He has been a consultant anaesthetist at QVH since 2000.

After qualifying in 1988 from Nottingham University Medical School he initially followed a career in general practice before deciding to specialise in anaesthesia in 1993. In addition to his clinical commitment, he has held managerial positions at QVH since appointment, including Lead Clinician for Paediatric Services and, since 2010, Clinical Director for Paediatrics and Clinical Support Services.

Stephen's special interests include anaesthesia for children, research relating to pain relief following surgery and teaching fellow healthcare professionals.

Amanda Parker, Director of Nursing and Quality

Amanda Parker was appointed Director of Nursing and Quality in August 2009, having previously held the post of Deputy Director of Nursing.

She trained at the Middlesex Hospital, going on to specialise in renal medicine before she joined QVH as a theatre nurse in 1992. Here she developed her career in perioperative care, which included a joint role with St George's in London as a lecturer practitioner.

Amanda brings strong academic and operational experience to the role. She is a Registered Nurse Teacher with an MA in nursing and education, has an MSc in surgical and perioperative care and served as Chair of the Education Committee on the Board of the Association for Perioperative Practice (AfPP). Currently she has extended her areas of interest and is a NICE Fellow, a CQC specialist advisor and is the lead nurse representative for acute trusts on the Clinical Senate (South East Coast).

Jeremy Beech CBE, Non-Executive Director

Jeremy Beech, a chartered engineer, has served as a non-executive director since October 2005.

He spent over 30 years in the Fire and Rescue Services occupying positions as Assistant Chief Fire Officer of the London Fire Brigade, Chief Fire Officer of Kent, and Chief Executive of the Kent and Medway Fire Authority. He also served for 12 years as one of the five UK members of the Channel Tunnel Safety Authority, and led for the UK on rescue, public safety and bi-national planning for emergencies.

Following his fire service career, Jeremy worked for the UK government in maritime counter terrorism, and also as an adviser to government committees and other bodies. He remains a consulting engineer. He served as Non-Executive Director of the Port of London Authority from 2003 to 2009, and Non-Executive Chairman of MKC Training Services Ltd, from 2008 to 2011. He is Vice-Chairman of the Kent Foundation.

Jeremy was QVH's Senior Independent Director, appointed by the board of directors in consultation with the council of governors. During his tenure, Jeremy was chairman of the quality and risk and the nomination and remuneration committees.

Jeremy left his role at QVH at the end of March 2014 when his final term of office came to an end.

Lester Porter, Non-Executive Director

Lester Porter was appointed a non-executive director of QVH in September 2011.

He has been Chairman of the Thomas Cook Pension Trust since 2005 and has his own executive coaching practice working with individual executives and company boards. He also spent over ten years as an 'angel' investor in start-up businesses based in the south east and holds board positions with several of these companies.

Previously he spent 30 years in a variety of management roles in the healthcare, publishing and financial services sectors, and was latterly with the Thomas Cook Group as Corporate Development Director.

At QVH, Lester chairs the charitable funds advisory committee.

From April 2014, Lester will become the Senior Independent Director and will chair the nomination and remuneration committee, assuming responsibility from Jeremy Beech.

Shena Winning, Non-Executive Director

Shena Winning, a chartered accountant, has served as a non-executive director since October 2005. Formerly Finance Director of CarpetRight plc, she has over 30 years commercial experience within the retail sector.

Over the past eleven years Shena has been engaged in a portfolio of consultancy and non-executive positions in listed, mutual, charitable and public sector organisations. Notably she was a non -executive director and chair of the audit committee for Swallowfield plc for the period from October 2003 to February 2005, and non-executive chair of the board from March 2005 to April 2011. More recently, Shena was appointed Strategic Advisor to the South London Commissioning Support Unit and Non-Executive Director of Medway NHS Foundation Trust.

Shena's first experience of working with the NHS was as a non-executive director and chair of the audit committee for South East Coast Community Health Trust for the period from March 1996 to September 1998. She was appointed as a non- executive director and chair of audit committee at Queen Victoria NHS Foundation Trust in October 2005 and continued to sit on the board until March 2014 when her final term of office came to an end.

Ginny Colwell, Non-Executive Director

Ginny Colwell was appointed a non-executive director of QVH in October 2013. Ginny originally trained as a nurse and worked at Great Ormond Street Hospital. She became director of nursing at the Royal Surrey County Hospital and then Corporate Head of Nursing for Nuffield Hospitals. She is currently also a non-executive director at Central Surrey Health and was Vice-Chair for Phyllis Tuckwell Hospice until November 2013.

From April 2014, Ginny will chair the quality and risk committee, assuming responsibility from Jeremy Beech.

John Thornton, Non-Executive Director

John Thornton was appointed a non-executive director of QVH in October 2013. He has almost 30 years' experience as a senior executive in the financial services industry. He currently works as an ombudsman for the Financial Ombudsman Service and is involved in a range of business and community activities as a consultant, non-executive director and business coach.

