Salisbury **NHS**
NHS Foundation Trust

Annual Report and Accounts
2014 - 2015

Salisbury NHS Foundation Trust

Annual Report and Accounts 2014/2015

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

Contents

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Message from the Chairman

This has probably been the most difficult year since we gained Foundation Trust status in 2006, with unprecedented demand throughout the year on a number of our services and the major financial challenges that we, and the whole of the NHS, are facing at a time when nationally the aim is to move more care away from hospital and into the community.

Despite this we have responded well to the operational challenges we have faced and continued to provide high quality, safe care in what have sometimes been periods of extreme pressure. We have also made significant improvements that have made a real difference to our patients, their relatives and carers. This would not have been possible without the commitment, professionalism and dedication of all our staff, whether they work on the "frontline", or provide an invaluable support role at ward or departmental level. Looking through our Annual Report I can see so many positive examples of this, whether these relate to the way in which our staff are actively involved in improving services for their own patients or sharing best practice across the wider NHS.

Our local community continues to play a key role in the development of the hospital and its services through our Governors and members, and the wide range of fundraising activities carried out in conjunction with the Stars Appeal. We also enjoy significant support from other charitable sources such the Southern Spinal Injuries Trust, Hospice Trustees and the Salisbury Hospital League of Friends, which celebrated a major milestone this year, having given loyal and dedicated support to healthcare in Salisbury over the last 60 years.

This year saw the start of a new fundraising campaign for a dedicated Breast Cancer Unit. This will provide the best possible environment for patients, with purpose-built waiting, diagnostic and treatment rooms for breast patients and also enable faster care and treatment. This follows the installation of two new CT scanners, which was made possible thanks to the tremendous generosity of local people, organisations and staff who supported the CT scanner fundraising campaign in the previous year. I have never experienced such a high level of support and affection for a hospital than I have seen here in Salisbury, and once again I thank our local community, fundraisers and supporters for all their efforts over the years.

Next year will present us with further challenges, both operationally and financially as we look carefully at how we can provide more efficient and effective services for our patients without compromising their care. The financial situation and the relationship that we have with other providers and our partners in health and social care will be absolutely critical if we are able to make the changes to the way in which healthcare is delivered. What is important is that patients receive the right level of care in the appropriate setting, whether this is in hospital or in the community, and we all agree that the long term success of our hospital and the key services we provide forms an important part of any changes that take place in the future.

We will improve services wherever we can and we are working together with other hospitals on a joint bid to create a new model for adult community services across Wiltshire, which will increase integration across hospital and community settings and deliver care that focuses on the needs of patients. Plans are also progressing on £2.2 million extension to our maternity unit to cater for an increase in the local population due to the rebasing of thousands of soldiers and their families from Germany to Wiltshire. These are just two examples of our ambition and our commitment to continual improvement.

We will continue to review our services so that we maintain our high standards and the good quality of care which is such a key factor for patients at Salisbury District Hospital. We will also continue to work closely with our staff to ensure that we continue to attract and retain the very best people here in Salisbury. I look forward to the challenges that lie ahead and a positive future for our hospital, our patients and our staff.

Nick Marsden
Chairman
22 May 2015

Principal Activities of the Trust

At Salisbury District Hospital, Salisbury NHS Foundation Trust provides a range of clinical care, which includes general acute and emergency services, to approximately 240,000 people in Wiltshire, Dorset and Hampshire. Specialist services, such as burns, plastic surgery, cleft lip and palate, genetics and rehabilitation, extend to a much wider population of more than three million people. The Duke of Cornwall Spinal Treatment Centre at Salisbury District Hospital covers most of southern England with a population of approximately 11 million people. Trust staff provide outpatient clinics in other locations in Dorset and Hampshire. Specialist staff hold outreach clinics in hospitals within the Wessex area and, in total, the Trust employed 4,054 staff at 31 March 2015. This includes full and part-time staff.

The Trust has a subsidiary company called Odstock Medical Limited. This was set up in 2006 to market worldwide its experience and knowledge of functional electrical stimulation and its own pioneering electrical devices for patients who have had a stroke or other neurological disorders. This is so that income generated could be used to further research and create new developments that help NHS patients in this country. The Trust also transferred its laundry service to a subsidiary company in 2013 and it is now called Salisbury Trading LTD (STL), which provides a laundry service to Salisbury District Hospital and other NHS organisations. It now has a 22% stake in Replica 3DM, which makes 3D models, which helps clinicians who carry out complex surgery.

Trust Values and Behaviours

All strategic planning is underpinned by a number of values and behaviours. These were developed in conjunction with staff and are used in their day to day work with patients, colleagues and stakeholders. There are four core values which staff should follow, which influence a further three key areas for each:

Patient Centred and Safe

This centres on patient safety, team work and continuous improvement.

Professional:

This focuses on being open and honest, efficient and acting as a good role model.
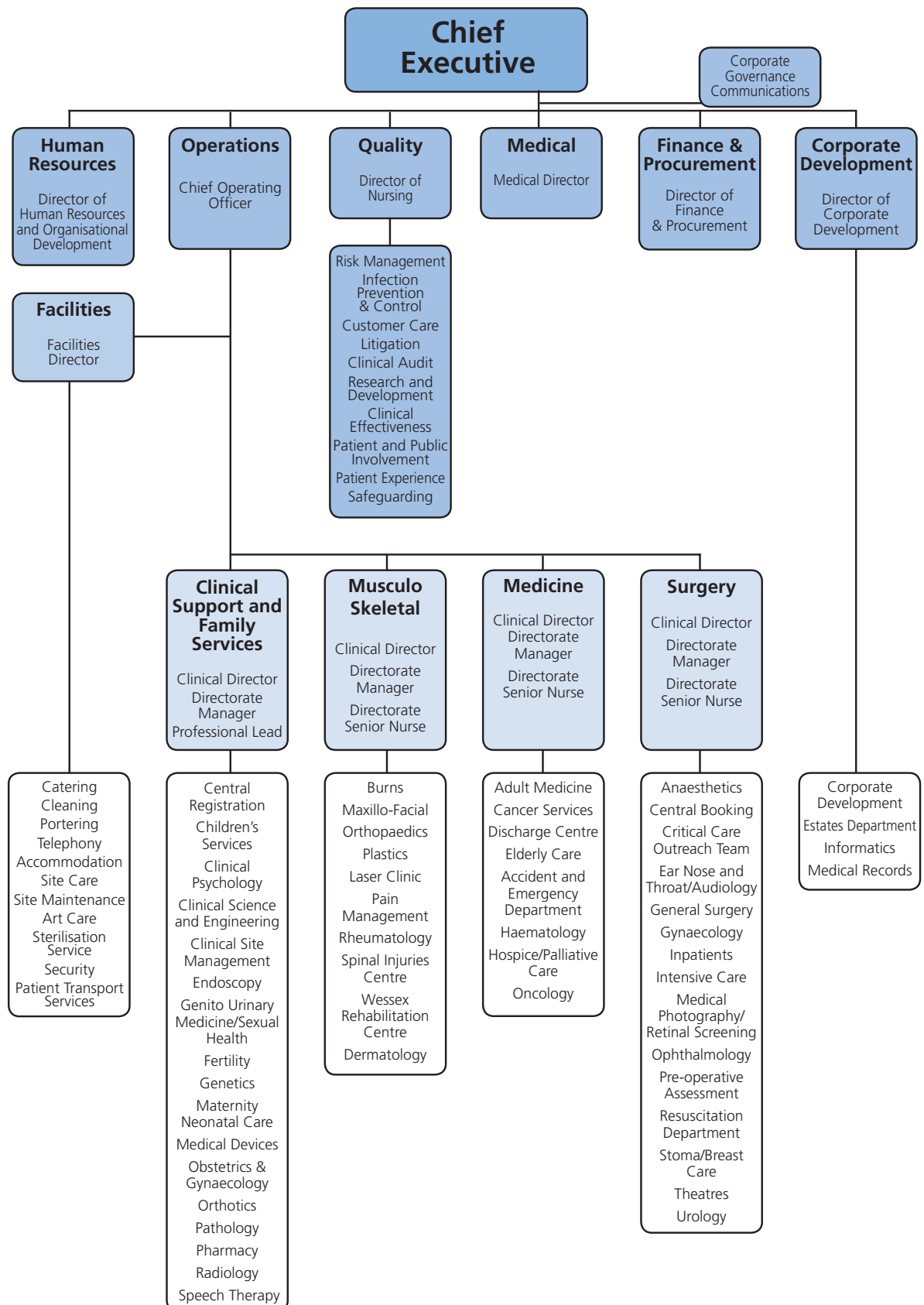
Responsive:

The expectation here is that staff will be action orientated, with a "can do" attitude and that they innovate, take personal responsibility and listen and learn.

Friendly:

We would expect staff to be welcoming, treat people with respect and dignity and value others as individuals.

Organisational Structure

Chief Executive

Corporate Governance Communications

Human Resources

Director of Human Resources and Organisational Development

Operations

Chief Operating Officer

Quality

Director of Nursing

Medical

Medical Director

Finance & Procurement

Director of Finance & Procurement

Corporate Development

Director of Corporate Development

Facilities

Facilities Director

Risk Management
Infection Prevention & Control
Customer Care
Litigation
Clinical Audit
Research and Development
Clinical Effectiveness
Patient and Public Involvement
Patient Experience
Safeguarding

Clinical Support and Family Services

Clinical Director
Directorate Manager
Professional Lead

Musculo Skeletal

Clinical Director
Directorate Manager
Directorate Senior Nurse

Medicine

Clinical Director
Directorate Manager
Directorate Senior Nurse

Surgery

Clinical Director
Directorate Manager
Directorate Senior Nurse

Catering
Cleaning
Portering
Telephony
Accommodation
Site Care
Site Maintenance
Art Care
Sterilisation Service
Security
Patient Transport Services

Central Registration
Children's Services
Clinical Psychology
Clinical Science and Engineering
Clinical Site Management
Endoscopy
Genito Urinary Medicine/Sexual Health
Fertility
Genetics
Maternity Neonatal Care
Medical Devices
Obstetrics & Gynaecology
Orthotics
Pathology
Pharmacy
Radiology
Speech Therapy

Burns
Maxillo-Facial
Orthopaedics
Plastics
Laser Clinic
Pain Management
Rheumatology
Spinal Injuries Centre
Wessex Rehabilitation Centre
Dermatology

Adult Medicine
Cancer Services
Discharge Centre
Elderly Care
Accident and Emergency Department
Haematology
Hospice/Palliative Care
Oncology

Anaesthetics
Central Booking
Critical Care Outreach Team
Ear Nose and Throat/Audiology
General Surgery
Gynaecology
Inpatients
Intensive Care
Medical Photography/Retinal Screening
Ophthalmology
Pre-operative Assessment
Resuscitation Department
Stoma/Breast Care
Theatres
Urology

Corporate Development
Estates Department
Informatics
Medical Records

Strategic Report

This has again been a challenging year as we continue to see the ongoing operational and financial pressures that all hospitals have been facing. This is set against the backdrop of increasing demand on services, significant change throughout the NHS proposed by NHS England in its Five year Forward View, and the scale of the challenge that lies ahead if the NHS is to continue to improve and save £30 billion over the next five years.

In order to meet the challenges the Trust faces now and in the future the Board has been building on its strategic direction published in 2013. This underpins the work of the Trust and centres on the vision of offering an **outstanding experience for every patient**, so that it maintains its position as the local provider of choice.

The Trust's long term strategy sets out how it can remain a thriving and independent Foundation Trust and, at the same time, reach far beyond its local catchment area through its high quality specialist regional services.

It describes an organisation which will extend beyond the confines of the hospital and work more closely in partnership with health and social care providers in the communities we serve and focuses on four strategic goals. These have been revised this year and are:

• **Choice - We will provide a comprehensive range of high quality local services enhanced by our specialist centres**

• **Care - We will treat our patients with care, kindness and compassion and keep them safe from avoidable harm**

• **Our Staff - We will make SFT a place to work where staff feel valued to develop as individuals and as teams**

• **Value - We will be innovative in the use of our resources to deliver efficient and effective care**

The work and performance of the Trust throughout the year is assessed against these four key strategic principles Choice, Care, Our Staff, Value.

Choice

We will provide a comprehensive range of high quality local services enhanced by our specialist centres

Fast access to high quality safe treatment can play a key role in patient choice and during the year staff worked hard to provide the very best care that they can for their patients and maintain high standards at Salisbury District Hospital.

In the previous year the Care Quality Commission (CQC) found that the Trust met all essential quality and safety standards after a follow up visit at Salisbury District Hospital and, as part of its intelligent monitoring system based on more than 150 different indicators, placed the Trust in Band 6, which is the rating given to hospitals with the lowest risk. The CQC regularly publishes its latest ratings and since its first publication last year the Trust has continued to remain in band 6.

CQC inspections now involve a far more comprehensive assessment, with larger inspection teams, more time spent within individual Trusts and a wider engagement process for gathering views from the local community. The assessment is based on whether hospitals are safe, effective, caring, responsive and well-led. It is anticipated that the Trust will receive a comprehensive inspection some time in 2015/2016.

HIGHLIGHT OF THE YEAR
HOSPITAL REMAINS IN SAFEST CQC BANDING
Salisbury maintains its position in Band 6 which is the risk rating given to the hospitals with the lowest risk.

During the year guidance was published on safe staffing to ensure that nationally, each hospital ward and every shift has the right number of staff on duty to provide patients with safe, good quality care. The Trust had carried out a hospital-wide skill mix review during the previous year and invested in additional nursing staff to ensure that staffing numbers, experience and the roles and responsibilities were right for what was needed on each ward. The Trust now carries out six-monthly skill mix reviews and the results are published on the Trust's website, along with monthly information on staffing levels and actions that are taken when staffing levels are below plan for a particular ward. In addition, information is also displayed at ward level so that patients are able to see staffing levels on the ward that they are on.

Staffing levels are reviewed monthly by the Trust Board. Board reports are designed to highlight areas where staffing may need to be improved and what plans need to be put in place to ensure improvements. During the year staffing levels were consistently maintained to plan.

HIGHLIGHT OF THE YEAR
SAFE STAFFING LEVELS AT SALISBURY DISTRICT HOSPITAL
Regular review and publication of staffing levels takes place and levels remain on plan.

HIGHLIGHT OF THE YEAR
HOSPITAL MORTALITY RATES CONTINUE TO BE IN EXPECTED RANGE
Following a national rebasing exercise rates continue to be within expected range.

The Hospital Standardised Mortality Rate (HSMR) and the Standardised Hospital Mortality Index (SHMI) enable the NHS to see whether mortality rates in hospitals are changing and help to ensure that they continue to provide good quality safe care. HSMR is a complex indicator and compares the number of deaths in hospital with the predicted number. This predicted number takes into account the age of the patient, their complicating medical problems and whether they were admitted for end of life care. SHMI compares the number of deaths in hospital or within 30 days of discharge, with expected levels, but is not "corrected" for patients who are admitted for end of life care. Both the HSMR and SHMI at Salisbury District Hospital remained within the expected range. More detail can be found in the Quality Report later in this Annual Report.

Care of older patients in hospital remains a key priority area for the NHS, in particular those with dementia. The Trust has continued to implement the eight South West

Regional Standards for dementia care. These focus on all aspects of care and treatment and how well hospitals create a 'dementia-friendly' environment, which is supported by dedicated staff training and development. Throughout the year the Trust continued to make good progress against all eight standards and introduced improvements that help ensure that patients with dementia are treated with respect and dignity, and that they have the necessary care, stimulation and support to fulfil the best possible outcome for them based on their condition and circumstances.

As part of the Trust's Elevate programme patients on Redlynch Ward now enjoy 1950's style tea parties. The introduction of activities linked to years gone by is often used in residential homes and is proving to be particularly beneficial for patients with dementia and enjoyable for those who need some form of social stimulation while in hospital.

This complements the range of arts, crafts and musical activities that already take place within the hospital and other initiatives such as finger foods, pictorial menus and coloured crockery that help increase nutritional intake and support dementia patients at mealtimes.

In addition, clinical psychologists expanded their award-winning Engage programme further from 12 to 14 wards and increased the number of volunteers following a successful recruitment and education day. Engage volunteers provide social stimulation for older patients in hospital through quizzes, discussion groups and memory games. The package developed in Salisbury, is now being used by other hospitals in the south of England and, strategically, the hospital will continue to use every opportunity to promote the benefits of the programme and encourage other hospitals to buy it over the coming years. The Trust also developed a booklet 'understanding and managing the symptoms of dementia' which was produced following feedback from carers.

In terms of the environment, changes were made to Pitton Ward that provide more personalised bed spaces, better lighting and more social areas for patients. This follows changes to Redlynch Ward in the previous year. Other key developments that took place in the year that benefit other patient

groups include the refurbishment and expansion of the Intensive Care Unit and the installation of two new CT scanners, thanks to the successful Stars Appeal fundraising campaign. A new Breast Cancer Unit campaign is carrying through into 2015/2016 and, as part of its strategy, the Trust will also continue to look at redevelopment options for the southern end of the hospital site that would best support existing and potential services.

Waiting times and access to treatment continue to be important factors for patients and are part of a number of performance indicators and quality measures that are monitored monthly by the Trust Board. In line with the NHS Constitution, the Trust again met the national 18 week pathway.

HIGHLIGHT OF THE YEAR
MORE STIMULATION AND SUPPORT FOR DEMENTIA PATIENTS
The Trust introduces 1950s style tea parties that helps keep minds active and provide a distraction from hospital life.

HIGHLIGHT OF THE YEAR
FURTHER EXPANSION OF PSYCHOLOGICAL SUPPORT FOR OLDER PEOPLE
More wards benefit from social stimulation through memory games and discussion groups.

HIGHLIGHT OF THE YEAR
REFURBISHMENT AND EXPANSION ON INTENSIVE CARE UNIT (ICU)
£1.2 million investment to improve intensive care facilities for critically ill patients.

All Trusts have to ensure that 90% of admitted patients – those whose treatment takes place as an inpatient or day case – have their initial outpatient appointment, any diagnostic procedures and surgical treatment within 18 weeks of a GP referring the patient to hospital. The same applies to 95% of patients who receive their treatment as an outpatient.
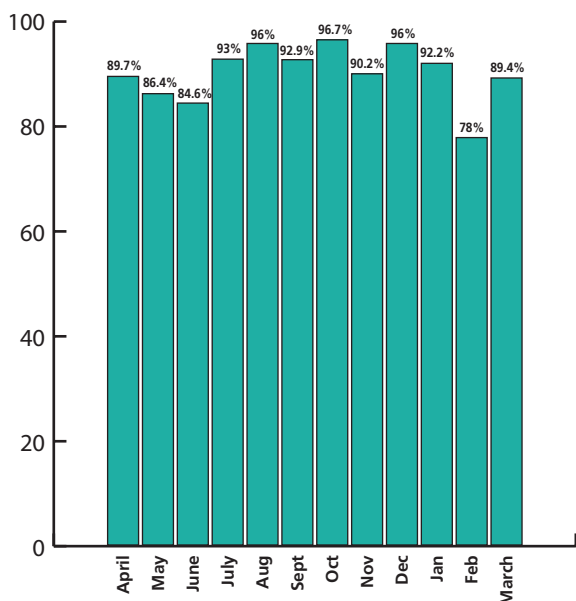
At the end of the 2014/2015 financial year the Trust met its cancer waiting time indicators. For instance, 94.7% (target 93%) of patients were seen within two weeks of referral from the GP, 98.4% had their treatment started from the decision to treat (target 96%) and 90.6% (target 85%) were treated within 62 days of GP referral. Despite unprecedented pressure in the winter and peak periods within the year staff right across the hospital worked tirelessly to maintain services and ensure that patients moved safely through the 'hospital system'. This enabled the Trust to meet the Accident and Emergency target for 95% of people to be admitted, treated or discharged within four hours when other hospitals across the country failed to meet this target.
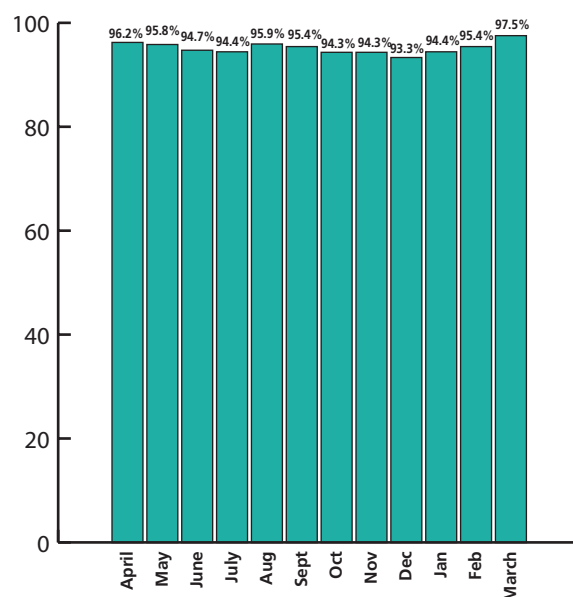
HIGHLIGHT OF THE YEAR
EXCELLENT WAITING TIMES
Over 90% of patients admitted to Salisbury District Hospital were treated within 18 weeks of being referred by their GP. Over 95% of patients who needed an outpatient procedure were treated within 18 weeks of referral.

KEY PERFORMANCE INDICATOR
APRIL 2014 – MARCH 2015
Cancer Waiting Times – Patients treated within 62 days of referral. Target: 85% for the year:
Total 90.6%

Month	%
April	89.7%
May	86.4%
June	84.6%
July	93%
Aug	96%
Sept	92.9%
Oct	96.7%
Nov	90.2%
Dec	96%
Jan	92.2%
Feb	78%
March	89.4%

KEY PERFORMANCE INDICATOR
APRIL 2014 – MARCH 2015
Proportion of A&E attendees who were admitted, treated or discharged within four hours. Target: 95% for the year:
Total 95.2%

Month	%
April	96.2%
May	95.8%
June	94.7%
July	94.4%
Aug	95.9%
Sept	95.4%
Oct	94.3%
Nov	94.3%
Dec	93.3%
Jan	94.4%
Feb	95.4%
March	97.5%

There was also good performance in diagnostic waiting times. All patients were seen within the six week target for routine MRI, CT and angiography scans, with 84% seen within four weeks for MRI, 94% for CT and 95% for angiography.

The Trust continued to work in partnership with stakeholders, developing clinical networks and services with other NHS providers, maintaining good working relationships with existing commissioners and building relations with specialised commissioners who are the second largest commissioner in terms of financial value to the Trust. Good working relationships with stakeholders is not only important to the long term future of the hospital, but also to the development of services that meet the needs of patients, which in turn can have an indirect influence on where patients choose to go for their treatment.