From April 2014, John will chair the audit committee, assuming responsibility from Shena Winning.

Annex G: Disclosures

Details of any consultations completed in the previous year, consultations in progress at the date of the report, or consultations planned for the coming year

QVH has engaged in consultations with employees in connection with potential re-structuring in respect of part of the cancer team (completed May 2013) and administrative support for maxillofacial clinics provided in Medway (concluded 01/04/14).

There have been no other formal consultations on employment matters or any other significant changes to the trust, its services or constitution in 2013/14, and none are yet planned or anticipated for 2014/5.

Consultation with local groups and organisations, including the overview and scrutiny committees of local authorities covering the membership areas

There have been no consultations with local groups or organisations and no formal consultations with the overview and scrutiny committees of relevant local authorities, although there have been regular informal meetings between QVH's chief executive and the chairman of the trust's key health overview and scrutiny committee at West Sussex County Council.

Any other public and patient involvement activities

QVH carried out a formal engagement exercise with patients in December 2013 in connection with QVH 2020, our strategy for the coming year. During 2013/14 there have been other less formal activities intended to engage with and involve patients, including regular meetings of the patient experience committee and exercises seeking patient feedback about current and planned services undertaken by the trust's governors. These activities have included patient surveys and 'compliance in practice' visits to wards and departments to speak to staff and patients and to observe care and service being delivered.

Income disclosure (ARM section 7.84)

Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the income from the provision of goods and services for the purposes of the health service in England must be greater than a trust's income from the provision of goods and services for other purposes. QVH has met this requirement. Income from service provision for other purposes has had no adverse impact on delivery of healthcare services. QVH receives small amounts of other income which support delivery of its healthcare services.

Cost allocation

QVH has complied with the cost allocation and charging guidance issued by HM Treasury.

Statement of disclosure to auditors

For each individual who is a director at the time the annual report is approved, so far as the directors are aware, there is no relevant audit information of which the NHS foundation trust's auditor is unaware; and 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 NHS foundation trust's auditor is aware of that information. ("Relevant audit information" means information needed by the NHS foundation trust's auditor in connection with preparing their report.)

A director is regarded as having taken all the steps that they ought to have taken as a director in order to do the things mentioned above if he/she has:

- made such enquiries of his fellow directors and of the NHS foundation trust's auditors for that purpose; and
- taken such other steps (if any) for that purpose as are required;
- by his duty as a director of the NHS foundation trust, exercised reasonable care, skills and diligence.

Directors' responsibilities in connection with the annual report and accounts

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

The directors confirm to the best of their knowledge and belief that they have complied with the above requirements in preparing the financial statements. The directors also 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 trust's performance, business model and strategy.

Going concern

After making enquiries the directors have a reasonable expectation that Queen Victoria Hospital NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the 'going concern' basis in preparing the accounts.

The accounts have been prepared under the Monitor's *NHS Foundation Trust Annual Reporting Manual 2013/14*.

Accounting policies for pensions and other retirement benefits are set out in Note 1.2 to the accounts and details of senior employees' remuneration can be found in Annex C.

Policy and payment of creditors

The Better Payment Practice Code requires the trust to aim to pay all valid invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

	Number	Year ended 31 March 2013 £000	Number	Year ended 31 March 2014 £000
Total bills paid in year	15,071	21,255	13,407	17,956
Total bills paid within target	9,386	15,087	9,731	14,983
Percentage of bills paid within target	**62**	**71**	**73**	**83**

The trust did not incur any expenditure relating to the late payment of commercial debt under the Late Payment of Commercial Debts (Interest) Act 1998.

Information governance

Information governance (IG) provides the trust with a framework to assist the handling of information in a systematic way. Individuals must have confidence that their personal and sensitive information is safeguarded and used appropriately to help deliver the best possible standards of care. All staff are required to undertake information governance training on an annual basis.

The information governance agenda is supported by the IG Toolkit, a Department of Health online system which incorporates 45 assessment requirements for IG compliance across management, security, confidentiality, clinical information quality and corporate documentation standards. QVH submitted an overall score of 82% for its 2013/14 assessment, achieving a satisfactory rating across all requirements.

Staff are actively encouraged to report any information governance related incidents in line with the trust's incident reporting process.

The trust had no significant breaches of data security during 2013/14.

Information governance incidents 2013/14	
Misfiled documentation	42
Misplaced documentation	11
Documentation errors/incomplete documentation	17
Poor data quality	5
Information technology governance breach	6

Health and safety performance 2013/14

The director of nursing and quality is the executive lead for health and safety and risk management. This includes all supporting areas such as fire, security, and manual handling. The patient safety and governance manager (head of risk) is the trust's operational lead for health and safety.

Health and safety committee

The health and safety committee terms of reference underwent an annual review and were approved on 24 April 2013.

The health and safety committee has met four times during the year 2013/14 on the following dates:

- 24 April 2013
- 17 July 2013
- 16 October 2013
- 29 January 2014

The January meeting was not quorate and therefore held no decision-making powers.

Training

Health and safety training is delivered to staff as part of the management training, both at induction and two-yearly refresher sessions. Additional training is also provided to doctors and the risk management department is always available to provide support and guidance to all staff on health and safety related matters.

Incidents

During the year there were 261 staff safety incidents reported. Of these, four were reportable to the Health and Safety Executive under RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013). Three related to needlestick/sharps injuries.

Policies and plans

The health and safety policy was approved by the quality and risk committee on 27 February 2013 and was therefore not due for review during the 2013/14 period. Trust policies are uploaded to the intranet once approved for staff to access. A range of supporting health and safety policies are scheduled for review as per their revision dates. Policies that were approved by the health and safety committee during 2013/14 included:

- Fire policy – approved in April 2013
- Smoke-free policy – approved in July 2013
- Management of contractors policy – approved in July 2013
- Hospital evacuation plan – approved in January 2014.

Inspections, reviews and standards

QVH's radiology service received a short-notice, announced inspection of compliance with the Ionising Radiation (Medical Exposure) Regulations (IR(ME)R) from the Care Quality Commission on 18 February 2014. Compliance was achieved against all aspects of IR(ME)R, and a number of minor points were identified for improvement.

The Health and Safety Executive visited QVH on 24 March 2014 to review the investigation of a reported needlestick incident and to obtain further information. Positive verbal feedback was received on the day and a letter confirming the outcome is awaited.

The Health, Safety and Wellbeing Partnership Group, a national sub-group of the NHS Staff Council, published a set of standards following the Boorman review and results from national staff surveys. The standards are designed to assist organisations to meet their legal duties for health and safety and to provide assurance that they meet the standard of the Improving Working Lives initiative.

Departmental risk assessments

QVH continued to complete departmental health and safety risk assessments throughout 2013/14. A summary of these is reported to the health and safety committee, with any identified actions being monitored through to completion.

Fire

The trust's fire safety advisor is line-managed by the head of estates, who is the nominated fire safety manager for the trust.

Departmental training on fire is delivered by the fire safety advisor, in addition to the mandatory training, and this focuses on supporting evacuation plans, staff responsibilities and general fire safety awareness.

Fire procedure folders are located within departments and these contain information on local fire procedures and evacuation arrangements. Updates on these arrangements are reported to the health and safety committee.

Security

For the period of 2013/14, responsibility for security management for the trust was shared between the local security management specialist (LSMS) and the trust's patient safety and governance manager (head of risk). A contract exists between QVH and South Coast Audit for the provision of security management services and the LSMS is employed by South Coast Audit.

The annual security standards (NHS Protect Standards for Providers 2013/14: Security Management) were published in March 2013, alongside supporting information in April

and May 2013. QVH has an annual security workplan which is monitored via the health and safety committee. Work completed in 2013/14 included:

- Improved fraud awareness/crime prevention training
- Completion of an annual security survey
- Regular review of security related incident (DATIX) reports and involvement in investigations
- Dissemination of security alerts and guidance to the risk management department for onward circulation
- Completion and submission of the NHS Protect Standards for Providers 2013/14: Security Management self-assessment form and development of an action plan to monitor the actions identified as 'amber' and 'red'.

Occupational health

The trust continues to provide a comprehensive occupational health services to its employees. Key issues addressed during 2013/14 have included

- Supporting staff and managers in the effective management of sickness absence
- Providing training and advice on moving and handling
- Conducting an audit of compliance with Display Screen Equipment policies and procedures
- Reviewing and updating relevant policies including specifically the management of inoculation incidents policy (reviewed and updated in line with the Health and Safety (Sharps Instruments in Healthcare) Regulations 2013).

Employing disabled persons

QVH has a robust recruitment and selection policy which was updated following a full equality and human rights impact analysis. The trust uses the guaranteed interview scheme for recruitment which identifies applicants with a disability using the facilities available on the NHS Jobs recruitment website and we remind managers to interview those applicants providing they meet the essential criteria for the role. Applicants with disabilities who require adjustments to be made to trust equipment or processes are also identified through this process.

Staff who become disabled are supported by their line managers, the occupational health service and, where appropriate, the access to work scheme to enable them to remain in their role. We arrange suitable adjustments where possible and did so for two members of staff during 2013/14 which included improving access to car parking and changing working hours. Redeployment to other roles is also considered with advice from our occupational health service and in line with the trust's sickness policy.

Delivery of training is under regular review as part of our equality objective scheme action plan and we work with disabled staff as individuals, discussing their needs on a case-by-case basis. The trust is in the process of re-accreditation as a 'two ticks' disability employer.

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