The Trust met regularly with local GPs to discuss their ongoing and future needs and worked with other agencies, including voluntary organisations and its key partners in health and social care. Examples of good partnership work that has benefitted patients can be seen in several projects this year. Electronic Discharge Summaries (EDS) can now be sent from all inpatient wards and feedback from GPs has been very positive. Junior doctors have reduced out of hours prescription errors through access to a new electronic system for on-call medical teams. This has also resulted in better access to GP records in the Accident and Emergency Department and both Medical and Surgical Medical Assessment Units.

The development of care pathways ensures that coordinated care takes place at the right time and in the right location and the Trust worked closely with Wiltshire Clinical Commissioning Group to update and improve the diabetes care pathway. It is now working on a pathway covering heart failure which will carry through into 2015/ 2016. During the year the Trust carried out a service review of the Spinal Treatment Centre using external facilitators from Wiltshire Council with a view to developing the service further. At the same time discussions with local and national commissioners have begun regarding a step down facility, which still safeguards existing ventilated beds. And, with more service personnel moving back into the Wiltshire area from overseas over the coming three years, the Trust is developing plans to expand its Maternity Unit to ensure that the service can continue

to serve a larger local population.

As we move into the 2015/ 2016 financial year nationally there could be changes in the way healthcare is provided by Health and Social Care, with shared budgets and more care provided in the community through the development of new "Models of Care". In some areas this could even involve the creation of new organisations that provide both GP and hospital services, together with mental health, community and social care. Engagement with Commissioners, Health and Wellbeing Boards and patients will be critical, both to the implementation of the key outcomes of the Better Care Fund which has been created to promote more integrated working between Health and Social Care providers and any future changes that offers more 'patient centred coordinated care' as part of NHS England's Five Year Forward View.

Care

We will treat our patients with care, kindness and compassion and keep them safe from avoidable harm

It is essential that we treat patients with care, kindness and compassion and keep them safe from avoidable harm. Safety remains the highest priority and is monitored regularly through the Safety Steering Group and the Clinical Governance Committee, with safety performance reported at the Trust Board.

During the year the Trust joined the national Sign Up To Safety Campaign, which aims to halve avoidable harm within the NHS over the next three years. We have signed up to five pledges that strengthen patient safety under the following headings: Put patient safety first; Continually learn; Honesty; Collaborate; Support.

HIGHLIGHT OF THE YEAR
TRUST JOINS SIGN UP TO SAFETY CAMPAIGN
Link to national campaign enhances commitment in key area of patient care.

This fits in with the Trust's strategic plan and complements the new national Duty of Candour which will be monitored by the Care Quality Commission (CQC). While this new duty does not differ from the Trust's current approach, all Trusts will now have to identify that an incident causing moderate or major harm has happened, apologise and tell the patient about it swiftly and honestly and provide them with appropriate support or remedial treatment.

We are committed to a high standard of cleanliness and good infection, prevention and control policies and procedures are essential to the safety of patients. Regular hand washing initiatives, cleanliness audits and campaigns, are just some of the initiatives the Trust uses to limit the risk to patients and improve safety while in hospital. While the Trust narrowly missed its targets for MRSA (Methicillin Resistant Staphylococcus Aureus) bacteraemia and Clostridium Difficile infection rates this year, it will be working closely with wards and departments in 2015/2016 as part of its strategy to have one of the lowest infection control rates across the region.
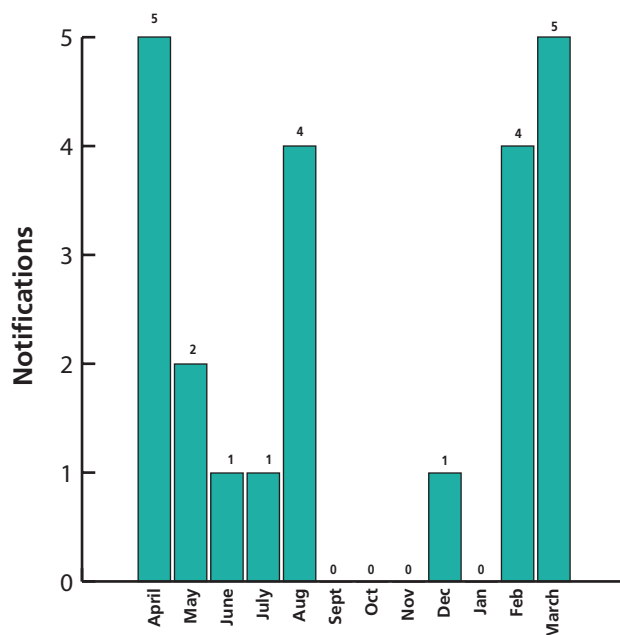
During the year all hospitals had a Patient Led Assessment of the Care Environment audit. The PLACE audit is wide ranging and challenging and covers food services, cleanliness, privacy and dignity, as well as the condition, appearance and maintenance of hospital buildings. While it was felt that the NHS England criteria had been applied differently across NHS organisations in the first two years of assessments, inspections in Salisbury have been carried out without compromise. While there were a number of positive findings, the Trust did identify areas for further improvement such as food and hydration, and cleanliness within outpatient departments. The action plan will carry through into the 2015/2016 financial year.

It is important that patients have the opportunity to tell us about the care and treatment they receive in hospital, whether this is through patient and public involvement projects, national patient surveys, our frequent feedback initiative where volunteers and Governors regularly tour the wards gathering patients' views or comments made on NHS Choices.
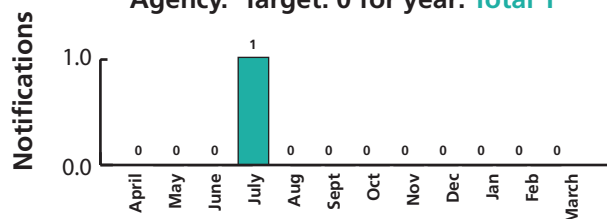
KEY PERFORMANCE INDICATOR APRIL 2014 – MARCH 2015
Clostridium Difficile. Target for Trust apportioned cases is 18.   Total: 23

Bar chart — Notifications by month:
April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March
5	2	1	1	4	0	0	0	1	0	4	5

KEY PERFORMANCE INDICATOR APRIL 2014 – MARCH 2015
Number of notifications of MRSA Bacteraemia made to the Health Protection Agency. Target: 0 for year: Total 1

Bar chart — Notifications by month:
April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March
0	0	0	1	0	0	0	0	0	0	0	0

* Please note that the Trust had one MRSA bacteraemia during the year. However, the Trust has reported two cases, one of which was found to be a contaminant on investigation and therefore not a bloodstream infection.

HIGHLIGHT OF THE YEAR
PATIENTS RATE A&E STAFF AMONG BEST IN COUNTRY
Confidence in staff, privacy and overall experience rated highly.

People needing emergency treatment rated the Accident and Emergency Department (A&E) as one of the best in the country with confidence in staff, privacy and overall experience rated highly in an independent survey. Around 850 patients were asked their views on facilities, waiting times, the quality of care and the way they were treated. Improvements made in response to the survey included an increase information on anticipated waiting times, changes to increase patient flow and the installation of vending machines in the waiting room. Cancer patients also responded positively in a national survey, with 94% of those asked saying that it was excellent or very good. Over 340 patients responded to the questionnaire which covered the patient's diagnosis and treatment, confidence in staff, hospital information and the support that they received at home. Plans to improve written information and encouraging patients to bring a friend to sensitive consultations were two actions carried forward into the 2015/2016 year.

In the national inpatient survey, overall patients rated their care well and they felt that they were treated with respect and dignity. However, there were areas where the Trust does need to make improvements. For instance, issues around communication between staff and patients, better information on discharge and noise at night, where the Trust is already creating greater awareness among staff to keep noise to a minimum at night. A full action plan has been developed and will be monitored at Board level in 2015/2016.

Good patient care not only centres on treatment and first class facilities, but also the prevention of accidents and illness. As part of this the Trust has maintained a strong focus on the local and national public health agenda, which aims to reduce the number of people dying from preventable conditions. During the year over 22,800 patients were asked if they smoke, and all those who said they wished to "kick the habit" were given information, with 77% also being given support. There has also been some success in encouraging mothers to stop smoking during their pregnancy. In A&E, 25,291 patients were asked about their drinking, and of those, 733 were found to be drinking harmful levels. These patients were all referred to GP services and some followed up by the Trust's alcohol nurse specialist. Initiatives to reduce obesity and promote healthy lifestyles including the Counterweight programme are also ongoing.

Staff also worked hard on providing additional support or advice through health promotion campaigns. This was complemented by Self Care Week, which gave hospital staff and local people an opportunity to find out more about how they can improve their own health and pick up potential signs of serious illnesses. This year there was a particular focus on keeping healthy during winter and directing people to authoritative sources of reliable health information. Throughout the week specialist staff were on hand to provide information on a wide range of areas, from how to protect against flu and healthy eating to more specific support around alcohol and stop smoking advice.

HIGHLIGHT OF THE YEAR
SMOKING CESSATION SUPPORT FOR PATIENTS
Patients who wish to give up smoking given information and support.

HIGHLIGHT OF THE YEAR
SELF CARE WEEK
Specialist health promotion campaigns and events support patient's own care.

Care of older people in hospital continues to be a focus across the NHS, and support for patients and their families when planning for end of life care provides the cornerstone of our aim to ensure that patients die where they choose and with dignity. The phasing out of the Liverpool Care Pathway is now complete and the new Medical and Nursing Personalised Care Plans are being used in the Hospice. The "conversation project", which provides support to patients so that they can make decisions about their own end of life care, has been welcomed by patients and their families. During Dying Awareness Week the Trust held a special event at the Salisbury Guildhall to publicise the crucial actions that people can take such as making a will, planning their care and support and telling loved ones of their wishes.

Patient and public involvement continues to play an important part in the development of hospital services. Patients were involved in over 30 projects this year, using many different methods including patient stories, focus groups and questionnaires. Staff views are equally important to the development of services and the Trust continued to use their knowledge and expertise to improve services for patients through focus groups and this will continue to be a key area in 2015/2016.

Our Staff

We will make SFT a place to work where staff feel valued to develop as individuals and as teams

If the Trust is to remain successful it must continue to attract and retain the best possible staff. Innovation, reputation, top quality training, support and recognition will again be key factors in ensuring that the Trust has an excellent workforce that is proud to work in Salisbury.

Despite the significant pressures, staff responded with a positive of view of the hospital and what it's like to work in Salisbury, as part of the national staff survey. Communication and engagement, team working, job satisfaction, support from immediate managers and the ability for staff to contribute to improvements were other indicators where staff placed the Trust among the best in the country. While nationally and locally,

the survey found low levels of discrimination at work, staff perceptions of bullying and harassment increased, as we heightened awareness and pursued an ongoing "zero tolerance" in this area. We will continue to encourage the reporting of incidents, promote positive attitudes and, make changes and improvements where they are needed through our action plan in 2015/2016. See Staff Survey later in this Annual Report.

During the year comments from staff also placed the hospital in the top 100 best healthcare organisations in which to work. The Health Service Journal gathered a range of information from employers and staff and these were analysed by an independent research company. The assessors found that there was an "open and honest feel" within the Trust and a genuine desire to give good quality care, with a range of training and wellbeing programmes to support staff. This was followed by excellent results in the new Staff Friends and Family Test.

HIGHLIGHT OF THE YEAR
MORE SUPPORT FOR END OF LIFE CARE
New Medical and Nursing Personalised Care Plans to support end of life care.

HIGHLIGHT OF THE YEAR
TRUST ONE OF THE TOP HEALTHCARE ORGANISATIONS TO WORK FOR
Comments from staff place Salisbury in top 100 in national publication.

The Trust acknowledges the significant contribution staff make to the hospital and their professionalism and commitment was recognised in the annual Striving for Excellence awards. This recognition is key to the Trust's success and this year there were 11 categories focusing on good customer care, leadership, special achievements, mentoring and equality and diversity. There were also service improvement presentations and awards which gave staff an opportunity to share best practice and showcase their work with the Trust's Foundation members.

There were also a number of external successes and achievements. This included staff in A&E who won a Local Hero award from the Salisbury Journal and Spire FM, Jodie Leigh Jones from the Day Nursery who won the Intermediate Apprentice of the Year Award from Salisbury College and Christine White in pathology who won the Chief Scientific Officers 2015 award for Organisational Lead Scientist. These are just a small selection of the many staff achievements during the year.

Last year the Trust agreed a new set of values and behaviours for the organisation, which were developed in conjunction with staff. These now underpin all strategic planning and are now used as part of the Trust's appraisal process and incorporated in recruitment and promotional information. A new Living the Values category was also introduced in this year's Striving for Excellence awards and staff were encouraged to nominate colleagues who had successfully applied these values in their daily work. This category will be expanded further in 2015/2016, highlighting the importance of values to the future success of the Trust and its support of staff.

The Trust continues to take a positive approach to Equality and Diversity (E&D) both internally and externally. This encompasses all aspects of E&D, including social, community and human rights issues.

HIGHLIGHT OF THE YEAR
A&E TEAM WINS LOCAL HERO AWARD
A&E rewarded for the care they give to patients.

HIGHLIGHT OF THE YEAR
VALUES AND BEHAVIOUR EMBEDDED IN RECRUITMENT POLICY
Staff help develop new Trust values and behaviours to be used in day-to-day work.

HIGHLIGHT OF THE YEAR
EQUALITY AND DIVERSITY FOCUS IN LOCAL EVENT
Cultural diversity takes centre stage in Equality is for Everyone event.

As part of its commitment in this area, the Trust continues to work with the British Institute of Human Rights and has a number of Human Rights champions who can provide advice to staff and act as a focal point on human rights issues.

The Trust's positive approach to E&D could also be seen in its own Equality is for Everyone event where visitors and staff learnt more about the cultural diversity that exists within the hospital. The focus this year was on celebrating the diversity of NHS staff with the aim of highlighting the many different cultural groups at the hospital and the positive benefits of living and working in a multi cultural society. Further information on the Trust's policies and approach to E&D can be found later in the Annual Report.

It is essential that staff feel empowered to raise issues about their work, whether this relates to bullying and harassment or raising concerns about medical practice or treatment. Within the year the Trust revised its existing "whistleblowing" policy and raised awareness of this and other policies relating to bullying and harassment. The raising concerns policy takes into account current legislation and the recommendations set out within the Francis Report, and the Trust carried out a staff survey to determine the awareness and effectiveness of the policy. The findings highlighted a positive view of the policy and how to use it, with a good response rate, awareness of the policy and where to find it. A large number either didn't feel the need to raise a concern or did and used it effectively so that we could look into the matter appropriately. Very few had a concern and did not raise it. Better access to online reporting, promotion of the policy by the Executive team within departments and training and support for frontline staff and managers were examples of actions identified form the survey which were actioned during the year.

Developing the workforce and ensuring that they have the skills and support to do their jobs is a key factor and the Trust held a number of events to support staff in their work and promote staff health wellbeing and safety as part of its Shape Up @ Salisbury campaign. This included free classes in the staff club and opportunities for advice on a number of health issues. There is evidence to show that the health and wellbeing of our staff can have a positive impact on the care that they are able to give to our patients. The appointment of a mental health nurse will further increase the range of support services available and the Trust is working with the NHS Leadership Academy to enhance career and leadership development within the Trust. The Trust is also working on a Medical Leadership Framework that will promote medical engagement and succession planning for key clinical roles such as lead clinicians, clinical directors and the position of Medical Director.

Value

We will be innovative in the use of our resources to deliver efficient and effective care

The 2014/15 year was particularly challenging and despite our strong tradition of sound financial

HIGHLIGHT OF THE YEAR
REVISED RAISING CONCERNS POLICY
Raising concerns policy revised to reflect recommendations in Francis Report.

HIGHLIGHT OF THE YEAR
SHAPE UP @ SALISBURY
Staff Health and Wellbeing strategy developed with programme of support for staff.

management, we have for the first time in our history posted a deficit of £726,000 (£2.15 million deficit when charitable donations are not taken into account), reflecting the major financial and operational pressures facing all parts of the NHS.

Despite this, our staff have worked hard to provide more efficient and effective services that meet the needs of our patients, and continued to maintain high standards of care in what are unprecedented and exceptional circumstances.

Our position has been caused by a combination of factors. The continued reduction in the national tariff, which determines the amount we are paid for most of our work, required us to achieve savings of £8 million. We only achieved £6.2 million. A planned £1million reduction in agency staff costs was also not achieved as they were needed to staff "high cost" escalation beds, because of an increase in non-elective (urgent) activity. Under national rules we were also only paid 30% of the national tariff for this extra work and, in effect, this was carried out at a loss. The extra non-elective work also displaced elective work which is paid at the full national tariff rate.

The deficit, savings made non-recurrently, and a further reduction in the national tariff will impact on our financial position in 2015/16, where we are facing a financial gap of £14 million. The main factor affecting strategic planning for all acute NHS Trusts is the ongoing reduction in the tariff. In 2014/15 we saw a 4% real terms reduction which meant that we had to do more work for less money. This difficult challenge is set to continue, with a further 3.5% real terms reduction in 2015/16. The effect of the Better Care Fund is also unclear. The Better Care Fund was announced in June 2013 to ensure that people receive better and more integrated care and support in the most appropriate

setting for them. NHS money has been allocated to health and social care to set up pooled budget arrangements between local authorities and Clinical Commissioning Groups. The national assumption is that more people will receive their care in the community, leading to a 3.5% reduction in non-elective admissions to hospital. The financial impact for this Trust may be significant. A reduction in activity from which we get paid will compound the Trust's financial difficulties as we will not be able to reduce costs to match the reduction in income.

The NHS as a whole still needs to save approximately £30 billion over the next five years and while the Trust has had a strong tradition over many years of achieving its financial targets, it is now becoming increasingly difficult to identify and implement recurrent efficiency savings at the rate that is needed, and this is seen as the main risk facing the Trust.

During 2014/15 the Trust set up a Programme Management Office (PMO) to help address the savings challenge through a range of cross cutting schemes. These have run alongside traditional savings plans and delivered around £1.7m of savings. These savings are linked to: process changes, non-pay such as supplier contracts, and reductions in workforce expenditure. A review of therapy identified more efficient and better ways of working which will also contribute to a reduction in the length of stay for some patients. Another project is reviewing the way that a patient progresses through the hospital. This includes e-referrals from GPs and a new Discharge Assessment Referral Team that aims to initiate discharge planning earlier in the patients' pathway. Work in outpatient areas has resulted in the installation of eight self-check-in kiosks in various locations releasing £25,000 in recurrent savings in 2014/15 and a further £40,000 of recurrent saving expected in 2015/16. A more standardised

Patients Treated			
	2014/2015	2013/2014	2012/2013
Elective inpatient (spells)	6,405	6,712	6,956
Day cases	22,855	21,372	18,845
Non elective (spells)	28,494	27,789	28,346
Regular day attendees	6,631	6,359	6,468
Outpatients (consultant led)	183,732	184,725	180,269
New attendances	(72,322)	(68,817)	(63,532)
Follow up	(111,410)	(115,908)	(116,737)
Accident and Emergency	43,988	43,157	42,919
New attendances	(42,936)	(42,127)	(41,939)
Follow up	(1,052)	(1,030)	(980)
Spells are the main way in which hospital activity is recorded. A spell is the period of time from Admission to Discharge.			

and centralised approach to administrative processes and support services for outpatients has also been developed during the year. Improved efficiency in theatres, the Day Surgery Unit and the introduction of walk in GP x-ray service are examples of other areas that have contributed to savings and will continue into 2015/16.

In terms of the number of patients seen this year there was an increase, in particular those needing urgent or emergency treatment, day cases and regular day attendees. There was also an increase in A&E attendances compared with the previous year.

In 2014/15 there was a £1million increase in the amount spent on nursing compared with the previous year. A high level of spend was incurred on high cost agency nurses and 'specialing' of patients at risk of a fall or wandering. On-going efforts were made to curtail agency usage, but high levels of non-elective demand on the hospital together with a national shortage of nurses made it difficult to control expenditure in this area. With a number of some long term, hard to fill vacancies, expenditure on doctors and locums has also been higher than the Trust can afford. However, the Trust is taking action through a proactive recruitment campaign for both doctors and nurses and during 2014/15 it recruited a further 32 additional nurses from Italy. With staffing costs increasing, medical staffing and nurse recruitment form a key part of the Trust's workforce strategy for 2015/16 and beyond.

As part of our income we get additional money for achieving Best Practice Tariffs (BPTs) for specific types of work. Best Practice Tariffs (BPTs) help the NHS to improve quality of care by reducing unexplained variations and making best practice universal across NHS organisations. In 2014/15 the Trust secured around 76% of income that could be gained through this source. This will need to increase further in 2015/16 to maximise the benefit for the Trust and patients.

The overall financial position of the Trust and changes to the national tariff represent the principal risks and uncertainties facing the Trust in 2015/2016 and beyond. This could be exacerbated by money being diverted away from the NHS through the Better Care Fund and it is not yet certain what impact its implementation will have on the Trust. Difficulties in recruiting certain specialist staff also represent a risk based on current

HIGHLIGHT OF THE YEAR
MY TRUSTY LAUNCHES NEW PRODUCTS
Award winning body butter and new face and body oil join the My Trusty range.

costs associated with the use of agency and locum staff.

In the current climate it is important that the Trust builds on its reputation for innovation and also looks to generate more income from its own commercial activities. Since the launch of 'My Trusty Little Sunflower Cream', the Trust has benefitted from local and national media attention which has driven sales activity. Last year the Trust added body butter, and face and body oil, to the exciting My Trusty range and these have proven popular with the public. The new body butter also won a national Silver award from magazine Pure Beauty just four months after the launch of this exciting new product. This was an outstanding achievement, as it was up against some of the leading brands on the market. The My Trusty range has attracted real interest and the Trust is in discussion with a leading retailer to see whether they will stock the products, and this and other discussions continue into the 2015/16 year.

Last year the Engage programme, where volunteers provide stimulation for older people in hospital, sold their award winning programme to Poole Hospital. This year they sold it to another hospital in south Wales. With Innovations Lead, Carol Read, named in the top 50 healthcare innovators by the Health Service Journal, innovation and ideas originating from staff are providing additional support for NHS services and will be important to the future success of the Trust.

The key financial assurances include an assessment of income levels; provision of services and treatment; the achievement of budgetary targets and cost savings; general and financial targets. The Trust also has a risk rating from the regulator covering liquidity and the ability to service debt. At the end of the financial year the Trust had an overall Continuity of Service Risk Rating of 4.

Cash flow remained reasonable and enabled the Trust to pay its staff and its bills promptly. This is reflected in the Trust's performance against the Better Payments Practice Code, with 82.5% of non NHS bills and 72.7% of NHS bills paid within the 30 day target. The Trust has made no political or charitable donations of its own.

Key financial indicators centre on liquidity – the Trust's ability to convert assets to cash quickly - and the servicing or return on assets. Key financial indicators are monitored monthly by the Trust Board.

Efficiency and Use of Resources
- Good levels of efficiency maintained with overall costs 1% less than the national average.
- Management and administrative costs contained within 3.9% of turnover.
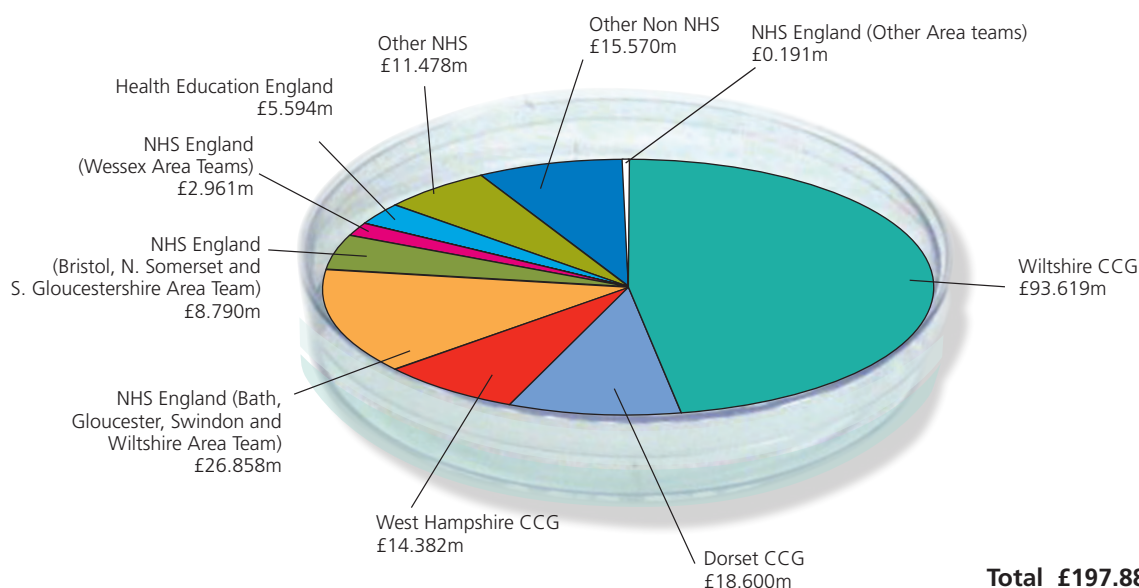
Capital Expenditure
Capital expenditure of over £10 million was overseen by the Group in 2014/2015 and was spent on a range of service developments. Capital projects included:

Extension and upgrade of Intensive Care Unit	£1.101,000
Medical equipment	£1.762,000
IT systems and technology	£1.572,000
Ward improvements for patients with dementia	£ 655,000
Bed replacement programme	£ 240,000

Investment in facilities and equipment has benefited patients in a number of ways and these can be viewed throughout this report.

Sources of Income - 1 April 2014 to 31 March 2015

Other NHS £11.478m
Other Non NHS £15.570m
NHS England (Other Area teams) £0.191m
Health Education England £5.594m
NHS England (Wessex Area Teams) £2.961m
NHS England (Bristol, N. Somerset and S. Gloucestershire Area Team) £8.790m
Wiltshire CCG £93.619m
NHS England (Bath, Gloucester, Swindon and Wiltshire Area Team) £26.858m
West Hampshire CCG £14.382m
Dorset CCG £18.600m

Total £197.884 million

During the year the Trust took steps to ensure that staff are fully aware of the financial issues facing the Trust now and the future, and staff continued to receive regular updates, with key operational and financial information cascaded throughout the organisation, as well as the day to day communications that takes place at different levels of the Trust. The Chief Executive regularly sends out a personal message to all staff as part of the wider communication process and also held ad-hoc open sessions for staff on the current Trust priorities, the financial challenges faced by the NHS and the Trust's strategy. Staff are also able to raise any issues during the Trust Board led safety and quality walk rounds. Operational and financial information is presented in Public Board Meetings and placed in the public domain. The Trust's financial position is also assessed quarterly by the Regulator.

Income generated by Odstock Medical Ltd (OML), is used to further research and create new developments that help patients. The Trust also created a subsidiary company called Salisbury Trading Ltd (STL) to run its laundry service and provide services to other Trusts. Last year STL received significant capital investment to make the laundry more efficient and this year the laundry delivered a surplus so that the service is no longer running at a loss.

The Trust treats private patients through a partnership with Odstock Private Care Limited (OPCL). The Trust has a designated unit called the Clarendon Suite, where private patients can be treated on the Salisbury District Hospital site. While (OPCL) is contracted to provide private care on site, income generated is used to benefit NHS patients by supporting our services. This year OPCL donated £138,500 to the hospital for new Day Surgery equipment that will benefit patients who need specialist micro surgery for hand injuries. There are also a number of treatments offered that are not available on the NHS. These are provided privately within departments without compromising our own NHS service. A good example of this is the Laser Centre.

The Trust has a 22% stake in a company, Replica 3DM, which makes three-dimensional models to enable clinicians to prepare for complex operations more easily. The models are produced from CT scans and the service is provided to an increasing number of hospitals.

The Trust is committed to the environment and has a Sustainability and Carbon Reduction Strategy. As part of this, it continues to work with stakeholders to ensure that, where possible, the Trust uses renewable sources of energy and looks to reduce its impact on the environment. As part of its strategy the Trust is looking to generate more solar energy and is looking at plans to generate income for the national grid.

Strategic Report
Additional Reporting Requirements

The number of male and female directors, senior managers and employees at 31 March 2015

Head Count	Female	Male	Total
Directors	5	8	13
*Senior managers	3	4	7
All other staff	3114	920	4034

*Senior managers are defined as members of the Joint Board of Directors which provides a forum for the Chief Executive, supported by the Executive Directors and Clinical Directors, to advise on the strategic direction of the Trust and the Trust's involvement in the wider health economy. Senior managers in this context includes members of the Joint Board of Directors who are not included in the two remaining groups.

Preparation of accounts.

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

History of the Trust

Consistently high standards and excellent financial management enabled Salisbury Health Care NHS Trust to start its application for NHS Foundation Trust status in the latter part of 2005. This led to authorisation under the Health and Social Care (Community) Act 2003 on 1 June 2006, and a new name – Salisbury NHS Foundation Trust.

Going Concern

As part of the Trust's formal reporting requirements the Trust has to provide a statement on whether the accounts were prepared on a going concern basis. After making inquiries, the directors have a reasonable expectation that Salisbury 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 Strategic Report has been approved by the Trust Board.

Peter Hill
Chief Executive (Accounting Officer)
22 May 2015 (on behalf of the Trust Board)

Directors' Report

Directors of Salisbury NHS Foundation Trust during 2014/2015

Nick Marsden	Chairman
Peter Hill	Chief Executive
Laurence Arnold	Interim Chief Operating Officer (from 15 December 2014)
Christine Blanshard	Medical Director
Lydia Brown MBE	Non Executive Director (Vice Chairman and Senior Independent Director)
Malcolm Cassells	Director of Finance and Procurement
Ian Downie	Non Executive Director
Andrew Freemantle CBE	Non Executive Director
Paul Kemp	Non Executive Director (from 1 February 2015)
Alison Kingscott	Director of Human Resources and Organisational Development
Stephen Long	Non Executive Director
Lorna Wilkinson	Director of Nursing (from 4 August 2014)
Revd. Dame Sarah Mullally DBE	Non Executive Director

Directors who left or completed an acting Director's role at Salisbury NHS Foundation Trust within 2014/2015

Nigel Atkinson	Non Executive Director (until 31 January 2015)
Kate Hannam	Chief Operating Officer (until 14 December 2014)
Fiona Hyett	Interim Director of Nursing (From 1 April 2014 to 3 August 2014)

Patient Care and Stakeholder Relations

During the year the Trust introduced a number of developments and initiatives that have directly or indirectly contributed to the performance of the Trust, improved patient experiences and the quality of care at Salisbury District Hospital. The Trust has also worked in conjunction with a number of other organisations on projects that reinforce partnership working, stakeholder relations and staff involvement. Items not already covered in the Strategic Report are summarised within the following themes:

TAKING CARE OF OUR PATIENTS

Improving recovery for critically ill patients

Patients recover faster when there is better recognition and treatment for delirium, psychological factors and a programme of physical therapy. Staff in clinical Psychology and the intensive therapy unit introduced a project which involved earlier diagnosis, psychological therapies, greater rehabilitation and follow up through a multidisciplinary team, which has improved screening rates, patient mobility and patients' experience of care.

End of life advice

Local people had an opportunity to speak to the experts and find out what steps they can take to make their end of life experience better for them and for their loved ones at a special event at the Guildhall. The event coincided with Dying Matters Awareness Week.

Social stimulation for older people

Patients on Redlynch Ward can now sing to the tunes of Irving Berlin and enjoy the splendour of a 1950s style tea party, as part of a new programme of activities to support older people in hospital. This is proving beneficial for patients with dementia and others who need some form of social stimulation while in hospital.

Cancer patients' wellbeing improved through support programme

Patients and staff celebrated the first year of the Salisbury District Hospital Wellbeing Programme which has seen a marked reduction in psychological problems and fatigue associated with cancer. Clinical psychologists and gym staff provide a unique package of physical activities, information and shared support for cancer patients.

Cleft lip and palate children enjoy super heroes fun day

Families from the Spires Cleft Centre enjoyed songwriting, storytelling and designed super hero characters for a short animated film as part of a Super Hero Family Fun Day at the Salisbury Arts Centre.

Portage picnic for children with learning disabilities

Families enjoyed a special Teddy Bears Picnic in the Cathedral Close, where children going on to mainstream school were given portage graduation certificates and others received certificates of achievement.

New guidance and training on "thickening drinks" for patients

Thickened drinks are recommended for some patients with swallowing difficulties, but these should match the consistency required from swallowing assessments. Staff in the Adult Speech and Language (SLT) Team Speech and language have provided training and clearer information for staff about how to thicken drinks which has shown improvement in many parts of the hospital.

WORKING WITH OUR STAKEHOLDERS, PARTNERS AND LOCAL COMMUNITY

Trust wins Lord Lieutenant employer recognition scheme award

The Trust has been awarded a Silver award in the HM Lord Lieutenant for Wiltshire Employer Recognition Scheme, for its support of the Reserve Forces in Wessex. We have a long tradition of giving reservists time off for training and collaborating with reserve units and the Trust was described as a "truly Armed Forces-friendly organisation".

Successful breast care lunch

Breast cancer patients enjoyed each other's company and support as part of the annual lunch for past and present patients held by the breast care nurses at the Michael Herbert Hall in Wilton. The annual lunch was first held 28 years ago so that existing patients could share their experiences and provide additional support to people newly diagnosed with breast cancer.

Mayor thanks NHS staff on behalf of local community

Mayor of Salisbury, Councillor Mrs Jo Broom, said a special thank you to NHS staff for their contribution to the local community over the last 21 years and beyond at a special Mayor's at Home event in the Guildhall. The celebration was one of a number of events organised to mark the 21st anniversary of Salisbury District Hospital.

Over 170 enjoy open day

Members of the public had a unique opportunity to see behind the scenes of some of the hospital's key services as part of its Open Day. Over 170 people enjoyed guided tours around the cardiac suite where complex heart procedures take place, the endoscopy unit where the latest diagnostic equipment is used to identify a range of conditions and one of the hospital's operating theatres.

PROMOTING BETTER HEALTH AND SUPPORT FOR OUR PATIENTS

Local people find out more about how to keep well

Hospital staff and local people had an opportunity to find out more about how they can improve their own health and pick up potential signs of serious illnesses during Self Care Week. This year there was a particular focus on keeping healthy during winter with information and advice from staff in a wide range of areas.

Patient information at Salisbury District Hospital

The Trust recognises the value of good quality information and continues to build up and update its patient information library. All our information can be found on the Trust's website. A large group of volunteers comment on all patient information including leaflets, web pages and DVDs as part of the work

carried out by the Readership Panel. We continue to be certified under NHS England's Information Standard. Any organisation achieving the Information Standard has undergone a rigorous assessment to check that the information they produce is clear, accurate, balanced, evidence-based and up-to-date.

LISTENING AND LEARNING FROM OUR PATIENTS

Cancer patients rate their care highly

Cancer patients have rated their care highly with 94% of those asked saying that it was excellent or very good in a national survey carried out by Quality Health on behalf of NHS England. Over 340 patients responded to the questionnaire which covered the patient's diagnosis and treatment, confidence in staff, hospital information and the support that they received at home.

Patients rate A&E staff and services among best in country

People needing emergency treatment rated the Accident and Emergency (A&E) Department as one of the best in the country, with confidence in staff, privacy and overall experience rated highly in an independent Care Quality Commission (CQC) survey. Around 850 people who attended A&E in the summer were asked their views on facilities, waiting times, the quality of care and the way they were treated.

Comments, concerns, complaints and compliments

Last year the Trust treated 64,385 people as inpatients, day cases and regular day attendees. Another 43,998 were seen in the Emergency Department and 183,732 as outpatients. The Chairman, Chief Executive and Customer Care Department received 2,827 thank you letters/cards, with many more sent directly to staff on wards and units. There were 777 general enquiries, 221 comments, 423 concerns and 309 complaints. The overall number of comments, concerns and complaints responded to in 0-10 working days was 1,400 (75%), in 11-25 working days 259 (14%) and above 25 working days 208 (11%). All comments, concerns and complaints were acknowledged either verbally or in writing within three working days. Seven complaints were referred to the Parliamentary and Health Service Ombudsman for independent review and, to date four have not been upheld. The Trust is awaiting a decision on three cases.

The Trust welcomes feedback as this is used to improve the quality of its services. Areas where improvements were made following complaints include:

o Self-check-in has improved the wait to check in and is well used in Radiology.
o GP walk-in service established in January 2015 where patients can have an x-ray on the day. This has been well received by patients and GPs.
o A Discharge Workshop was held and work continues on developing a discharge checklist.
o Due to delays in booking appointments, ENT are delivering ad hoc additional clinics and an additional clinician is being recruited. Following an audit changes to follow-up criteria and timescales are now being implemented.
o A "STOP moment" has been introduced in Dermatology before undertaking particular procedures. This is a pause before treatment takes place to ensure all safety measures are in place.

More detail about improvements can be found in the Trust Board quarterly reports.

IMPROVING SERVICES AND FACILITIES FOR OUR PATIENTS

Major improvements to intensive care facilities

Major changes have been made to the layout and decoration on Radnor Ward following a £1.2m investment in intensive care facilities, which included £300,000 left by a former patient in her Will to provide additional state-of-the-art equipment.

As part of the improvements the ward has been expanded and refurbished to provide a calm, sensitive and therapeutic environment for patients who are seriously ill and more comforting surroundings for relatives and carers. There are now four new side rooms, a new quiet room, separate family room, social area and kitchen.

New urology centre opens

A new Urology Centre has opened providing a range of diagnosis and treatment for kidney disorders, ureter, bladder, prostate problems and conditions involving the male reproductive organs in one dedicated location. Before the change all clinics and treatment would have been carried out in general surgical outpatients or other non-specialist areas.

Expansion of mobile chemotherapy service

More patients who travel to Salisbury District Hospital for chemotherapy and related treatment are able have this closer to home thanks to an increase in the number of locations the Mobile Chemotherapy Unit (MCU) visits. The MCU now operates in Ludgershall, as well as Fordingbridge, Westbury and Gillingham or Shaftesbury.

New Pembroke Unit garden

Patients who have had a stroke or need cancer treatment now have a quiet area to relax and gather their thoughts following the completion of the beautifully designed and landscaped courtyard garden in between Farley Stroke Unit and the Oncology Outpatient Clinic. Over 5,000 people a year are seen in the oncology clinic and over 400 people a year are admitted to Farley Stroke Unit.

Self check-in kiosks for outpatients

Some patients are now able to check in for their outpatient appointment at quickly and securely using a self check-in kiosk within some outpatient departments and in main reception. The system means that patients do not need to queue while the receptionist may be assisting other patients who need more help or are busy booking follow-up appointments.

Improved care and surroundings for patients on Pitton Ward

Major changes have been made to the layout and decoration on Pitton Ward that provide more calm and relaxing surroundings for patients and help with their care and wellbeing while in hospital. Improvements to Pitton Ward follow changes made to Redlynch Ward.

Hospice refurbishment

Hospice and hospital staff joined Lady Pembroke as she officially reopened Salisbury Hospice following a major refurbishment. The refurbishment involved the use of internal design, art, colour and lighting to improve outpatient and inpatient areas, main reception and waiting rooms and give a more comforting and sensitive environment for patients and their families.

IMPROVING EFFICIENCY TO SUPPORT PATIENT CARE

Improved internal referral system introduced

An internal electronic referral system has been implemented that enables medical and surgical teams to obtain a senior clinical opinion from another specialty instead of using paper copies. To date over 700 referrals have been successfully completed, with patients being seen faster and more efficiently.

Salisbury second best in region on antibiotic prescribing

While antibiotics are an important treatment for our patients, more antibiotic use worldwide is leading to antibiotic resistance and can lead to an increase in the incidence of c difficile. Following an audit of antibiotic prescribing, Salisbury had the second best results out of 17 Trusts across the South West of England.

Salisbury linen services

Salisbury Linen Services has been externally assessed and certified to be compliant with both the Choice Framework and the European Standard for Healthcare Linen. This significant achievement provides the Trust with the assurance that the processing and management controls within the laundry are meeting the highest industry standards.

Reducing prescription errors

As part of a health improvement project, junior doctors carried out a review to see how they could reduce out of hours prescription errors through access to a new electronic system for on call medical teams. Errors were reduced, with the additional benefit of better access to clinical information such as GP records and prescribing information.

New process for endoscope decontamination interests other hospitals

Staff in the Sterilisation and Disinfection Unit (SDU) have created a dedicated central decontamination process for endoscope decontamination which, together with training, audit and review, has increased capacity, freed up nursing time, provided national quality accreditation (the second in the country) and generated interest from other regional hospitals in the service.

RECOGNISING INNOVATION THAT IMPROVES PATIENT CARE

Portering team develop new medical notes trolley

Existing patient notes trolleys needed to be replaced to maintain security and reduce manual handling risks. Following consultation with staff and information governance advisors, the portering team designed an ergonomic trolley which has improved the service, saved money and prompted a review of trolleys used in other areas.

Salisbury psychologists shortlisted for national award

Psychologists in the award-winning Engage programme were shortlisted from over 700 applications for a national Patient Safety and Care Award for the package

of support and stimulation they use to help older adults in hospital. The team was shortlisted in the Dementia Care category. The team are also providing the Engage programme to other hospitals in the region.

Innovations lead named in best 50 NHS innovators in country

Innovations Lead, Carol Read, was named in the top 50 healthcare innovators by the Health Service Journal. The judging panel cited Carol's involvement and inspiration behind the commercial development and success of My Trusty Little Sunflower Cream.

RECOGNISING AND REWARDING THE BEST

Director of Fundraising wins outstanding achievement award

Director of Fundraising for the Stars Appeal, Dave Cates won the Trust's outstanding achievement award for his work on leading a number of successful fundraising initiatives that support patient care, making the stars Appeal one of the most recognised charities in the area.

Caretaker rewarded as the Trust's unsung hero

Central Health Clinic caretaker Graham Love was praised for his support, commitment and cheerful good humour by staff at Salisbury District Hospital as he picked up the Trust's Unsung Hero Award.

Staff recognised for customer care

Staff in the Hospice and Paediatric Physiotherapy Assistant Carol Evans received Trust Customer Care awards for the kindness and compassion they show in caring for people in difficult and sensitive circumstances.

Staff living the values

In support of the Trust's new values and behaviours Rosie Stenning, Sister in Gynaecology Outpatients and Liam Thornhill, Library Assistant, were rewarded for the way in which they used The Trust's values in their everyday work.

Hospital entertainer rewarded for his work with sick children

The hospital Governors recognised the joy and happiness that Arthur Kendrew has brought to children who were unwell in hospital with a special award for his work as a children's entertainer on Sarum Ward.

Equality and diversity rewarded

Equality and Diversity at Salisbury District Hospital has been recognised with an award for Anne Phillimore, Assistant Audiologist, who showed passion and commitment in setting up a project to deliver hearing aid maintenance and advice to patients in nursing homes.

Hospital in top 100 healthcare organisations to work

Comments from staff have placed the hospital in the top 100 best healthcare organisations in in which to work. The Health Service Journal gathered a range of information from employers and staff and these were then analysed by independent workplace research firm Best Companies Group who used this to benchmark organisations and identify the top 100 in the country.

A&E staff win local hero award

Staff in the Accident and Emergency Department won a Salisbury Journal/Spire FM Local Hero Award for their hard work and dedication and continued excellent care despite demands on the service. The team picked up their award at a special ceremony in Salisbury.

Surgery manager wins leadership award

Directorate Manager for Surgery Mandy Cripps, has won the Trust's leadership award. This award is given to someone who has shown exceptional leadership skills by either supporting staff through change, encouraging staff to develop through different learning experiences or motivating individuals and teams to achieve personal or organisational goals.

CELEBRATING ACHIEVEMENTS

Staff and patients mark historic links with US military

Staff and patients marked Salisbury District Hospital's historical links with the US military on the 70th anniversary of the D-Day landings with a ceremony on the Green in the presence of the Senior Liaison Officer for the US Army Training and Doctrine Command and representatives from the Royal British Legion.

Staff rewarded for services to patients

Staff have been rewarded for their professionalism and commitment and the way in which they have improved services for patients as part of the hospital's Striving for Excellence Awards. There were 11 categories in all, and award nominations were made by patients, staff and

volunteers, with members of the public voting for the winners in the Service Improvement categories.

Community midwife wins mentorship award

Community Midwife Rachel Holmes has won the Pinder Award which recognises the role experienced nurses play in supporting students throughout their training programme. Rachel was nominated by a student midwife who saw her as a role model for "true excellence in midwifery practice and mentorship".

Horatio's Garden and spinal unit 30th anniversary

The Spinal Unit enjoyed a weekend of celebrations with over 1,500 people coming along to three events to raise funds for Horatio's Garden and mark the 30th anniversary of the Duke of Cornwall Spinal Treatment Centre. This included a summer drinks party, an anniversary celebration and a plant fair in Horatio's Garden.

Staff do well in chief scientific officer's workforce innovation award.

Pathology technical manager, Christine White, won the Chief Scientific Officer's 2015 award for Organisational Lead Scientist. This is a prestigious award and demonstrated how Salisbury healthcare scientists are engaged in their work and promote the hospital as an excellent place for career progression and recognition.

SUPPORTING OUR STAFF TO PROVIDE BEST CARE

Improvements following staff survey

The Trust has implemented a number of improvements for staff following the 2013/2014 staff survey

In supporting staff experiencing work related stress the Trust has put in place a number of activities linked to its Wellbeing programme including mindfulness sessions, additional access to counselling services and a specialist mental health nurse, additional physiotherapy sessions and pop-up clinics.

The majority of incidents involving violence and aggression towards staff are due to the nature of a patient's medical condition the trust has increased access to "conflict resolution" training for frontline staff, provided more appropriate "specialing of patients" and put in place a 24/7 security service.

To increase the uptake of training and appraisals managers have been given access to greater detail about team compliance to enable targeted support with tailored training for individual areas.

In terms of incident reporting the Trust has increased awareness of the need to report all incidents. High reporting rates indicate a positive reporting culture and leads to a significant increase in the level of 'no harm' incidents. Staff are encouraged to report all harmful errors, near misses or incidents and reporting remains good, and the number of events witnessed has decreased.

New values and behaviours

The Trust Board has agreed a refreshed set of values and associated behaviours for the organisation. The values and behaviours were developed through staff focus groups and wider staff consultation and describe what is important to staff in going about their day to day business in the Trust. There are four core values which focus on staff being Patient Centred and Safe, Professional, Responsive and Friendly.

Visitors and staff celebrate cultural diversity

Visitors and staff learnt more about the cultural diversity that exists within the hospital as part of its Equality is for Everyone event. The focus this year was on celebrating the diversity of NHS staff with the aim of highlighting the many different cultural groups at the hospital and the positive benefits of living and working in a multi cultural society.

Day nursery graded as 'good' by Ofsted

The on-site Day Nursery has been graded as 'good' by Ofsted following an inspection. This is a great achievement as it is the nursery's first inspection under Ofsted's new and more rigorous inspection framework. The inspection report said "all children are valued for their uniqueness" and staff "support children to make good progress in their learning and meet their individual needs well".

Staff loyalty recognised with long service awards

Thirty seven members of staff were rewarded for their loyalty and commitment to patients when they received long service awards for completing 25 years of continuous service. Staff were presented with certificate, flowers and a gift from Nick Marsden, Chairman and Peter Hill, Chief Executive at a special ceremony.

Additional Director's Report Disclosures

Please note that the Trust has only disclosed information under the Companies Act that is relevant to its operations. Companies Act disclosures relating to political donations, future developments, provision for staff communication on matters of concern and financial risk management are included in the Trust's Strategic Report section.

Research and Development

The Trust hosts the Research Design Service (SW) Salisbury Office, which advises researchers who are preparing a grant application. The South West RDS is part of the National Institute of Health Research (NIHR) and, as part of the regional structure; the Trust meets the research governance objectives set by the NIHR. Based on the latest available figures, the number of NHS patients taking part in clinical research in the Trust in the 2014/2015 financial year was 877 people taking part in 54 National Institute of Health Research and Clinical Research Network studies hosted by the Trust, compared with 912 patients taking part in 44 studies in the previous year. Participation in clinical research forms part of the NHS constitution and the NHS operating framework, and enables the NHS to develop new treatments and shape services in the future.

Policies relating to the training, career development and continuing employment of disabled employees

Please see Equality Report at the end of this Annual Report.

Overview of Trust's Quality Governance Arrangements

The primary responsibility for maintaining and improving quality rests with the Trust Board. As part of this the Board has to have regard for Monitor's Quality Governance Framework. Monitor is the NHS Foundation Trust regulator. The Trust has a range of systems to ensure that quality governance is not only embedded firmly within the culture of the organisation, but that it also forms a key part in Trust strategy – with processes in place to monitor and measure capability and performance and review individual services. This is maintained through a quality framework. Information is gathered from patient feedback, reports, audits, external agency and peer reviews, and from Trust staff at ward and departmental level through Trust Board led quality walks. This is discussed at directorate quality meetings and presented to the Clinical Governance Committee as part of the assurance process. The Trust has clear reporting lines through individual directorates, the Clinical Management Board and the Trust Board itself, which reviews performance through a comprehensive series of quality indicators that are discussed in public at Trust Board meetings. Full details of the work the Trust is carrying out in this area can be found in the Quality Report and the Annual Governance Statement later in this Annual Report. It is important to note that there are no material inconsistencies between the Trust's Annual Governance Statement, Board reports required by the Risk Assessment Framework, the Corporate Governance statement submitted with the Annual Plan, the Annual Report (incorporating the Quality Report) and any reports arising from Care Quality Commission reviews. The Trust Board will continue to monitor the governance of quality through its quality framework.

Statement on disclosure to the auditors.

As far as the Directors are aware there is no relevant audit information of which the auditors are unaware. Each individual director that has approved this Annual Report has taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of the information.

Accounting policies for pensions and other retirement benefits

These are set out in note 10 to the accounts and details of senior employees' remuneration can be found in the Remuneration Report.

Register of Interests for Directors and Governors

A register of interests is held in the Trust Offices. Information regarding the Directors' and Governors' interests and whether they have undertaken any material transactions with Salisbury NHS Foundation Trust can be obtained by contacting David Seabrooke, Head of Corporate Governance, Trust Offices, Salisbury NHS Foundation Trust, Salisbury District Hospital, Salisbury, SP2 8BJ.

Sickness Absence Information

The Trust has robust procedures for the management and monitoring of sickness absence with regular reporting at departmental, directorate and Trust Board level.

	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Total days lost	20,653	19,656
Total staff years	2,751	2,736
Average working days lost per WTE	7.5	7.2

Statement on compliance with cost allocation and charging guidance issued by HM Treasury

Salisbury NHS Foundation Trust has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information Guidance.

Remuneration Report

Chairman of the Remuneration Committee's Annual Statement on Remuneration

Senior managers have the authority or responsibility for directing and controlling the major activities of the Trust and for Salisbury NHS Foundation Trust this covers the Chairman, the Executive and Non Executive Directors. It is important to note that the Remuneration Committee of the Board has responsibility for setting the terms and conditions for the Executive Directors, while responsibility for setting the terms and conditions for the Chairman and Non Executive Directors lies with the Council of Governors, which is advised by the Performance Committee. The Remuneration Committee reviewed the salaries and the individual reward packages of the Executive Directors for 2014/2015. Salaries are set in comparison with those given to holders of equivalent posts within the NHS. Advancement within the individual salary scales of Executive Directors is based on successful appraisal outcomes and this is the only performance-related element of the Executive Director's remuneration. The Remuneration Committee works closely with the Chief Executive in reviewing each executive director's performance and the Director of HR and Organisational Development advises the committee on the performance of the Chief Executive.

Senior Manager's Remuneration Policy

The policy described in this section applies to the executive and non executive directors and is periodically reviewed so that it remains aligned to the Trust's requirements, recruitment needs and practices.

The Trust's overarching Remuneration Policy is designed to ensure that senior managers' remuneration supports its strategy and business objectives. The policy in practice has been developed to support the provision of high quality services for patients through its strategic aim of delivering an outstanding experience for every patient, financial stability and improved service performance.

The Trust is mindful of a broad range of factors in setting this policy.

The Trust's remuneration principles are that rewards to senior managers should enable the Trust to:

- Attract, motivate and retain senior managers with the necessary abilities to manage and develop the Trust's activities fully for the benefit of patients
- Align remuneration with objectives that match the long term interests of the Trust
- Drive appropriate behaviours in line with the Trust's values
- Focus senior managers on the business aims and appraise them against challenging objectives

Future Policy Table
Executive Directors

Element of pay (Component)	How component supports short and long term strategic objective /goal of the Trust	Operation of the component	Performance metric used and time period
Basic salary	Provides a stable basis for recruitment and retention, taking into account the Trust's position in the labour market and a need	Individual pay point is set within a pre designed pay band which has a minimum and maximum limit.	Pay is reviewed annually in relation to individual performance based on agreed objectives set out prior to the start of that

	for a consistent approach to leadership. Stability, experience, reputation and widespread knowledge of local needs and requirements supports the Trust's short term strategic objectives outlined in its annual priorities and its long term strategic goals of: Choice - providing a comprehensive range of high quality local services enhanced by our specialist centres Care - treating our patients with care, kindness and compassion and keep them safe from avoidable harm Our Staff - making the Trust a place to work where staff feel valued to develop as individuals and as teams Value - being innovative in the use of our resources to deliver efficient and effective care	(See salary scales at the end of the Future Policies table which sets out the rates payable). Initial positioning on this pay band is based on experience and research into pay in other NHS Foundation Trusts.	financial year which runs between 1 April and 31 March.
Benefits	Benefits in kind relate to either the provision of a car, training or additional pension contributions. Salary for executive Directors includes any amount received (See Basic salary on how this component supports short and long term strategic objective/goal of the Trust)	(See above)	(See above)
Pension	Provides a solid basis for recruitment and retention of top leaders in sector. Supports the Trust's short term strategic objectives outlined in its annual	Contributions within the relevant NHS pension scheme	Contribution rates are set by the NHS Pension Scheme

	priorities and its long term strategic goals stated in the basic salary component.		
Bonus	N/A	N/A	N/A
Fees	N/A	N/A	N/A

Note 1: The components above apply generally all Executive Directors in this table and there are no particular arrangements that are specific to an individual executive director.

Note 2: While a review-point was introduced in 2013/2014 for newly-appointed Executive Directors after two years in post, no new components were introduced in 2014/2015. There were also no changes made to the existing components of the remuneration package.

Note 3: The Remuneration Committee adopts the principles of the Agenda for Change framework when considering executive directors' pay. However, unlike Agenda for Change, there is no automatic salary progression within the salary scale even if individual directors meet their annual objectives. See Statement of consideration of employment conditions elsewhere in the Trust for more detail.

Note 4: The performance measures were chosen to reflect the Trust's adopted values and its strategic goals form the basis for Directors' objectives. There is no specific minimum level of performance that affects the payment and no further levels of performance which would result in additional amounts being paid.

Note 5: There is no specific provision for the recovery of sums paid to directors or for withholding the payment of sums to senior managers that relate to their basic salary. However, the Remuneration Committee in respect of the Executive Directors and the Council of Governors for the Non Executive Directors does have the authority to decide on whether any pay increase should be awarded each year based on performance. The review point described above in Note 2 is subject to satisfactory performance.

Note 6: No Executive Directors have been released to undertake other paid work elsewhere.

Non Executive Directors

Element of pay (Component)	How component supports short and long term strategic objective /goal of the Trust	Operation of the component	Performance metric used and time period
Basic salary	The pay level reflects the part time nature of the role. It is set at a level that gives recognition for the postholder's commitment and responsibility of the role. Supports the Trust's short term strategic objectives outlined in its annual priorities and its long term strategic goals of: Choice - providing a comprehensive range of high quality local services enhanced by our specialist centres	It is one single pay point based on research of NHS pay for Non Executive Directors in other NHS Foundation Trusts	The pay level is reviewed annually by the Council of Governors.

| | Care - treating our patients with care, kindness and compassion and keep them safe from avoidable harm

Our Staff - making the Trust a place to work where staff feel valued to develop as individuals and as teams

Value - being innovative in the use of our resources to deliver efficient and effective care | | |
|---|---|---|---|
| Benefits | N/A | N/A | N/A |
| Pension | N/A | N/A | N/A |
| Bonus | N/A | N/A | N/A |
| *Fees | N/A | N/A | N/A |

Non Executive Directors Fees: Responsibility for setting the terms and conditions for the Chairman and Non Executive Directors lies with the Council of Governors. The policy on remuneration is that the Non Executive Directors are paid a basic salary (see Salary Scales). No additional duties which require a fee are carried out by the Non Executive Directors.

Salary scales for senior managers

Senior Manager/ Executive Directors	Role	Salary scale £
Peter Hill	Chief Executive	143,531 - 175,235
*Laurence Arnold	Interim Chief Operating Officer	105,000 - 120,750
Christine Blanshard	Medical Director	134,835 - 155,075
Malcolm Cassells	Director of Finance and Procurement	110,090 - 126,603
Kate Hannam	Chief Operating Officer	105,000 - 120,750
*Fiona Hyett	Interim Director of Nursing	90,900 - 104,030
Alison Kingscott	Director of HR and Organisational Development	86,385 - 99,353
Lorna Wilkinson	Director of Nursing	90,900 - 104,030

* Please note that salary scales relate to the substantive postholder

Senior Manager/ Non Executive Directors	Role	Fixed Salary
Nick Marsden	Chairman	43,000
Nigel Atkinson	Non Executive	13,000
Lydia Brown (Vice Chairman)	Non Executive	16,000
Ian Downie	Non Executive	13,000
Andrew Freemantle	Non Executive	13,000
Paul Kemp	Non Executive	13,000
Stephen Long	Non Executive	13,000
Sarah Mullally	Non Executive	13,000

Service contracts obligations

There are no specific obligations on Salisbury NHS Foundation Trust that impact on remuneration payments or payments for loss of office that are not disclosed elsewhere within the Remuneration Report.

Policy on payment for loss of office

This is subject to individual negotiation and takes into account the circumstances and merits of the individual case and the likely treatment by an employment tribunal.

Statement of consideration of employment conditions elsewhere in the Trust

While the Trust did not consult with employees on the remuneration policy regarding senior managers, it did take into account the national pay and conditions on NHS employees. On this basis, the Remuneration Committee adopts the principles of the Agenda for Change framework when considering executive director's pay. However, unlike Agenda for Change, there is no automatic salary progression within the salary scale even if individual directors meet their annual objectives

(see Annual Statement on Remuneration for decisions taken for the 2014/2015 year). The initial position on the salary scale will depend on the Executive Director's previous relevant experience and any progression within that scale is determined by the Remuneration Committee (See Annual Statement on Remuneration). Performance objectives for the Executive Directors is identified and agreed with the Chief Executive, or by the Chairman in the case of the Chief Executive, and signed off by the Remuneration Committee. Objectives are set for individual Executive Directors based on strategic aims within the annual plan.

Responsibility for setting the terms and conditions of Non Executive Directors rests with the Council of Governors, which is advised by the Performance Committee and takes into account remuneration in other NHS organisations by reviewing available national comparisons in NHS Employers information. This was determined when the Trust was authorised, on the basis of independent advice. In 2010 the Council of Governors decided not to award a pay increase to the Non Executive Directors and this has remained the case since then. Please note that no additional fees are paid to the Chairman and the Non Executives Directors, other than travel and subsistence costs incurred

Annual Report on Remuneration

Senior Manager's Service Contracts

None of the current Executive Directors is subject to an employment contract that stipulates a length of appointment. The appointment of the Chief Executive is made by the Non-Executive Directors and approved by the Council of Governors. The Chief Executive and Executive Directors have a permanent employment contract and the contract can be terminated by either party with three months' notice. The contract is subject to normal employment legislation.

Executive Directors are appointed by a committee consisting of the Chairman, Chief Executive and Non Executive Directors. The Trust's Constitution sets out the circumstances in which a Director will be disqualified from office and employment terminated. No significant awards have been made to past senior managers in

2014/2015. As stated in the Annual Statement on Remuneration, salaries are set in comparison with those given to holders of equivalent posts within the NHS. There is no bonus scheme for Executive Directors and any pay progression is based solely on individual performance, as noted above and to recognise new responsibilities.

The Chairman and Non-Executive Directors of the Trust are appointed by the Council of Governors for a term of office of up to three years for all new appointments. This can be renewed for a second three-year term with the agreement of both parties. The Council of Governors can terminate the appointment at any time during this period of office. For those who were in post during 2014/ 2015 please see Directors Report for details of service period.

Remuneration Committee

Name	Role	Attendance from 2 meetings
Nick Marsden	Chairman	2
Nigel Atkinson	Non Executive Director	1 from 2
Lydia Brown	Non Executive Director	2
Ian Downie	Non Executive Director	1 from 2
Andrew Freemantle	Non Executive Director	1 from 2
Paul Kemp	Non Executive Director	0 from 0
Stephen Long	Non Executive Director	2
Sarah Mullally	Non Executive Director	2

*External advice is not routinely provided to the Remuneration Committee. However, the Chief Executive, Director of HR and Organisational Development and the Head of Corporate Governance attend and provide internal advice to the committee.

The Work of the Remuneration Committee and the Trust's Statement on Pay Policy

The Remuneration Committee reviews the salaries and where relevant, the individual reward packages of the Executive Directors. Most other staff within the NHS have contracts based on Agenda for Change national terms and conditions, which is the single pay system in operation in the NHS. Doctors, dentists, very senior managers and directors have separate terms and conditions. Pay Circulars inform of changes to pay and terms and conditions for medical and dental staff, doctors in public health medicine and the community health service, along with staff covered by Agenda for Change. The Trust follows these nationally set pay polices in negotiating with Trade Unions on areas of local discretion.

Expenses for Senior Managers and Governors

Year	Number of Directors in Office	Number of Directors Reimbursed	Amount Reimbursed to Directors	Number of Elected Governors in Office	Number of Elected Governors Reimbursed	Amount Reimbursed to Elected Governors
2014/2015	16	12	£10,300	21	8	£2,320
2013/2014	14	10	£10,448	21	6	£2,828
Expenses incurred during the course of their duties relate to travel, accommodation and subsistence. Directors include those who were in post in an interim capacity during the year						

Off Pay Roll Payments

Off-payroll engagements as of 31 March 2015, for more than £220 per day and that last for longer than six months

No. of existing engagements as of 31 March 2015	6
Of which...	
No. that have existed for less than one year at time of reporting.	6
No. that have existed for between one and two years at time of reporting.	0
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.	0

*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 2015, for more than £220 per day and that last for longer than six months

No. of new engagements, or those that reached six months in duration, between 1 April 2014 and 31 March 2015	6
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	6
No. for whom assurance has been requested	6
Of which…	
No. for whom assurance has been received	0
No. for whom assurance has not been received	6
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 2014 and 31 March 2015

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Number of individuals that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year. This figure must include both off-payroll and on-payroll engagements.	16

Statement on the Trust's policy on high paid off payroll arrangements

The Trust makes use of these arrangements only in exceptional circumstances. For instance, where there is a requirement for short term specialist project management experience which cannot be filled within the existing workforce because of capacity or in-house knowledge and experience. Where an executive director post becomes vacant, the Trust looks to put in place an "acting-up" arrangement, but may select an interim manager to provide cover for up to a year pending recruitment.

Salary and Pension Entitlement

Remuneration 1 April 2014 – 31 March 2015						
	Salary and fees (Bands of £5,000) £000	Taxable Benefits Rounded to the nearest £100	Annual Performance Related Bonus (Bands of £5,000) £000	Long term Performance Related Bonus (Bands of £5,000) £000	Pension Related Benefits (Bands of £2,500) £000	Total (Bands of £5,000) £000
Laurence Arnold Interim Chief Operating Officer	25-30	0	0	0	0-2.5	25-30
Nigel Atkinson Non Executive	10-15	0	0	0	0	10-15
Christine Blanshard Medical Director	165-170	0	0	0	55-57.5	225-230
Lydia Brown Non Executive	15-20	0	0	0	0	15-20

	Salary and fees	Taxable Benefits	Annual Performance Related Bonus	Long term Performance Related Bonus	Pension Related Benefits	Total
Malcolm Cassells Director of Finance	120-125	0	0	0	0	120-125
Ian Downie Non Executive	10-15	0	0	0	0	10-15
Andrew Freemantle Non Executive	10-15	0	0	0	0	10-15
Kate Hannam Chief Operating Officer	75-80	0	0	0	5-7.5	80-85
Fiona Hyett Interim Director of Nursing	30-35	0	0	0	17.5-20	50-55
Peter Hill Chief Executive	150-155	0	0	0	20-22.5	175-180
Stephen Long Non Executive	10-15	0	0	0	0	10-15
Nick Marsden Chairman	40-45	0	0	0	0	40-45
Sarah Mullally Non Executive	10-15	0	0	0	0	10-15
Paul Kemp Non Executive	0-5	0	0	0	0	0-5
Alison Kingscott Director of HR & Organisational Development	95-100	0	0	0	10-12.5	105-110
Lorna Wilkinson Director of Nursing	55-60	0	0	0	70-72.5	130-135

There were no taxable benefits paid to Directors in the year. Salary for Executive Directors includes any amount received for car allowance.

Kate Hannam left the Trust on 14 December 2014 and Laurence Arnold was appointed Interim Chief Operating Officer from 15 December 2015, which carried through into the new financial year. Nigel Atkinson completed his final term of office on 31January 2015 and was replaced by Paul Kemp on 1 February 2015. Fiona Hyett was Interim Director of Nursing from 1 April 2014 to 3 August 2014 and Lorna Wilkinson joined the Trust on 4 August 2015.

Remuneration 1 April 2013 – 31 March 2014						
	Salary and fees (Bands of £5,000) £000	Taxable Benefits Rounded to the nearest £100	Annual Performance Related Bonus (Bands of £5,000) £000	Long term Performance Related Bonus (Bands of £5,000) £000	Pension Related Benefits (Bands of £2,500) £000	Total (Bands of £5,000) £000
Nigel Atkinson Non Executive	10-15	0	0	0	0	10-15
Christine Blanshard Medical Director	165-170	0	0	0	15-17.5	180-185
Lydia Brown Non Executive	15-20	0	0	0	0	15-20
Malcolm Cassells Director of Finance	125-130	0	0	0	2.5-5	125-130

Ian Downie Non Executive	10-15	0	0	0	0	10-15
Andrew Freemantle Non Executive	10-15	0	0	0	0	10-15
Kate Hannam Chief Operating Officer	90-95	0	0	0	75-77.5	165-170
Peter Hill Chief Executive	150-155	0	0	0	127.5-130	275-280
Stephen Long Non Executive	10-15	0	0	0	0	10-15
Luke March Chairman	30-35	0	0	0	0	30-35
Nick Marsden Chairman	10-15	0	0	0	0	10 - 15
Sarah Mullally Non Executive	10-15	0	0	0	0	10-15
Tracey Nutter Director of Nursing	100-105	0	0	0	0	100-105
Alison Kingscott Director of Human Resources	90-95	0	0	0	37.5-40	130-135

There were no taxable benefits paid to Directors in the year. Salary for Executive Directors includes any amount received for car allowance.

Luke March's term of office ended on 31December 2014 and he was succeeded by Nick Marsden on 1 January 2014. Sarah Mullally started on 1 April 2013 and Kate Hannam took up her post on 3 June 2013.

Pension Benefits 1 April 2014 – 31 March 2015							
	Real increase in pension at age 60 (Bands of £2,500) £000	Real increase in pension lump sum at age 60 (Bands of £2,500) £000	Total accrued pension and related lump sum at age 60 at 31 March 2015 (Bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 March 2015 (Bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2015 £000	Real increase in Cash equivalent Transfer Value £000	Cash Equivalent Transfer Value at 1 April 2014 £000	Employers contribution to Stakeholder pension To nearest £100
Laurence Arnold	0-2.5	0-2.5	75-80	55-60	340	7	308	0
Christine Blanshard	2.5-5.0	10-12.5	260-265	195-200	1,279	104	1,145	0
***Malcolm Cassells**	N/A	N/A	N/A	N/A	N/A	N/A	1,327	0
Kate Hannam	0-2.5	0-2.5	100-105	75-80	377	17	343	0
Fiona Hyett	0-2.5	2.5-5	95-100	70-75	408	17	350	0
Peter Hill	0-2.5	5-10	250-255	185-190	1,272	72	1,168	0
Alison Kingscott	0-2.5	2.5-5	100-105	75-80	426	28	387	0
Lorna Wilkinson	2.5-5	10-12.5	105-110	75-80	434	63	329	0

* Malcolm Cassells is not a current member of the NHS Pension Scheme and so no additional benefits have accrued in the year.

Notes to Remuneration and Pension Tables

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

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures and the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement). The factors used to calculate the 2015 CETV's have increased; therefore the value of CETV's for some members has increased by more than expected since 31 March 2014.

Median Remuneration that Relates to the Workforce

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director and the lowest paid director in their organisation and the median remuneration of the organisation's workforce. The mid-point of the banded remuneration of the Trust's highest paid director in 2014/15 was £167,500 (£2013/14, £167,500). This was 6.8 times (2013/14, 6.9 times) the median remuneration of the workforce, which was £24,800 (2013/13, £24,400). In 2014-15, two (2013-14, four) employees received total remuneration in excess of the highest paid director. Remuneration ranged from £5,338 to £185,000, (2013/14, £5,240 to £186,000). Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions. The pay multiplier between the median remuneration of the workforce and the highest paid director fell in 2014-15. Based on annualised pay, the Medical Director was the highest paid director in both years. Please note that this information has been subject to audit.

Payments for loss of office

There were no payments made for loss of office in either 2013/2014 or 2014/2015.

Payments to past senior managers

None to report in 2014/2015

**Peter Hill
Chief Executive
22 May 2015**

NHS Foundation Trust Code of Governance

Disclosure Statement

Salisbury NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

The way in which the Board applies the principles and provisions is described in the various sections of the report. The Directors consider that for the 2014/2015 year the Trust has been fully compliant.

Details on the NHS Foundation Trust Code of Governance can be found on the Monitor website at www.monitor.gov.uk

General Statements

The Board of Directors should make available a public document that sets out its policy on the involvement of members, patients and the local community at large, including a description of the kind of issues it will consult on.

As an acute hospital and a Public Benefit Corporation the Trust exists to deliver NHS services in line with national guidelines and also to respond to the requirements of the health community which it serves. The Trust Board welcomes the views and opinions of all individuals and stakeholders who have an existing connection, or might have a future connection, with the Trust.

The Trust maintains a continuing communication with members, patients, clients and stakeholders and, while welcoming individual comment, will also seek to make maximum use of the various corporate relationships that exist. These will include Governors, members, patient groups, and external organisations such as commissioners, and local councils while healthcare professionals will always be able to make their views known through the range of hospital departments.

The Trust Board undertakes to involve the local community in all its forms, as appropriate, in any significant aspect of physical or service change. The nature of any proposed change may require different levels of consultation with the Governors only through to full public consultation. The Trust will consult formally on those matters where this is necessary. In this regard the Trust Board will take advice and guidance from Wiltshire Health Watch on the procedure/process for conducting any formal consultation where this is required.

The Board holds a joint meeting with the Council of Governors to consult on the objectives, priorities and strategy that is included in the Annual Plan. This is supported by the Governors' Strategy Committee.

The Board of Directors should clarify in writing how the public interests of patients and the local community will be represented, including its approach for addressing the overlap and interface between governors and any local consultative forums (Local Healthwatch, the Overview and Scrutiny Committee, the local League of Friends, and staff groups).

The Trust Board recognises the importance of having mechanisms in place which ensure that a satisfactory dialogue can always take place with its stakeholders and appreciates the constructive comments that can flow from this style of relationship.

The Directors are very open in the release of information about the Trust and its performance through the availability of information on the Trust's website and the publication and distribution of a range of written information such as Press Releases, the Annual Report, Annual Review and members and Staff Newsletters. This creates 'openness' and allows external challenge which the Trust welcomes. To help in this process the Trust has a full time Communications Manager.

The Trust Board looks to work closely with all key groups and their representatives. A representative of the Wiltshire Health Watch routinely attends the Public meetings of the Trust Board. Trust representatives regularly brief the local Health & Well-Being Board.

Governors continue to develop ways of communicating with members and giving Members the opportunity to express their thoughts. Constituency meetings and Medicine for Members' sessions are examples of where this takes place. The Board understands the critical importance of maintaining strong relationships

with Staff Groups and the Staff side Secretary attends Trust Board meetings, the Trust has regular meetings with the JNC which has an Executive presence, and communicates to all staff verbally through a monthly Cascade Brief, Members' newsletter and the Chief Executive's message and on the Intranet. Staff opinion is sought on all matters which affect working conditions.

By adopting an open, engaging and listening approach the Trust is well placed to ensure that the public interests of all stakeholders are considered appropriately with any resulting consultation being managed in accordance with the response to paragraph E.1.2.

Statement Explaining How the Board of Directors and the Council of Governors Operate, Including a High Level Statement of Which Types of Decisions are Delegated to the Management by the Board of Directors

Board of Directors

The Board of Directors comprises the Chairman, Chief Executive, up to seven Non-Executive Directors and five Executive Directors making thirteen in post in total.

The Board meets bi-monthly. The dates of the meetings are advertised on the Trust's web-site. The agendas, papers and minutes for all public meetings are published on the website.

The Directors have collective responsibility for:-
• Setting strategic direction, ensuring management capacity and capability, and monitoring and managing performance
• Providing leadership and governance to the Trust within a framework of prudent and effective controls
• Managing the operational, business and financial risks to which the Trust and its related businesses are exposed
• Monitoring the work undertaken and the effectiveness of the sub-committees of the Board
• Allowing flexibility to consider non-routine matters or items that are outside of the planned work programme
• Reviewing the performance of the senior management team
• Exercising the above duties in a way that is accountable to the Governors, members and stakeholders

Annually the content of the agendas for the following twelve months is agreed to ensure there is a good order and appropriate timing to the management of the above functions.

The Board is required to comply with its Standing Orders, Standing Financial Instructions and the Licence. The Board has to submit a strategic plan to Monitor and quarterly reports to confirm compliance with both the Trust's Continuity of Service and Governance targets under the Risk Assurance Framework.

Council of Governors

The Council consists of 26 Governors:
• 15 Public Governors
• 6 Staff Governors
• 6 Nominated Governors

The Chair of the Trust Board is also the Chair of the Council of Governors and is a key conduit between the two bodies. The full Council of Governors meets in public four times a year and also holds an Annual Members' Meeting. The Chief Executive normally attends the Council meetings to present a performance report and respond to questions.

Non-Executive Directors attend the Council of Governors by invitation on a rota basis to develop their own understanding of the work of the Governors and their issues.

The work of the Governors is divided between their statutory and non-statutory duties.

The statutory duties are to:-

• Hold the Non-Executive Directors to account
• Advise the Board on the effect on the provision of NHS services of non NHS provision
• Set the Terms and Conditions of Non-Executive Directors together with their remuneration and allowances
• Appoint or remove the Chairman and Non-Executive Directors of the Trust
• Approve the appointment of future Chief Executives
• Appoint or remove the Trust's External Auditor
• At the AGM consider the Trust's annual accounts, auditor's report and annual report
• Be consulted by the Board of Directors on the development of forward plans for the Trust and any significant changes to the health care provided.
• To undertake training in the role.

Where appropriate Governors have been placed, on a voluntary basis, on to Committees or into Groups to look at the requirements of these functions and present recommendations for the full Council to consider.

On the non-statutory side the Governors have been placed into committees to consider various topics over which they can have an influence. In 2014/2015 these covered:

- Communications and Membership
- Performance of Chairman and Non Executive Directors
- The Trust's Annual Plan for 2014/2015 prior to submission to the regulator
- Patient experience
- Governor's self assessment
- The strategic direction of the Trust
- Volunteers

The Governors review their work programme and the make-up of their working groups annually. They appreciate that, statutory roles apart, their principal duties are to monitor, advise and inform.

Decisions Delegated to the Management by the Board of Directors

The Scheme of Delegation, which is included within the Trust's Standing Orders, sets out the decisions which are the responsibility of the Board of Directors. These are actioned either by the Trust Board or a committee of the Board.

The Executive Directors have established the Joint Board of Directors which consists of the Executive Directors, Clinical Directors and other senior post holders. The Joint Board of Directors meets monthly and is chaired by the Chief Executive. Its remit is to consider the management of the day to day business of the Trust, both operationally and clinically. The Joint Board of Directors is supported in its work by the Operational Management Board chaired by the Chief Operating Officer and the Clinical Management Board chaired by the Medical Director.

Council of Governors policy for engagement with the Board of Directors where they have concerns about the performance of the Board, compliance with the provider licence or matters related to the overall wellbeing of the Trust. The council of governors should input into the Board's appointment of a senior independent director.

There are a number of mechanisms in place that allow an issue or concern to be discussed and escalated. Informally, there are meetings between the Lead Governor and the Chairman. There are bi-monthly meetings between the governors and the non-executive directors. Governors attend Trust Board and Directors attend the Council of Governors. If the range of informal approaches do not resolve a concern, a joint meeting of the board and the governors may be called.

Under the Trust's Constitution, the Board will consult the Council on the appointment of the Deputy Chairman. A process for formal dispute resolution is included in the Trust's constitution as follows:

Dispute Resolution

In the event of a dispute arising between the Board of Directors and the Council, the Chairman shall take the advice of the Secretary and such other advice as he sees fit, and he shall confer with the Vice-Chairman and the Lead Governor and shall seek to resolve the dispute.

If the Chairman is unable to do so, he shall appoint a committee consisting of an equal number of directors and governors to consider the matter and to make recommendations to the Board and Council with a view to resolving the dispute.

If the dispute is not resolved, the Chairman may refer the dispute to an external mediator appointed by the Centre for Dispute Resolution, or by such other organisation as he considers appropriate.

The Council of Governors

The Council of Governors is made up of elected and nominated Governors who provide an important link between the hospital, local people and key organisations - sharing information and views that can be used to develop and improve hospital services.

Seven public constituencies were originally created to cover the Trust's general and emergency catchment area using local government boundaries in place at the time. These have been reviewed to take account of minor changes to electoral wards. A further, Rest of England, Public Constituency was added in 2013.

The Trust's other public constituencies are called Salisbury City, South Wiltshire Rural, New Forest, Kennet, West Wiltshire, North Dorset and East Dorset. Governors from all these areas are elected by members from these constituencies in accordance with election rules stated in the Trust's constitution using the

'First Past the Post' voting system. Elections by postal ballot are carried out on behalf of the Trust by the independent Electoral Reform Services Ltd.

In addition, there are elected staff Governors representing six staff groups and Governors who are nominated by partner organisations that have an interest in how the Trust is run. These were Wessex Community Action, a body that provides an over-arching voluntary presence at local level; Wiltshire Council that provides the main local authority link; and the Wiltshire, West Hampshire and Dorset Clinical Commissioning Groups, who supplied nominations during the year. The Trust also appointed a representative from the Armed Forces to the Council of Governors.

The representatives of public constituencies must make up at least 51% of the total number of Governors on the Council of Governors.

In addition to the AGM, and the joint meeting with the Trust Board to review the Annual Plan, the Trust held four meetings of the Council of Governors during the 2014/15 year.

Elected Governors – Public Constituency

Name	Constituency	Elected or Re-elected	Term of Office	Attendance from 5 meetings
John Carvell	Salisbury City	May 2012	Three years	4 from 5
*Celeste Collins	Salisbury City	May 2011	Three years	1 from 1
*Jan Sanders	Salisbury City	May 2014	Three years	4 from 4
Chris Wain	Salisbury City	May 2012	Three years	4 from 5
Robert Coate	South Wiltshire Rural	May 2011	Three years	1 from 1
June Griffin	South Wiltshire Rural	May 2012	Three years	3 from 5
Sir Raymond Jack	South Wiltshire Rural	May 2012	Three years	5
Dr Alastair Lack	South Wiltshire Rural	May 2011	Three years	5
Beth Robertson	South Wiltshire Rural	May 2012	Three years	5
Lynn Taylor	South Wiltshire Rural	May 2014	Three years	4 from 4
*Paul Goldman	North Dorset	May 2011	Three years	1 from 1
*Madeline Hewitt	North Dorset	May 2012	Three years	0 from 1
Katherine Saunders	North Dorset	May 2014	Three years	1 from 1
Sarah Bealey	New Forest	May 2012	Three years	4 from 5
John Markwell	Kennet	May 2012	Three years	5
Carole Noonan	West Wiltshire	May 2012	Three Years	5
Nicholas Sherman	East Dorset	May 2012	Three years	4 from 5

*Celeste Collins completed her term of office in May 2014 and Jan Sanders was elected to the Salisbury City constituency. Robert Coate completed his term of office in May 2014 and Lynn Taylor was elected to the South Wiltshire Rural constituency. Paul Goldman completed his term of office in May 2014 and Katherine Saunders was elected to the North Dorset constituency. Katherine Saunders and Madeline Hewitt stood down in September 2014.

Elected Governors - Patient/Carer Constituency

*Andrew Farrow	Rest of England	May 2012	Three years	0 from 0

*Andrew Farrow was a Governor for the Rest of England constituency until July 2014 and this position was vacant at 31 March 2015.

Elected Governors - Staff Constituency

Mandy Cripps	Clerical, Administrative and Managerial	May 2012	Three years	5
Brian Fisk	Volunteers	May 2012	Three years	5
Shaun Fountain	Medical & Dental	May 2012	Three years	5
Colette Martindale (Lead Governor)	Nurses & Midwives	Nov 2012	Three years	4 from 5
Lynda Viney	Hotel & Property Services	May 2012	Three years	4 from 5
Christine White	Scientific & Therapeutic	May 2012	Three years	4 from 5

Nominated Governors

Name	Constituency	Appointed or Re-appointed	Term of Office	Attendance up to 5 meetings
*William Moss	Wiltshire Council	May 2011	Three years	1 from 1
*John Noeken	Wiltshire Council	May 2014	Three years	4 from 4
Chris Horwood	Wessex Community Action	April 2014	Three years	4 from 4
Simone Yule	Dorset CCG	August 2013	Three years	0 from 5
Mary Monnington	Wiltshire CCG	August 2013	Three years	1 from 5
Rob Polkinghorne	West Hampshire CCG	Nov 2013	Three years	3 from 5

*During the year William Moss was replaced by John Noeken who started in May 2014.

Please note that a register of interests is held in the Trust Offices. Information regarding the Governors' interests and whether they have undertaken any material transactions with Salisbury NHS Foundation Trust can be obtained by contacting David Seabrooke, Head of Corporate Governance, Trust Offices, Salisbury NHS Foundation Trust, Salisbury District Hospital, Salisbury, SP2 8BJ.

Statement Setting out the Steps that the Members of the Board, in Particular the Non Executives, Have Taken to Understand the Views of Governors and Members

During the year the Directors have used a variety of methods to ensure that they take account of, and understand, the views expressed by Governors and members. The Council of Governors is chaired by the Chairman and these meetings are attended by the Chief Executive who presents a performance report and answers questions. This is an opportunity for the Governors to express their views and raise any other issues, so that the Chief Executive can respond. Starting in February 2014, there has been an informal meeting held of the governors and the non-executive directors a week after the public board meeting.

A formal joint meeting of the Board and Council was held in February 2015 to consult on the draft strategic plan. Executive and Non-Executive Directors also attend some of the Governor working groups.

The Trust Board is aware of the work carried out by the governor working groups and information is fed back to the Directors. Relevant Directors attend constituency meetings and the annual general meeting and answer member's questions.

The Trust Board meets bi-monthly in public and, as part of its commitment to openness, Governors and members are invited by the Chairman to comment or ask questions on any issues that they may wish to raise at the end of the public session. A response is provided by the appropriate member of the Trust Board. Trust Board papers are made available on the website and Governors alerted so that these can be viewed prior to the meetings.

Starting in September 2014, the Trust has invited a governor to attend meetings as an observer of the Clinical Governance Committee and Part II meetings of the board. In line with legal requirements, the approved minutes of the part II meeting of the board are circulated to the governors.

The Board of Directors

Statement about the Balance, Completeness and Appropriateness of the Board of Directors

The Board comprises the Chairman, Chief Executive, five other Executive Directors and up to seven other Non-Executive Directors. There is a clear separation of the roles of the Chairman and the Chief Executive, which has been set out in writing and agreed by the Board. As Chairman, Nick Marsden has responsibility for the running of **the Board, setting the agenda for the Trust and for ensuring that all Directors are fully informed of matters relevant to their roles. The Chief Executive has responsibility for implementing the strategies agreed by the Board and for managing the day to day business of the Trust.**

All of the Non-Executive Directors are considered to be independent in accordance with the NHS Foundation Trust Code of Governance. While, on appointment, the Chairman has to meet the Code's 'test of independence' it does not, thereafter, apply to this role.

The Board considers that the Non-Executive Directors bring a wide range of business, commercial and financial knowledge required for the successful direction of the Trust.

All Directors are equally accountable for the proper management of the Trust's affairs.

All Directors are subject to an annual review of their performance and contribution to the management and leadership of the Trust.

The Board is satisfied as to its balance, completeness and appropriateness but will keep these matters under review.

Statement Setting out that the Board of Directors Undertake a Formal and Rigorous Evaluation of its Own Performance.

At a meeting in November 2014, the Board engaged the Thames Valley & Wessex Leadership Academy to undertake a review of effectiveness taking account of the Care Quality Commission's Well Led methodology and the guidance provided by The Healthier NHS Board. This reported to the Board in March 2015 and a number of actions are being considered in response to the findings, which will be covered in next year's Annual Report.

Evaluation of the Chairman's performance is led by the Senior Independent Director. The Chief Executive and Non Executive Directors' performance is evaluated by the Chairman, while an evaluation of the Executive Directors' performance is carried out by the Chief Executive.

The Board of Directors

Dr. Nick Marsden
Chairman (Independent)

Nick Marsden joined the Trust in January 2014. He has been an NHS non executive director at Southampton since 2007 and a vice chairman since 2011. He has an engineering Ph.D and also commercial experience having held several senior executive roles at IBM before becoming Senior Vice President for Service at Danka Europe. He lives near Andover in Hampshire.

Peter Hill
Chief Executive

Peter Hill has a nursing background and before coming to the Trust in 1986 worked on wards and intensive care units in London and Newcastle. He has a Masters degree in Business Administration and has extensive senior management experience. Peter lives in Salisbury in Wiltshire.

Fit and Proper Persons Regulations

Under the Health and Social Care Act 2008, providers of services registered with the Care Quality Commission must ensure that all existing and new directors of the Trust meet and continue to meet the definitions of Fit and Proper Persons, as set out under the regulations. These can be found on the CQC website at www.cqc.org.uk. All existing Directors have affirmed their compliance in writing and continued compliance will be monitored through appraisal and the declaration of interest process during public Trust Board meetings. The continued application of due diligence procedures will be used in relation to new appointments.

Laurence Arnold
Acting Chief Operating Officer

Laurence Arnold has almost 20 years NHS experience having worked in both commissioning and provider organisations. He joined the Trust in June 1999 from the Whittington Hospital in London and has since led on strategic planning and site redevelopment projects at Salisbury District Hospital. He lives in West Dean, near Salisbury.

Dr. Christine Blanshard
Medical Director

Christine Blanshard graduated in Medicine from Cambridge University in 1986 and has over 25 years NHS experience. She trained in East Anglia and London, and became a consultant gastroenterologist and general physician in 1998. She has undertaken a variety of managerial roles alongside her clinical work and before joining the Trust was Director of Strategy and Associate Medical Director at Homerton University Hospital NHS Foundation Trust. She lives in Winchester in Hampshire.

Dr. Lydia Brown MBE
(Vice Chairman and Senior Independent Director)

Lydia Brown joined the Trust on 1 November 2008 and is now in a second four-year term. She is a qualified vet and former President of the Royal College of Veterinary Surgeons. She has considerable business experience and is a Director of a number of local voluntary organisations. Lydia lives in West Gomeldon in Wiltshire.

Malcolm Cassells
Director of Finance and Procurement

Malcolm Cassells is a qualified accountant with extensive financial experience gained through over 35 years in the NHS. He held senior financial positions at Regional Health Authority and District Health Authority level, before moving to Salisbury in 1986 as Director of Finance. He lives in Winterslow in Wiltshire.

Ian Downie
Non Executive Director (Independent)

Ian Downie, who is Strategic Development Director of Serco group, joined the Trust on 1 November 2009 for a four year term, which has been renewed for a further three years. He has considerable management experience within the aviation industry and more recently through a number of roles within the Serco group. He lives in Gussage St Andrew in Dorset.

Andrew Freemantle CBE
Non Executive Director (Independent)

Andrew Freemantle joined the Trust on 1 January 2013 for a three year term. He has wide range of experience as a former Chief Executive of the Scottish Ambulance Service NHS Trust and Chief Executive Officer of the Royal National Lifeboat Institution. This followed a distinguished army career. Andrew lives in Tarrant Monkton in Dorset.

Paul Kemp
Non Executive Director (Independent)

Paul Kemp joined the Trust in February 2015 for a three year period, having completed 34 years in industry, initially as a development chemist before concentrating on finance, IT and business change leadership. Paul has worked for a number of large multinational companies, including British Airways and Cobham plc, the multinational aerospace and defence company. Paul lives in St Leonards, near Ringwood.

Alison Kingscott
Director of Human Resources and Organisational Development

Alison Kingscott has a wide range of HR experience in both the NHS and private sector. She has held senior NHS positions in the south west of England and was Director of Human Resources and Corporate Lead for Estates and Facilities at Weston Area Health NHS Trust before joining the Trust. Alison currently lives in Weston Super Mare.

Stephen Long
Non Executive Director (Independent)

Stephen Long joined the Trust on 1 November 2008 and is now in a second four- year term, having retired as Deputy Chief Constable of Wiltshire after 30 years service. He was a diversity champion within the constabulary and a national lead for Science and Technology. Stephen lives in Wilton in Wiltshire.

Dame Sarah Mullally DBE
Non Executive Director (Independent)

Revd. Dame Sarah Mullally DBE joined the Trust in April 2013 for a three year term. She is a trained nurse and former Chief Nursing Officer and Director of Patient Experience at the Department of Health, where she provided advice to the Government and professional leadership to nurses and midwives. She is Canon Treasurer at Salisbury Cathedral and lives in Salisbury.

Lorna Wilkinson
Director of Nursing

Lorna qualified as a registered nurse at the Royal Free Hospital, London in 1989 and has over 25 years NHS experience. She progressed through a number of nursing roles in London before moving into quality improvement and clinical governance. She was Deputy Director of Nursing, firstly in Salisbury and then in Portsmouth, before returning to the Trust in August 2014 as Director of Nursing. Lorna lives in Salisbury.

Fiona Hyett
Interim Director of Nursing
(1 April 2014 to 3 August 2014)

Fiona Hyett qualified as a Registered Nurse at St Thomas' Hospital in 1992 and has over 20 years experience within the NHS. Fiona has worked within several hospitals in the South increasing both her clinical and managerial skills in a range of positions. Fiona joined Salisbury in 2012 as Deputy Director of Nursing.

Nigel Atkinson

Non Executive Director (Independent)
(until 31 January 2015)

Nigel Atkinson is a chartered accountant and retired corporate financier and a former Head of Listing at the London Stock Exchange with over 30 years of experience of corporate finance. Mr Atkinson was appointed on 1 February 2007 and completed two four-year terms.

Kate Hannam

Chief Operating Officer
(until 14 December 2014)

Kate Hannam has a wide range of NHS experience in both operational and financial roles. She moved up through senior financial and operational management positions in Torbay, Bristol and Swindon and came to Salisbury from Taunton and Somerset NHS Foundation Trust where she was Director of Acute Service Development.

At the end of the first term of office, the Chairman and Non Executive Directors are subject to an evaluation by the Governors Performance Committee, which will make a recommendation to the full Council as to their individual suitability to serve a second term.

The removal of the Chairman or a Non Executive Director of the Trust requires the approval of three-quarters of the members of the Council of Governors at a general meeting.

Appointment of the Vice Chairman and Senior Independent Director is reviewed annually.

Employment terms for Executive Directors can be found in the Remuneration report earlier in this report.

Directors can be contacted by members through the Membership Manager.

Please note that no significant other commitments affecting the time that is required to devote to the role of Chairman were declared on appointment. This position has not changed in 2014/2015.

Board of Directors' Attendance

	Trust Board (6 meetings)	Audit Committee (4 meetings)	Remuneration Committee (2 meetings)	Finance Committee (11 meetings)	Clinical Governance Committee (9 meetings)
Nick Marsden	6	N/A	2	11	N/A
Peter Hill	5 from 6	N/A	N/A	11	8 from 9
Laurence Arnold **Interim Chief Operating Officer**	6	N/A	N/A	5 from 6	5
Nigel Atkinson **Non Executive**	5 from 6	4	N/A	N/A	7 from 7
Christine Blanshard **Medical Director**	5 from 6	N/A	N/A	N/A	7 from 9
Lydia Brown **Non Executive**	6	3 from 4	2	11	8 from 9
Malcolm Cassells **Director of Finance**	6	N/A	N/A	10 from 11	N/A
Ian Downie **Non Executive**	3 from 6	3 from 4	1 from 2	9 from 11	N/A
Andrew Freemantle **Non Executive**	5 from 6	2 from 3	1 from 2	8 from 11	N/A
Kate Hannam **Chief Operating Officer**	3 from 5	N/A	N/A	6 from 7	4 from 5
Fiona Hyett **Interim Director of Nursing**	2 from 2	N/A	N/A	N/A	8 from 9
Stephen Long **Non Executive**	5 from 6	N/A	2	N/A	8 from 9

Sarah Mullally **Non Executive**	5 from 6	N/A	2	4 from 5	5 from 9
Paul Kemp **Non Executive**	1 from 1	N/A	N/A	N/A	2 from 2
Alison Kingscott **Director of HR &** **Organisational Development**	6	N/A	N/A	N/A	N/A
Lorna Wilkinson **Director of Nursing**	4 from 4	N/A	N/A	N/A	5 from 6

The Council of Governors understands the different process that should apply in the selection and appointment of a replacement Chairman and that the Chairman must not simultaneously be the Chairman of another Trust.

The Audit Committee

	Committee Role	Attendance out of four meetings
Nigel Atkinson	Chairman	4
Lydia Brown	Non Executive Director	3 from 4
Ian Downie	Non Executive Director	3 from 4
Andrew Freemantle	Non Executive Director	2 from 3

The Work of the Audit Committee in Discharging its Responsibilities

The Audit Committee is in place to provide the Board with assurance as to the effectiveness of the processes overseen by the Board itself and by the Finance & Performance and Clinical Governance Committees.

The Committee has an annual work programme as well as dealing with other items that arise during the year.

At all meetings the Committee is particularly concerned to ensure the Trust has systems in place that support financial management and enhance the quality of services by:-

• Safeguarding assets
• Maintaining proper records
• Producing reliable information
• Providing effective control systems
• Ensuring these can be independently reviewed and assessed by both external and internal Audit

The receipt, discussion and follow-up of completed internal audit reports is a key driver of its activity in relation to the system of internal control. The Committee pays special attention to reviewing the annual financial statements on the Board's behalf and the external auditor's review and opinion on the accounts. There were no significant issues arising from the 2013/2014 accounts. It received the Auditor's opinion on the Quality Account 2014/2015.

The Committee reviewed and approved the Head of Internal Audit (South Coast Audit: from 1 January 2014, TIAA) Opinion. The Head of Internal Audit report concluded there was Reasonable Assurance as to the Trust's system of internal control. The committee received the Annual Management Letter, which is submitted to the Board.

Reports from the internal auditors covered their conclusions on a range of Trust activities within their 2014/2015 work plan as agreed by the Committee.

Appointment of the Trust's External Auditors

The Council of Governors approved the appointment of KPMG as external auditors from 1 April 2012 for a period of up to five years, with a break-clause in 2015. This was considered in February 2015 and following an assessment of the effectiveness of the services provided it was decided to retain KPMG for the remainder of the contract term.

Other duties and Responsibilities of the Audit Committee

The Committee also oversees the work of the Local Counter-Fraud Specialist on proactive work to strengthen the Trust's counter-fraud awareness an arrangements and also the small amount of case-work associated with this.

The Committee meets with the Trust's auditors separately from the Trust so there is an opportunity for them privately to disclose any matters of concern. The Committee has reviewed its effectiveness in relation to its terms of reference and the Audit Committee handbook.

It sought assurances about audit reports where limited assurance was given, and the actions underway to address these. It has reviewed the operation of the Trust's Assurance Framework, sections of which are reviewed throughout the year by other committees of the board.

The Director of Finance & Procurement, who has the Executive responsibility for liaising with both Audit functions, attends the Committee to comment and inform as required. During the year, the Chairman of the Audit Committee retired from office and the membership of the Committee has been amended to maintain its independence from the Trust.

The minutes of all four meetings were presented to the Directors at the following public meeting of the Trust Board by the Chair of the Audit Committee.

Revaluation of Property and Land

The Trust's accounting policies requires a land and buildings revaluation to be undertaken at least every five years, dependent upon the changes in the fair value of the property. The five-yearly revaluations are carried out by a professional qualified value in accordance with the Royal Institute Chartered of Surveyors (RICS) Appraisal and valuation manual. The valuations are carried out on the basis of a modern Equivalent Asset, as required by HM Treasury. The annual reviews are carried out using the most appropriate information available at the date of the review. A full revaluation was carried out at 31 March 2015. Fair values are determined as follows:
• Land and non-specialised buildings – market value for existing use
• Specialised buildings – depreciated replacement cost until 31 March 2015, when the assets were valued at modern equivalent value

Recognition of Income

Over 92% of the Trust's income is received from other NHS organisations, with the majority being receivable from Wiltshire CCG. The Trust participates in the Department of Health's agreement of balances exercise. This exercise seeks to identify all income and expenditure transactions and payable and receivables balances that arise from Whole Government Accounting (WGA) bodies. The Audit Committee is satisfied that by participating with this exercise it helps to provide further assurance that the vast majority of income and expenditure with WGA have been properly recognised and WGA receivable and payable balances are appropriately recorded. The Trust's external auditors will review the outcome of the exercise and report their findings to the Audit Committee

Financial Audit

The external auditors for the Trust are KPMG. During the 2014/2015 period, the Trust has incurred the following costs on external audit:

• Audit Services: £64,200
• Further assurance services: £7,800
• Other services: None

As mentioned above, no other remuneration was paid to the auditor and the auditor was not involved in any other work that may have compromised its independence.

The Trust has an internal audit function delivered under contract by TIAA. Senior representatives of TIAA report to the audit committee and a working protocol is in place with KPMG, the Trust's appointed auditor. The delivery of the contract with TIAA is overseen by the Director of Finance and Procurement.

Directors' Responsibilities for Preparing the Accounts

The Directors are aware of their responsibilities for preparing the accounts and are satisfied that they meet the requirements as reflected in the statement of Chief Executive's Responsibilities as the Accounting Officer at Salisbury NHS Foundation Trust. This is can be found in the Annual Accounts for Salisbury NHS Foundation Trust. In Summary, the Accounts taken as a whole are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy.

Nominations Committee

During the year the Trust established Nominations Committees to oversee the recruitment of a new Non-Executive Director and a Chief Operating Officer.

One Nominations Committee for a non-executive director met during 2014/15. The committee was appointed by the Council of Governors and was joined by the Chief Executive and Chairman. The committee selected a provider of specialist recruitment services to support the process. The non-executive director role was publicly advertised in September and the committee selected the long-list of applicants, who were interviewed on the Trust's behalf by Gatenby Sanderson. From the report of this, a short-list of three candidates was derived by the committee. Final interviews were in November and the committee made a recommendation to the Council of Governors as to an appointment.

In the case of the Chief Operating Officer the process was managed by Alison Kingscott, the Director of Human Resources and Organisational Development, without the use of an external consultancy. The role was advertised on the NHS Jobs website and on Health Service Journal online. The committee met once and was chaired by Dr Nick Marsden (Chairman) and included Peter Hill (Chief Executive), Lorna Wilkinson (Director of Nursing), Ian Downie (Non-Executive Director) and Alison Kingscott who was advisor to the Committee. They reviewed the job descriptions, personal specifications and the candidate briefs and shortlisted candidates. An interview and assessment took place to choose the successful candidate.

Membership

The Trust has traditionally had strong links with the local community, attracting over 600 volunteers and many more who take part in patient and public involvement activities. It has an excellent response rate for annual patient surveys and receives regular correspondence from grateful patients, highlighting the affection and interest local people have for Salisbury District Hospital.

The membership is made up of local people, patients and staff who have an interest in healthcare and their local hospital and these are broken up into two groups with different eligibility criteria.

Public Members

These are members of the public aged 16 and over. Public members are placed in constituencies based on where they live and there are seven constituencies that have been created to reflect the Trust's general and emergency catchment area and these are based on local government boundaries (see map). In addition, there is an eighth public constituency called the Rest of England.

Staff Members

The Trust has a wide range of staff undertaking a variety of roles and professions who come from different backgrounds. The aim is that staff membership reflects that diversity. Initially staff membership was done on an 'opt in' basis rather than staff automatically being made members. During the 2008/2009 year, the Trust changed its policy and new members of staff who are eligible now automatically become members, with the option to 'opt out'. Eligible staff members are defined as those who:
- Hold a substantive contract of employment in excess of 12 months
- Hold a fixed term contract in excess of 12 months
- Hold a temporary contract in excess of 12 months
- Hold an honorary contract in excess of 12 months

The staff membership has six classes to reflect the following occupational areas:
- Medical and dental
- Nurses and midwives
- Scientific, therapeutic and technical
- Hotel and property services
- Clerical, administrative and managerial
- Voluntary

Public members (including volunteers) can only be a member of one constituency. Staff members can only be a member of the staff constituency. Members are able to vote and stand in elections for the Council of Governors, which is chaired by the Chairman of the Trust.

Salisbury NHS Foundation Trust catchment map

1 Salisbury City
2 South Wiltshire Rural
3 North Dorset
4 New Forest
5 Kennet
6 West Wiltshire
7 East Dorset
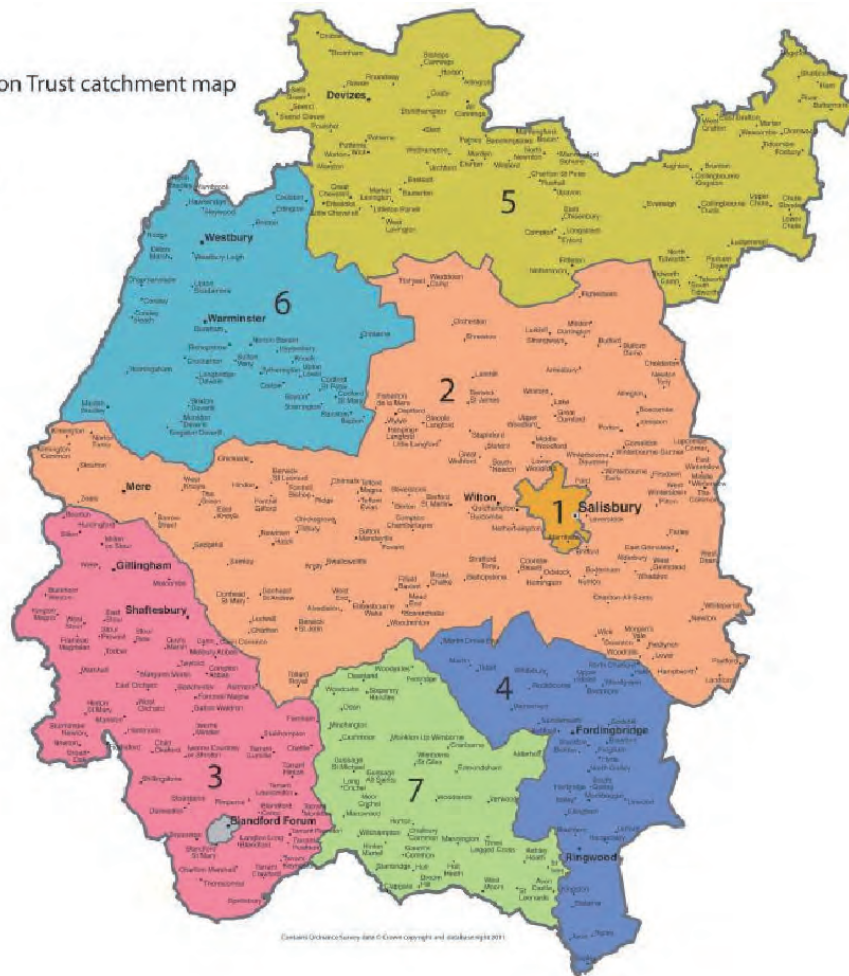
During the year the Trust sought to increase membership numbers. At 31 March 2015 the membership for Salisbury NHS Foundation Trust was as follows:

Public Constituency	Number
Salisbury City	2,537
South Wiltshire Rural	4,387
Kennet	1,453
North Dorset	1,592
East Dorset	843
New Forest	1,217
West Wiltshire	1,109
Rest of England	730
Staff Constituency	**3,261**
Total	**17,129**

Ownership of the Trust's membership strategy rests with the Governors with support from the Trust and this was amended and approved by the Council of Governors in 2013/2014. The main change related to the establishment of a Rest of England constituency. Minor changes were also introduced to ensure that membership involvement continues to be encouraged in the Trust's governance and decision making process, and that services continue to meet the needs of local people. Another objective of the strategy is to ensure that the membership continues to grow and is representative of the population by geography, age, ethnicity and gender.

The Trust uses information from the Office of National Statistics (Census 2011) to build up a picture of the population size and ethnicity for each constituency. This helps the Trust in its aim to make the membership reflective of its population, and also to ensure that the number of Governors is representative of the population of the constituencies. Having built up a membership database of 17,129 at 31 March 2015, the Trust regularly reviews the age, ethnicity, gender and geographical spread to ensure that the membership is reflective of the whole area that it serves and following a review of the Trust's Constitution in 2013/2014 resulted in changes to the catchment area.

The Trust has also determined the socio-economic breakdown of its membership and the population within its catchment area.

Membership Size and Movements		
Public Constituency	**2014/2015**	**2015/2016 (Estimated)**
At year start (1 April)	14,115	13,868
New members	104	1,153
Members leaving	351	362
At year end (31 March)	**13,868**	**14,659**
Staff Constituency		
At year start (1 April)	3,222	3,261
New members	102	158
Members leaving	63	78
At year end (31 March)	**3,261**	**3,341**
Overall Total	**17,129**	**18,000**

The Trust used its in-house database to monitor and increase the membership in line with demographic and statistical information and continued to use induction as a membership gathering point for staff.

The Trust uses its public meetings to highlight the benefits of membership and encourage recruitment. Members' newsletters are also used to encourage existing members to promote membership amongst friends and acquaintances and Governors continued to use their 'Are You a Member' campaign to recruit members in outpatient clinics.

This year distribution of the Annual Review went to around 190,000 households in the local area. This brought the work of the Trust and its staff to a wider audience and again highlighted the benefits of membership. Governors have been working in groups on their statutory duties and have also been involved in the development of the Trust's Annual Plan and Quality Account. They have been working on patient and public involvement initiatives, for instance, End of Life Care and Dementia Care. The End of Life Care Group covers a wide range of work which includes dedicated education and training for staff, and greater support and assistance for families where patients prefer to die at home. Both groups have made significant improvements which have been covered in more detail earlier in this report.

Governors have also been involved in Patient Led Assessments of the Care Environment (PLACE), which looks at cleanliness, food quality, cleanliness and the patient environment. They are also on the Transport Strategy Group which looks at a range of areas such as green travel, signage and car parking. Another group is looking at food and nutrition in the hospital and Governors have joined catering managers on unannounced visits to check food quality and temperatures at ward level. Governors are also given a number of other opportunities to become involved or sample the 'patient's experience'. For example, Governors and volunteers visit wards and outpatient areas gathering instant feedback from patients about their hospital stay, which enables ward staff to resolve issues quickly. Between 100 and 200 patients a month last year were asked their views in this way.

The Trust is conscious that staff and their families may have had to use hospital services at some stage, but that many are probably not feeding back their experiences of hospital care. Staff Governors were keen to find out more about the experiences of staff and held feedback sessions in the main restaurant.

The Trust continues to work with the Governor Membership and Communication committees on a range of communication initiatives. This includes the development of the popular Medicine for Members

series of lectures. These talks aim to give people an insight into how the body works, highlight the clinical conditions that are treated and provide some practical tips to keep safe and healthy. Talks that took place within the year covered pain management, breast care, interventional radiology and diabetes.

A dedicated section on the Trust's website and Intranet provides details of each Governor, their interests and a means for members to communicate with them. There are also members' newsletters for staff and people in the public constituencies as well as formal constituency meetings where Governors can directly canvass the views of their members. This year meetings took place in the Salisbury City, South Wiltshire Rural and West Wiltshire constituencies and further opportunities are planned for Governors across the other constituencies to meet their members in the 2015/2016 financial year.

NHS Code of Governance additional reporting requirements

Table 1 - Code of Governance sections of the code included in the Annual Report and their location

	Code Provision	Annual Report & Accounts Section
A.1.1	The schedule of matters reserved for the board of directors should include a clear statement detailing the roles and responsibilities of the council of governors. This statement should also describe how any disagreements between the council of governors and the board of directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the board of directors and the council of governors operate, including a summary of the types of decisions to be taken by each of the boards and which are delegated to the executive management of the board of directors	See Code of Governance "General Statements"
A.1.2	The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent director (see A.4.1) and the chairperson and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors	See Code of Governance "Council of Governors and Board of Directors"
A.5.3	The annual report should identify the members of the council of governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor	See Code of Governance "Council of Governors"
B.1.1	The board of directors should identify in the annual report each non-executive director it considers to be independent, with reasons where necessary	See Code of Governance "Board of Directors"
B.1.4	The board of directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS foundation trust	See Code of Governance "Board of Directors"
B.2.10	A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to board appointments	See Code of Governance "Nominations Committee"
B.3.1	A chairperson's other significant commitments should be disclosed to the council of governors before appointment and included in the annual report. Changes to such commitments should be reported to the council of governors as they arise, and included in the next annual report	See Code of Governance "Board of Directors"

	Code Provision	Annual Report & Accounts Section
B.5.6	Governors should canvass the opinion of the trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied	See Code of Governance "General Statements and Membership"
B.6.1	The board of directors should state in the annual report how performance evaluation of the board, its committees, and its directors, including the chairperson, has been conducted	See Remuneration Report "Board of Directors"
B.6.2	Where an external facilitator is used for reviews of governance, they should be identified and a statement made as to whether they have any other connection with the trust	See Code of Governance "Board of Directors"
C.1.1	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy. There should be a statement by the external auditor about their reporting responsibilities. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report)	See Annual Accounts "Directors Responsibilities for preparing the Accounts, the Independent Auditor's Report to the Governors and the Annual Governance Statement"
C.2.1	The annual report should contain a statement that the board has conducted a review of the effectiveness of its system of internal controls.	See Annual Accounts "Annual Governance Statement"
C.2.2	A trust should disclose in the annual report: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes	See Code of Governance "Financial Audit"
C.3.5	If the council of governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, the board of directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the council of governors has taken a different position	No Issues Identified in the reporting year

Table 2 - Code of Governance sections which need further information under "comply or explain"

		Code provision	Trust Response
	A.1.4	The board should ensure that adequate systems and processes are maintained to measure and monitor the NHS foundation trust's effectiveness, efficiency and economy as well as the quality of its health care delivery	Confirmed. The Board receives regular reports on quality, performance and finance. There is a board assurance framework and system of internal control, as detailed in the Annual Governance Statement.
	A.1.5	The board should ensure that relevant metrics, measures, milestones and accountabilities are developed and agreed so as to understand and assess progress and delivery of performance	Confirmed. The Board receives regular reports on quality, performance and finance. This is published in the Quality Accounts
	A.1.6	The board should report on its approach to clinical governance	The Trust has completed a self-assessment against the Monitor Quality Governance Framework.
	A.1.7	The chief executive as the accounting officer should follow the procedure set out by Monitor for advising the board and the council and for recording and submitting objections to decisions	The Chief Executive is aware of the requirements of this provision in the Accounting Officer Memorandum
	A.1.8	The board should establish the constitution and standards of conduct for the NHS foundation trust and its staff in accordance with NHS values and accepted standards of behaviour in public life	The Trust has a set of staff values in place, Staff are periodically reminded of the Nolan principles of the values and accepted standards of behaviour in public life.
	A.1.9	The board should operate a code of conduct that builds on the values of the NHS foundation trust and reflect high standards of probity and responsibility	The Board has adopted the Professional Standards Council's code of conduct. This is also reflected in job descriptions.
	A.1.10	The NHS foundation trust should arrange appropriate insurance to cover the risk of legal action against its directors	As well as NHSLA cover, a separate Directors and Officers liability policy is maintained

		Code provision	Trust Response
A.3.1		The chairperson should, on appointment by the council, meet the independence criteria set out in B.1.1. A chief executive should not go on to be the chairperson of the same NHS foundation trust	Confirmed – the requirement to meet the Licence "fit & proper" requirements, additional constitutional requirements and be able to be certified as independent under the codes are built into the advertising and recruitment process
A.4.1		In consultation with the council, the board should appoint one of the independent non-executive directors to be the senior independent director	Confirmed – this is the Deputy Chairman. The board consulted the Council proposed appointment at the Council meeting on 16 February 2015.
A.4.2		The chairperson should hold meetings with the non-executive directors without the executives present	Confirmed – meetings are bi-monthly and as necessary
A.4.3		Where directors have concerns that cannot be resolved about the running of the NHS foundation trust or a proposed action, they should ensure that their concerns are recorded in the board minutes.	Confirmed – Directors are aware of this provision.
A.5.1		The council of governors should meet sufficiently regularly to discharge its duties	Confirmed – The Council has four scheduled meetings per year.
A.5.2		The council of governors should not be so large as to be unwieldy	Confirmed – This was reviewed in 2015 and the number of governors is considered to be workable.
A.5.4		The roles and responsibilities of the council of governors should be set out in a written document	Confirmed
A.5.5		The chairperson is responsible for leadership of both the board and the council but the governors also have a responsibility to make the arrangements work and should take the lead in inviting the chief executive to their meetings and inviting attendance by other executives and non-executives, as appropriate	Confirmed – The Chief Executive attends all Council meetings. The Chairman has arranged for at least two non-executives to support him at each Council meeting.
A.5.6		The council should establish a policy for engagement with the board of directors for those circumstances when they have concerns	Confirmed – policy in place. Bi-monthly informal meetings with the NEDs, were increased from quarterly starting in 2014.

	Code provision	Trust Response
A.5.7	The council should ensure its interaction and relationship with the board of directors is appropriate and effective	Confirmed – the Board and Council keep this essential relationship under continual review
A.5.8	The council should only exercise its power to remove the chairperson or any non-executive directors after exhausting all means of engagement with the board	Confirmed – governors are aware of this provision and of the consequences of using this power.
A.5.9	The council should receive and consider other appropriate information required to enable it to discharge its duties	Confirmed During 2013 the Trust developed the range of performance information available to the Council of Governors
A 5.13	The council of governors may require one or more of the directors to attend a meeting to obtain information about performance of the trust's functions or the directors' performance of their duties, and to help the council of governors to decide whether to propose a vote on the trust's or directors' performance.	Confirmed - The Council of Governors did not exercise this power in 2014/15.
B.1.2	At least half the board, excluding the chairperson, should comprise non-executive directors determined by the board to be independent	Confirmed. All non-executives are considered to be independent
B.1.3	No individual should hold, at the same time, positions of director and governor of any NHS foundation trust	Confirmed. Directors and governors are aware of this provision,
B.2.1	The nominations committee or committees, with external advice as appropriate, are responsible for the identification and nomination of executive and non-executive directors	A Nominations Committee is in place on the Board to oversee Executive appointments and is appointed ad hoc for non-executive appointments
B.2.2	Directors on the board of directors and governors on the council should meet the "fit and proper" persons test described in the provider licence	Confirmed. Governors and Directors are requested at each public meeting to confirm this individually
B.2.3	The nominations committee(s) should regularly review the structure, size and composition of the board and make recommendations for changes where appropriate	A review would normally arise from a change of circumstances.

	Code provision	Trust Response
B.2.4	The chairperson or an independent non-executive director should chair the nominations committee(s)	Confirmed – This is detailed in the Council of Governors' Standing Orders. The Chairman does not "chair" the Nominations Committee set up to appoint a new Chairman. At the discretion of the Committee, a Governor can chair the Committee in the case of the appointment of a Non Executive Director or Chairman.
B.2.5	The governors should agree with the nominations committee a clear process for the nomination of a new chairperson and non-executive directors	Confirmed - This is established in the setting up of the Nominations Committee,
B.2.6	Where an NHS foundation trust has two nominations committees, the nominations committee responsible for the appointment of non-executive directors should consist of a majority of governors	Confirmed - reflected in the Constitution
B.2.7	When considering the appointment of non-executive directors, the council should take into account the views of the board and the nominations committee on the qualifications, skills and experience required for each position	Confirmed – board members are able to describe the board's needs for specific skills and appropriately to influence the recruitment process
B.2.8	The annual report should describe the process followed by the council in relation to appointments of the chairperson and non-executive directors	Confirmed – this is set out in the Annual Report.
B.2.9	An independent external adviser should not be a member of or have a vote on the nominations committee(s)	Confirmed – this is not the Trust's practice
B.3.3	The board should not agree to a full-time executive director taking on more than one non-executive directorship of an NHS foundation trust or another organisation of comparable size and complexity	Confirmed – this is monitored through the declaration of interests process
B.5.1	The board and the council governors should be provided with high-quality information appropriate to their respective functions and relevant to the decisions they have to make	Confirmed – the Trust has developed the performance, workforce, quality and financial information provided to the Board and Council
B.5.2	The board and in particular non-executive directors, may reasonably wish to challenge assurances received from the executive management. They need not seek to appoint a relevant adviser for each and every subject area that comes before the board, although they should, wherever possible, ensure that they have sufficient information and understanding to enable challenge and to take decisions on an informed basis	Confirmed – independent external advice would be made available if required.

		Code provision	Trust Response
B.5.3		The board should ensure that directors, especially non-executive directors, have access to the independent professional advice, at the NHS foundation trust's expense, where they judge it necessary to discharge their responsibilities as directors	Confirmed – Independent external advice would be made available if required.
B.5.4		Committees should be provided with sufficient resources to undertake their duties	Confirmed – committees have the Board's authority to investigate matters in their terms of reference and are able to access necessary resources.
B.6.3		The senior independent director should lead the performance evaluation of the chairperson	Confirmed – the SID is commissioned by the Performance Committee to undertake this.
B.6.4		The chairperson, with assistance of the board secretary, if applicable, should use the performance evaluations as the basis for determining individual and collective professional development programmes for non- executive directors relevant to their duties as board members.	Confirmed – training and development opportunities are circulated to NEDs and the need for training development are discussed regularly.
B.6.5		Led by the chairperson, the council should periodically assess their collective performance and they should regularly communicate to members and the public details on how they have discharged their responsibilities.	Confirmed - This is undertaken by an internal review sub-group
B.6.6		There should be a clear policy and a fair process, agreed and adopted by the council, for the removal from the council of any governor who consistently and unjustifiably fails to attend the meetings of the council or has an actual or potential conflict of interest which prevents the proper exercise of their duties.	Confirmed. This is set out in the Constitution
B.8.1		The remuneration committee should not agree to an executive member of the board leaving the employment of an NHS foundation trust, except in accordance with the terms of their contract of employment, including but not limited to service of their full notice period and/or material reductions in their time commitment to the role, without the board first having completed and approved a full risk assessment.	Confirmed – directors are aware of this provision
C.1.2		The directors should report that the NHS foundation trust is a going concern with supporting assumptions or qualifications as necessary.	Confirmed This is given in the annual plan and annual report
C.1.3		At least annually and in a timely manner, the board should set out clearly its financial, quality and operating objectives for the NHS foundation trust and disclose sufficient information, both quantitative and qualitative, of the NHS foundation trust's business and operation, including clinical outcome data, to allow members and governors to evaluate its performance.	This is given in the annual plan and annual report

	Code provision	Trust Response
C.3.1	The board should establish an audit committee composed of at least three members who are all independent non-executive directors.	Confirmed – an Audit Committee of four independent non-executive directors is in place
C.3.3	The council should take the lead in agreeing with the audit committee the criteria for appointing, re-appointing and removing external auditors.	Confirmed – the last appointment round was in 2011/12
C.3.6	The NHS foundation trust should appoint an external auditor for a period of time which allows the auditor to develop a strong understanding of the finances, operations and forward plans of the NHS foundation trust.	Confirmed – the auditor was appointed from 1 April 2012 for five years, with a review clause after three years.
C.3.7	When the council ends an external auditor's appointment in disputed circumstances, the chairperson should write to Monitor informing it of the reasons behind the decision.	Confirmed
C.3.8	The audit committee should review arrangements that allow staff of the NHS foundation trust and other individuals where relevant, to raise, in confidence, concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters.	Confirmed. The Trust's Raising Concerns policy is developed and approved by the Joint Board of Directors
D.1.1	Any performance-related elements of the remuneration of executive directors should be designed to align their interests with those of patients, service users and taxpayers and to give these directors keen incentives to perform at the highest levels.	It is not the Trust's practice to use performance related pay
D.1.2	Levels of remuneration for the chairperson and other non-executive directors should reflect the time commitment and responsibilities of their roles.	Confirmed - benchmark information is reviewed by the Performance Committee each year
D.1.4	The remuneration committee should carefully consider what compensation commitments (including pension contributions and all other elements) their directors' terms of appointments would give rise to in the event of early termination.	Confirmed
D.2.2	The remuneration committee should have delegated responsibility for setting remuneration for all executive directors, including pension rights and any compensation payments.	Confirmed – delegated authority is in the terms of reference
D.2.3	The council should consult external professional advisers to market-test the remuneration levels of the chairperson and other non-executives at least once every three years and when they intend to make a material change to the remuneration of a non-executive.	The current NED remuneration was set in 2009 and a professional adviser would be engaged if a major change to this was envisaged. The Performance Committee finds the results of the annual remuneration survey very helpful in advising the Council.

	Code provision	Trust Response
E.1.2	The board should clarify in writing how the public interests of patients and the local community will be represented, including its approach for addressing the overlap and interface between governors and any local consultative forums.	A statement setting this out has been approved by the board
E.1.3	The chairperson should ensure that the views of governors and members are communicated to the board as a whole.	Confirmed. Governors attend the public board meeting and are able to ask questions. The Board receives a report on the Council of Governors meetings through the Chair.
E.2.1	The board should be clear as to the specific third party bodies in relation to which the NHS foundation trust has a duty to co-operate.	Confirmed – Good relationships are maintained with principal stakeholders
E.2.2	The board should ensure that effective mechanisms are in place to co- operate with relevant third party bodies and that collaborative and productive relationships are maintained with relevant stakeholders at appropriate levels of seniority in each.	Confirmed – the Trust has sound relationships with its major stakeholders, including the CCGs, local authority, Health & Wellbeing Board, Healthwatch and neighbouring Trusts. The state of relations with major stakeholders is kept under regular review.

Quality Report

Introduction

This is our annual report which looks at the quality of our services over the previous year and also includes plans for quality improvement next year.

Quality accounts, which are also known as quality reports, cover three components; patient safety, clinical effectiveness and patient experience. These reflect the quality of care adults, children and young people receive and each of our priorities is linked to one of these three components.

Part 1

Our commitment to quality - the Chief Executive's view

The NHS continues to attract widespread interest highlighting the enormous loyalty, affection and pride that so many people have for their local hospitals and the NHS as a whole.

This year NHS England published its Five Year Forward View and at its heart is an understanding that the culture of healthcare in this country and the way it is provided needs to change. The ambitions include a greater emphasis on the prevention of illness and on encouraging more people to take responsibility for their own health. Better access to support and information and a bigger role for public health will be key. The Five Year Forward View also sets out a need to redesign urgent and emergency care services, so that there is better integration between A&E departments, GP out of hours services and support through other services such as NHS 111. The report from the Seven Day Services Forum by the National Medical Director highlights the need to examine the key issues which affect delivery of a seven day service and also to make improvements in access to diagnostics seven days a week for patients receiving urgent and emergency care.

The aim is to achieve better working relationships between health and social care, with shared budgets and more care provided in the community to support the development of new "Models of Care". In some areas this could even involve the creation of new organisations that provide both GP and hospital services, together with mental health, community and social care.

While the NHS has already gone through a period of significant structural change, we must not forget the fundamental priority for us all – the delivery of high quality, safe patient care. This care is our priority whether it is provided in hospital, or the community, or a combination of organisations.

Delivering high quality, safe care, with a positive patient experience are the main factors that drive our organisation and continued improvements in these areas will remain a key priority for the Board. I am pleased with the progress we have made over the last year in so many areas that affect the quality of care that we give to our patients. I also feel that we have done much to improve their experience with us and this extends to their families, friends, carers and visitors to the hospital.

A positive patient experience can be seen in patient surveys, inspections and reviews and was highlighted by the Care Quality Commission (CQC), which has again placed the Trust in band 6, which is the rating given to the lowest risk hospitals. Monitor, the independent regulator, also gives us a Green (Best) Governance Risk Rating.

Good quality care is also reflected in a number of positive improvements that have taken place across the hospital. A key area for us continues to be the care of older people, in particular those with dementia. We have continued to implement the eight South West Regional Standards for dementia care, which focus on all aspects of care and treatment and how well hospitals create a 'dementia-friendly' environment. We have expanded our programme of psychological support for older people from 12 to 14 wards and introduced a number of new and exciting developments to increase social stimulation and support for patients in hospital. This includes the introduction of 1950s style tea parties, which was described as "truly inspiring" by National Patient Safety Lead for NHS England, Caroline Lecko,

when she visited the hospital to meet staff and see the outstanding work taking place to ensure older patients receive the right food and nutrition while in hospital.

Safety continues to remain a high priority for us and, as part of our ongoing commitment in this area, we have joined the national Sign Up to Safety Campaign. This aims to halve avoidable harm within the NHS over the next three years. It involves signing up to five pledges focussing on patient safety first, continually learning, collaborating, supporting, and being honest. This builds on the fantastic work that has already been undertaken as part of the South West Programme over the last five years.

The Trust has continued to make significant progress in other areas. Good examples of this can be seen in our reduction in the number of serious pressure ulcers and positive progress in our Hospital Standardised Mortality Ratio.

As I stated above, high quality care is a key priority for the Trust and the Trust Board is committed to improving quality through a 'whole organisation approach'. Three years ago we developed a 'risk tool' for each service, which is a method that enables teams to assess themselves against key quality performance criteria. The tool was redesigned and further changes were made this year to reflect the Care Quality Commission's (CQC) inspection model and its five domains on whether a service is safe, effective, caring and responsive to people's needs and also well-led. Another example of this 'whole organisation' approach can be seen in the implementation of the Sepsis Six campaign, which ensures that appropriate treatment is delivered within one hour of a patient receiving an initial diagnosis of a severe infection in Accident and Emergency. The learning from this campaign is being used to extend it to the whole hospital.

The Trust uses clinical audit results, patient feedback and information from complaints and safety reports to show where improvement is needed. For example all wards develop an action plan based on feedback from their patients. This could be through the Trust's own real-time feedback, where volunteers and Governors regularly gather views directly from patients on wards, or through comments made by patients as part of the Friends and Family Test.

Quality of care is included in Directorate level plans and reporting processes. It is measured as part of Directorate service reviews, and mid and end of year reports. Members of the Trust Board regularly walk round the hospital and talk with patients and staff enabling them to raise any quality or safety issues in their own areas and these reviews will now be based on the CQC's five domains.

Quality is monitored regularly by the Board through a number of quality measures and indicators. For instance, the Trust Board receives a quality indicator report every month and a patient story is heard at Clinical Governance Committee meetings. These stories may have come from complaints, incidents or from service improvement projects. The quality indicators and patients' stories ensure that the Trust keeps focused on the things that are important to our patients. A good example of action arising from this initiative is the plan to introduce patient diaries on the intensive care ward. As part of the patient's recovery staff will record, on handheld computers, all that has happened to them while they are unconscious so that staff can later share this progress with patients when they regain consciousness.

Patients and staff are also involved in service improvement work that covers their own areas. For instance, the new Rapid Access Care of the Elderly initiative on Durrington Ward. Prompt therapy is used to increase mobility and to help patients to go home sooner.

While the Trust Board has overall responsibility for quality, safety and patient experience, leadership for these areas is delegated to the Director of Nursing and the Medical Director.

Our emphasis on quality will continue through a number of priorities for 2015/2016. Views and comments from clinical staff, local people, commissioners and the Trust's Governors have been used in the development of these priorities, which will be addressed later in this Quality Report.

Our staff work hard to provide excellent standards of care, and constantly assess their practices in order to make any changes that could benefit their patients. On behalf of the Board, I want to thank them for their commitment and professionalism in 2014/2015 and the very positive contribution they make to the Trust and our patients.

To the best of my knowledge the information in this document is accurate.

Peter Hill
Chief Executive
22 May 2015

On behalf of the Trust Board, 22 May 2015

Part 2:

Priorities for improvement and statements of assurance from the Board

2.1 This section provides a review of the progress we have made in our 2014/2015 priorities as published in the last Quality Account

The Trust's priorities in 2014/2015 were:

Priority 1   Reduce the number of patients dying from preventable conditions

Priority 2   Ensure all patients receive high quality care including those with long term conditions.

Priority 3   Continue to help patients recover from illness or injury

Priority 4   Ensure that every patient has individualised co-ordinated care

Priority 5   Continue to keep patients safe from avoidable harm

The NHS Outcomes Framework 2014/2015 provided a national overview of how well the NHS performed by focusing on patient outcomes and experience. The framework sets out five domains where health improvement could be achieved over a number of years and we linked each of our quality account priorities to one of these domains.

These domains were:

Domain 1   Preventing people from dying prematurely – see priority 1.

Domain 2   Enhancing quality of life for people with long term conditions – see priority 1 and 2.

Domain 3   Helping people to recover from episodes of ill health or following injury – see priority 3

Domain 4   Ensuring that people have a positive experience of care – see priority 4

Domain 5   Treating and caring for people in a safe environment and protecting them from avoidable harm – see priority 5

Both the Director of Nursing and the Medical Director have responsibility to lead in these priority areas. The Medical Director leads on Domain 1, 2 and 3 and the Director of Nursing leads on Domain 4 and 5.

What we did in 2014/2015:

Domain 1   Preventing people from dying prematurely

Priority 1   Reduce the number of patients dying from preventable conditions

The Trust has continued its work to reduce the number of deaths in hospital. We have done this by monitoring the Hospital Standardised Mortality Ratio (HSMR), the Summary Hospital Level Mortality Indicator (SHMI) and the actual number of deaths.

At the end of 2013/2014 the Trust's HSMR was 109* which was higher than expected. HSMR is a complex indicator and compares the number of deaths in hospital with the expected number of deaths. The expected number takes into account the age of the patient, their complicating medical problems and whether they were admitted for end of life care. SHMI compares the number of deaths in hospital and within 30 days of discharge against expected levels. It is not "corrected" for patients admitted for end of life care, for example to Salisbury Hospice. Our SHMI for April 2013 to March 2014 was 103. Currently 31.8% of our deaths are patients admitted for palliative or end of life care compared to 28.9% in 2013/2014.

If the number of deaths was exactly as expected the HSMR and SHMI would be 100. However, some natural variation is to be expected, and a number above or below 100 can still be within the expected range. Our HSMR for January 2014 to December 2014 is 101 and our SHMI for October 2013 to September 2014 is 104. Both these levels are within the expected range.

We regularly review deaths within the hospital and following a review of the 2014/2015 figures we have not identified a pattern of preventable deaths or patient care and safety issues that were contributing to our HSMR.

However, as part of the review we started to make further improvements that benefit patients and their care. We implemented the Sepsis Six campaign which ensures that patients admitted to the Emergency

Department with severe sepsis have a blood test and receive antibiotic treatment, fluids and oxygen within an hour of diagnosis (see priority 5). We have maintained a low number of patient moves and handovers within the hospital and have continued to work with our commissioners and community partners to reduce unnecessary admissions. We have also improved the availability of community palliative care nursing care at the weekend.

Current status

Annual HSMR & SHMI

Legend: HSMR, SHMI, SHMI adjusted palliative care
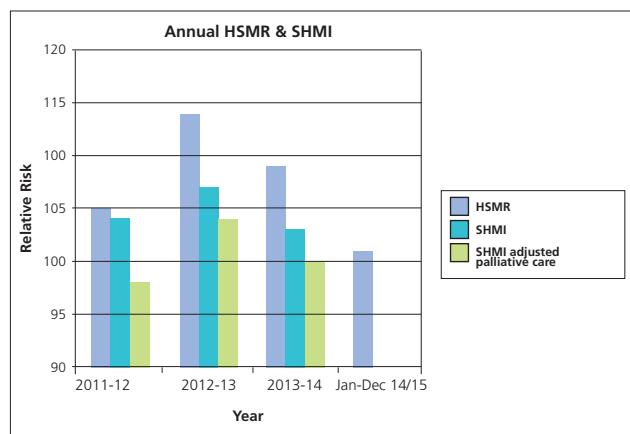
HSMR per year from 2011/2012 to 2014/2015. SHMI is published 6 months in arrears.
*In our quality account 2013/2014 we reported our HSMR from April 2013 to January 2014 as 107. The final HSMR for 2013/2014 was 109.

In July 2013 Professor Sir Bruce Keogh, the NHS Medical Director reviewed the quality of care and treatment provided to patients at 14 hospitals that had persistently higher than average mortality rates. The aim was to understand whether there were any serious failings that needed immediate action, whilst setting the hospitals on the road to improvement.

In his report Keogh set out eight ambitions for improvement. The Trust has continued to use these ambitions to improve the way we review and learn from deaths more quickly. We regularly use data to alert us to potential quality problems. Every six months we review ward nurse staffing levels to ensure patients receive the right level of care. This year the Board invested £1 million in more nursing staff. A junior doctor and junior nurse now regularly attend our Clinical Governance Committee so that their experiences are heard and used to drive improvements. We also provide open forums where junior doctors can alert us to safety concerns and describe their experience of front line care. Junior doctors also take part in improvement projects, supported by senior doctors and managers.

What we did in 2014/2015 to support this improvement priority:

The bullet points below indicate the quality priority set for 2014/2015; the paragraph that follows is the progress made towards their achievement.

• With our community partners we focused on preventing ill health by helping patients to stop smoking, drink less alcohol, eat healthily, exercise more to tackle obesity and improve bone health.

Since April 2014, we have continued to ask inpatients and outpatients if they smoke. Patients were also asked if they were ready to stop smoking and 1373 patients said they wanted to stop. 1051 patients received information and support on how to stop at the time. 871 patients were referred to community NHS stop smoking services for a more intensive programme of support.

Through the year 25,291 (73%) patients who attended the Emergency Department were asked how much alcohol they drink. We found that 773 (3%) patients drank alcohol to a level that put their health at risk. Of these, 571 (66%) patients were given information about drinking less alcohol and all 773 (100%) patients were referred to their GP for follow up. Any patient who is admitted to hospital with an alcohol related condition is contacted by an Alcohol Specialist Nurse who provides advice and support. We have trained 21 alcohol advisors in 17 different areas in the hospital who are able to give patients advice on how to drink less alcohol or stop altogether. We are working with Wiltshire Council community health trainers who are able to help people make positive lifestyle changes such as drinking less alcohol, reduce or stop smoking, become more active, eat more healthily and improve general wellbeing.

In May 2014 the Trust took part in a Patient Led Assessment of the Care Environment (PLACE) audit. As a result, we have reviewed our patient menus and increased the range of foods for patients to choose, and the availability of snacks, fresh fruit and chilled water. The menu cards give information on healthy eating choices. Fruit is also on sale at all our shops and restaurants.

Our hospital leisure centre runs a Counter Weight programme enabling GPs to refer patients with a body mass index of 28 or more. Counter Weight is a structured two year lifestyle programme to help patients lose 5% to 10% of their body weight by helping them to change their behaviours around eating everyday foods and increasing activity through exercise. Patients receive one-to-one support with exercise, dietary advice and monitoring.

Osteoporosis, one of the causes of fragile bones can lead to painful and disabling fractures. Not all patients with osteoporosis suffer from a fracture. A range of bone protecting treatments have been shown to reduce a person's chances of a fracture by up to 50%. We are supporting GPs by providing advice about bone health assessment of patients who have attended with a simple fracture or following a fall. In addition, since April 2014, we have assessed 270 (99%) of 271 hip fracture patients for bone health, started treatment, and a specialist nurse has given individual education sessions. To ensure we manage falls, fractures and osteoporosis effectively we are working with local commissioners and Wiltshire Council to set up a Fracture Liaison Service in 2015/2016 to ensure that all fragility fracture patients are identified and preventative treatment is started early.

- With our community partners we continued to support women to stop smoking in pregnancy and breast feed their babies for as long as possible.

All women are asked at the booking appointment whether they smoke. Since April 2014 347 (12.1%) women out of 2857 who booked for maternity care said they smoked. Women who smoke are also asked to do a breath test so the level of carbon monoxide can be measured and advice is given on how to stop smoking. Women are also referred to the NHS stop smoking service. We have trained all our community midwives in carbon monoxide monitoring and are working towards monitoring all women who smoke at every antenatal appointment. Since April 2014, 285 (11.8%) women out of 2424 who had had their baby were still smoking when their baby was born.

Since April 2014 1944 (80.1%) women out of 2424 were breast feeding 48 hours after the birth of their baby. Between April 2014 to September 2014 412 (46%) women out of 893 women in the area covered by the Salisbury community midwives were still breast feeding their baby. We recognise we need to do more and we are working In partnership with a community breast feeding co-ordinator who is training volunteers to give extra support to breast feeding women at home.

- We continued to improve the health of our staff through the 'Shape-up at Salisbury' campaign.

The 'Shape-up at Salisbury' campaign is a health and wellbeing programme for our staff. We know that helping staff to be happy and healthy improves the quality of patient care. A singing group was set up in November 2013 and has 30 staff who attend regularly. Singing in a group helps to improve morale and fitness. We have also continued to provide blood pressure and cholesterol check clinics for our staff. In 2014/2015 75

staff have attended these clinics. They are given advice about follow-up and life style choices. Stress awareness events have taken place throughout the year to help staff identify stress and relieve it. A mental health nurse is also able to give support and advice to staff on mental health issues. Psychological wellbeing courses are also held regularly for staff. A staff-led running club meets weekly throughout the spring and summer.

- We continued to work with GPs to ensure that patients who wanted to record their wishes about their end of life care had an advance care plan in place which was used and respected by doctors and nurses.

In South Wiltshire patients who live in some nursing or care homes now have a dedicated GP who visits every week. Each patient, in discussion with their family and GP, has a care plan which sets out their wishes should they become unwell and also their wishes for end of life care.

- We continued to improve patient care at the end of life and improved communication with families.

Since April 2014 we have introduced a Conversation Project to help patients talk about their wishes for end of life care. It is important to recognise when a patient is approaching end of life as delays may prevent timely involvement in the planning of their care. Since the phasing out of the Liverpool Care Pathway we have trialled a new personalised medical and nursing care plan which prompts a conversation with the patient and their family about their wishes for end of life care. This includes a discussion about food and hydration, pain relief, symptom management, spiritual needs and communication with the family and where they want to die. We will introduce this care plan document throughout the hospital. We will also introduce an End of Life Care Specialist Nurse to support patients and families at the end of life and to train staff to have end of life care conversations.

- We continued to work with GPs and senior doctors to investigate the care of patients who died in hospital to see if there were any changes or improvements we needed to make.

We have continued to regularly review deaths within the hospital and have not found a pattern of preventable deaths or patient care and safety issues. In 2013/2014 our HSMR was 109 and our SHMI was 103. Since then we have seen a reduction in our HSMR to 101 up to December 2014. Our SHMI up to September 2014 was 104. Both these levels are within the expected range.

With the information we have collected from these reviews we have continued to make further improvements to patient care and implemented the Sepsis Six campaign. This ensures that patients admitted with severe sepsis have a blood test and receive antibiotic treatment, fluids and oxygen within an hour of diagnosis. We have also continued to maintain a low level of patient moves within the hospital and continued to improve the availability of community palliative care at the weekends to support end of life care at home. We have started work to improve the prevention and treatment of acute kidney injury.

What we did in 2014/2015:

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

Priority 2   **Ensure all patients receive high quality care including those with long term conditions**

Description of the issue and the reason we prioritised it:

All our patients will be treated with compassion, dignity and respect and with care that is personal to their individual needs. We have worked with local GPs, Age UK and Governors who have all told us that the care of vulnerable older people, people with dementia and people with learning disabilities need to be key priorities. In particular, giving priority to ensure that all patients have help to eat and drink, that staff have time to meet relatives and that all patients know what is happening in their care.

What we did to support this improvement priority:

- We worked with GPs, care co-ordinators and senior doctors to support people with heart failure, diabetes and chronic breathing problems to stay healthier for longer and seek help earlier to better manage their own care.

Patients who are admitted to hospital with heart failure often suffer from shortness of breath or leg swelling. They receive a visit by a specialist nurse who involves them in devising their management plan and gives advice on healthy eating, exercise and medication. Patients can keep track of their plan in their own patient-held record. The plan also advises them what to do if they become unwell. Once a patient has left hospital they will receive a telephone call a week later to check on their health. If necessary, an outpatient appointment or a visit by the community matron is

What our patients and public have told us?

'I accompanied a friend whose wife had suffered a cerebral haemorrhage at home. From the care by the paramedic and ambulance crew to her admission and later that night of her death the patient and family were treated with extreme care, respect and dignity. Particular mention must be made of the Consultant who from the start showed compassion and excellent communication skills at a very difficult time.'

'They are doing everything they can to help my pain. They involve me in conversation and don't talk over me'.

'I have lung problems and the Specialist, scanners, nurses even the administration staff are a credit to the hospital and the area. I have experienced other hospitals and was very surprised at the efficiency, friendliness and warmth from such a busy yet well run hospital'

arranged to assess and advise them in their own home.

Since April 2014 17 patients with type one diabetes have attended a Freedom for Life course to learn to adjust their insulin, food, exercise and lifestyle and 9 patients have attended a carbohydrate counting course. These patients are better able to control their blood sugar levels and are less likely to be admitted to hospital than patients who do not attend the course. Patients with type two diabetes can attend a structured education programme similar to the Freedom for Life course. These patients are less likely to develop complications of diabetes compared to patients who do not attend the programme. Patients and GPs can also obtain telephone advice from our specialist diabetes team about adjustment of insulin regimes and how to help patients who are unaware of low blood sugar levels.

People with chronic breathing problems who are restricted in their normal activities can attend a pulmonary rehabilitation programme. The programme includes a home exercise and self management plan should they become unwell. Over the last year, 62 patients successfully completed a programme and improved their symptoms and fitness. Patients who are admitted to hospital with a lung problem are advised on exercise and are also offered a pulmonary rehabilitation programme. Patients with asthma and other chronic breathing problems also have a self management plan to help them stay healthier for longer and manage their own condition. Our respiratory team work closely with GP's and community matrons to offer patients education and advice.
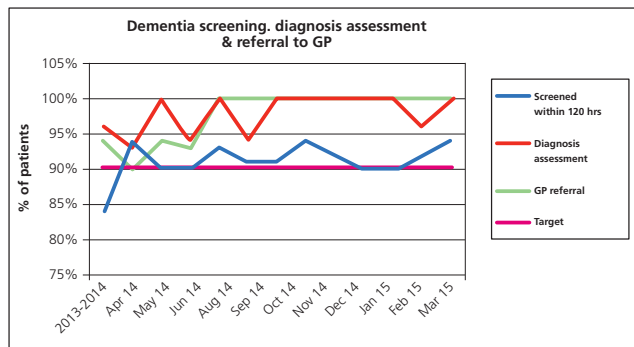
- We continued to improve the identification of patients with dementia and delirium and referred them to their GP or specialist mental health team when needed, to ensure they received effective care and treatment.

With the support of our dementia champions we have consistently improved the number of patients screened for a diagnosis of dementia when they are admitted to hospital as an emergency. If a patient is screened and dementia is suspected they are assessed either by the in-house specialist mental health team or referred to their GP.

The table below shows how we have improved (Purple line is the target of 90%)

Dementia screening. diagnosis assessment & referral to GP

- We continued to improve the support we offered carers of people with dementia by giving advice and information.

We continue to find out from carers of people with dementia whether they get the right support to provide care, have access to information and advice, and whether they know how to seek respite care. We have published an information booklet called 'Understanding and managing the symptoms of dementia' which is given to carers of people with dementia. Since April 2014, 17 carers have given their feedback and have been offered information and advice on support services. Two dementia advisors employed by the Alzheimer's Society continue to provide support for carers. We are working with Wiltshire Council to do more to help identify, support and recognise the vital role carers play; to help them to provide care, and stay well themselves.

- In partnership with the Alzheimer's Society we continued to train our dementia champions and staff in dementia care.

Working with the Alzheimer's Society we continue to provide basic dementia awareness training for our staff. We have held 6 training days since January 2014 attended by 57 members of staff.

- With funding from the Arts Council, the Stars Appeal, the League of Friends, and the Salisbury Independent

Hospital Trust we continued to support a programme called 'Elevate' to help lift people's spirits by using music and movement, creative stories, nature, poetry and reminiscence.

Specially trained volunteers have continued to support patients through the enjoyment of singing, music, dance and story telling to help keep their minds active and provide a distraction from hospital life. We have introduced 1950s-style tea parties with vintage china and activities linked to years gone by. This proved particularly beneficial for patients with dementia and was also enjoyed by other patients.

- We helped patients manage their own care so that they were able to decide whether to arrange their own outpatient follow up appointment or simply receive telephone advice from a nurse or doctor.

We have started to offer patients with ear, nose and throat and orthopaedic conditions the choice of receiving a follow-up appointment by telephone from a nurse or doctor instead of attending a face-to-face appointment. We have also started to offer patients with straightforward conditions the choice of attending an outpatient follow-up appointment only if they feel they need it. Since April 2014 584 orthopaedic patients and 28 ear, nose and throat patients have been given the choice and so far 25 orthopaedic patients have booked and attended an appointment. One ear, nose and throat patient booked and attended an appointment.

- We introduced an improved care pathway for children with cystic fibrosis and eating disorders.

Significant changes have occurred in the pathway to manage children with cystic fibrosis. This means that children and young people are cared for at this hospital by a specialist team and once a year are assessed at Southampton General Hospital. We are planning to increase the provision of physiotherapy and dietician time at this hospital. We are also moving towards a best practice model, which is a set of practices which, when used together, help keep children with cystic fibrosis as healthy as possible.

We have also developed an improved care pathway for children and young people with eating disorders. Young people are regularly seen by a senior paediatric doctor together with a member of the Child and Adolescent Mental Health team. As a result we have a low admission rate for children and young people with eating disorders compared to other hospitals.

What we did in 2014/2015:

Domain 3 **Helping people recover from episodes of ill health or following injury**

Priority 3 **Continue to help patients recover from illness or injury**

Description of the issue and the reason we prioritised it:

The length of stay in hospital can vary between patients with similar conditions for a number of reasons including the way in which we manage ward rounds and arrange tests and medicines. There can also be delays when patients are ready to be discharged, but the support they need at home is not yet available. We are working with our community and social care colleagues to integrate services and to make changes which will benefit our patients.

- With our community partners we enabled early supported discharge for stroke patients so they spent less time in hospital and continued rehabilitation at home.

Since April 2014 we have referred 67 patients to the early supported discharge team. However, some of these patients told us that they waited over 6 weeks to start their rehabilitation. We are working with NHS Wiltshire and Wiltshire Council to resolve this problem.

- We improved access to rehabilitation for patients who have suffered a major traumatic injury and ensured they had a named therapist co-ordinating their care.

We have been working collaboratively with the Trauma Centre at Southampton General Hospital since April 2012. We have increased the number of trauma patients who have had rehabilitation by our specialist team at our Wessex Rehabilitation Centre from 3 patients in 2013/2014 to 13 patients in 2014/2015. Each patient benefits from a programme of physical therapies, pain management and psychological support designed for their specific needs. Each programme is co-ordinated by a key therapist. In November 2014 we had a very positive peer review which is reported on page 82-83.

- We introduced a specialist fragility fracture clinic to ensure patients were investigated and have bone protection medication, information and advice to prevent more serious fractures in the future.

What our patients and public have told us?

'My husband was brought to the Accident and Emergency ward following a fall at home. He had suffered concussion and had experienced a horrible kind of nightmare and so was very frightened. I wanted to write to express my appreciation of the way we were all looked after. The nurses and doctor were so kind and comforting; we couldn't have received better care and consideration. Nothing was too much trouble'.

'My 84 year old mother-in-law underwent an operation on her leg following a fall at home. All the staff were excellent - helping my mother-in-law regain her mobility very quickly whilst being very aware of her needs and dealing sensitively with her dementia-related issues. The staff kept us informed about what was happening on a daily basis and assisted with her smooth transition to a nursing home for convalescence prior to returning home. The staff were all very efficient, professional and caring. We were very impressed - especially since the recent bad press concerning care of the elderly. It is good to know that Salisbury Hospital has excellent standards'

'The food is just warm and could be hotter. Two patients were very noisy at night and I have not been able to sleep'.

In October 2013 we introduced a specialist nurse outpatient clinic for patients who have recovered from a hip fracture and other low impact fractures. So far 29 patients have been investigated and started on bone protection medication as well as receiving advice on eating a healthy diet, exercise and preventing falls.

Patients who attend the Rheumatology Department who have been found to have a low bone density can have an annual infusion of Zoledronic Acid which helps build up bone density. To ensure we manage falls, fractures and osteoporosis effectively we are working with NHS Wiltshire to set up a Fracture Liaison Service in 2015/2016.

- We expanded the 'Keep active campaign' for older people to another ward to help them maintain their independence.

We have introduced the Keep Active campaign onto a second ward; Durrington ward, to help older people keep active and maintain their independence. Patients are encouraged to help with their recovery by being active throughout the day. This helps to stop their muscles from becoming weak and can help patients go

home more quickly. In December 2014, staff helped all eligible patients to keep mobile on average 4.8 times a day during the week compared to 3.7 times in August 2014. At the weekends staff helped patients to move on average 5.7 times a day at weekends compared to 3.8 times a day at weekends in August 2014.

- We continued the Rapid Access to Rehabilitation for the Elderly project (RARE) so that older people with problems such as a simple fracture were moved directly from A&E to Winterslow ward to start immediate rehabilitation.

We have changed the RARE project to the Rapid Access for the Care of the Elderly (RACE) project. The project involves patients with simple fractures or conditions where a rapid recovery is expected being moved directly to Durrington Ward to start immediate rehabilitation. This means patients are able to leave hospital sooner.

- We continued to support patients undergoing cancer treatment with a programme of physical activities, information, and shared support to help decrease anxiety, tiredness and feelings of helplessness.

For the past year, clinical psychologists and gym staff at the hospital have delivered this unique programme, funded by Macmillan Cancer Support, which educates and supports patients to keep them physically and emotionally healthy, aiding their recovery. The eight week group programme covers topics such as diet, sleep problems and relaxation, a range of tailored exercise including gym and swimming sessions, and support with financial issues from the Macmillan Benefits Adviser.

- With GPs and the community network we continued to reduce the number of children and young people with diabetes, asthma and epilepsy admitted to hospital as an emergency.

Children with diabetes, asthma and epilepsy are only admitted to hospital when absolutely necessary and usually stay only one day or less. Children, young people and parents can now seek rapid advice from a newly appointed community diabetes specialist nurse. One of our senior paediatric doctors has taken part in a regional audit about the management of common childhood reasons for admission to hospital. We have started to work with GPs in managing the seven most common conditions.

What our patients and public have told us?

'I visited the hospital recently to have a suspected fractured wrist checked out and I was so impressed with how quickly and easily I was attended to and how pleasant the staff made the experience. Very impressed with the efficiency of the staff and the cleanliness of the rooms I entered'.

'Attended the TIA unit on a Sunday. We were greeted by such friendly staff, reception and stroke nurse. Immediately made to feel comfortable, everything done with utmost care and attention. Could not have had a more informative and caring person with a doctor taking over, getting everything sorted quickly and efficiently, arranging all the various tests, ECG, BP, ultrasound and MRI then explaining all the results. It made a possibly frightening and stressful day an easy one to bear'.

'I accept that the call bell cannot be answered immediately'

'Noise from call bells at night and in the day disturbs my sleep'

What we did in 2014/2015:

Domain 4   **Ensuring that people have a positive experience of care**

Priority 4   **Ensure that every patient has individualised co-ordinated care**

Description of the issue and the reason we prioritised it:

It is important the Trust does everything it can to provide high quality care for all our patients and make sure that the care is effective, personal, safe and patients are treated with compassion, dignity and respect. Patients have told us that we do not get everything right every time and we must therefore find out what happened, learn from it, and continuously work to improve care.

The table below shows how patients rated their care in the National Inpatient Survey from 2010 to 2014

National Inpatient Survey question Overall, how would you rate the quality of care you received?	2010	2011	2012	2013	2014
Mean score	7.9	7.8	8.1	8.1	8.3

Whilst these results are very good, the survey shows that:

- Not all patients liked the quality of the food.
- Noise, especially at night is disturbing sleep.
- Patients are sometimes delayed on the day of leaving hospital.

What we did in 2014/2015 to support this improvement priority:

- We ensured that all patients had a named consultant in charge of their care.

We are testing out a board placed at the end of each patient's bed so that the name of the consultant can be written on it which is visible to the patient whilst in bed. This will help patients know which senior doctor is in charge of their care.

- We also ensured that every patient had a care plan that they had been involved in developing which recognised their individual needs and that of their families and carers.

We have updated our nursing assessment documentation to ensure patients are asked about how they were before they came into hospital compared to how they are now. This ensures the patient receives the right care for their needs. A group of senior nurse leaders have looked at the daily management plan. The plan will become an electronic process later in 2015 which will enable the patient to be more involved in planning their care. We have started to ask patients with long term conditions, such as diabetes, chronic lung problems and heart failure to bring their care plans into hospital with them so that care specific to their needs is continued during their stay.

- We ensured that on every shift every patient had a named nurse who was co-ordinating and responsible for their care.

We are testing out a board placed at the end of each patient's bed so that the name of the nurse co-ordinating their care can be written on it which is visible to the patient whilst in bed. This will help patients know which nurse is in charge of their care. On some wards we have a board at the entrance to each bay giving the names of the nurses responsible for the care of the patients in that bay.

- We ensured that the named nurse reviewed and was familiar with every patient's care plan on every shift.

All patients have a treatment and care plan which is reviewed by each nurse on every shift. Our senior nurses and charge nurses now work in a supervisory capacity to ensure essential standards of care are maintained. Part of the supervisory role is to make sure patients are involved in their treatment and care plan and they know what to expect next. It ensures our ward leaders can be much more visible and accountable to all our patients on the wards and their families. In addition, when nurses change shifts they handover to the next nurse at the patient's bedside so the patient can be involved in the discussion about their care.

- We introduced an in-depth enquiry into poor discharge planning and multiple ward moves to learn and improve.

We have looked at incidents of poor discharge planning and found that poor communication between the wards and community services were a common factor. We ran a discharge planning workshop with a broad range of staff in December 2014 to understand the problem in more detail. We identified areas for improvement which includes a redesigned discharge checklist.

We have also looked at why patients are moved from one ward to another. We have found that most patients are moved for good clinical reasons. However, some patients were moved at times of high activity to a ward that did not specialise in their condition which made their stay in hospital longer than necessary. We have started to use and monitor this information at the daily team meetings to ensure no patient is moved more than twice and that they are moved to the right ward straight away.

- We introduced an audit programme to review and improve care plan and discharge plan documentation.
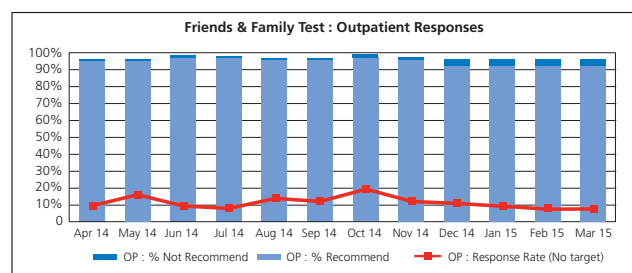
In May 2014 we undertook an audit of the quality of nursing assessment on admission and found that 57 (81%) patient assessments on admission and 91% of patient care plans met all the standards in the audit. Ongoing work is undertaken by our supervisory ward leaders to improve standards of assessment and care planning.

A plan is in place to improve discharge planning documentation. This will include a redesigned discharge checklist and to work together with two local nursing homes to improve the transfer of care information.
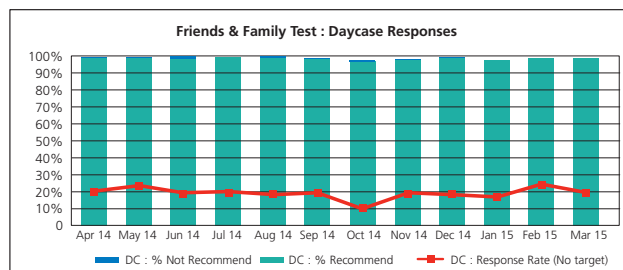
- We introduced the Friends and Family test in day case areas and outpatient departments to monitor the quality of care.

Since April 2014 outpatients and patients who attend as day cases have been asked how likely they would be to recommend the outpatient department or day case area to friends and family if they needed similar care or treatment. Of those patients who responded 96.7% said they were extremely likely or likely to recommend the hospital to friends and family. Patients are also invited to comment and the vast majority of comments were very positive, with care, compassion, friendliness and helpful advice common themes.

The bar chart below shows the response rate and the percentage of outpatients who would recommend the hospital to their friends and family if they needed similar treatment or care

Friends & Family Test : Outpatient Responses

■ OP : % Not Recommend   ■ OP : % Recommend   ■ OP : Response Rate (No target)

The bar chart below shows the response rate and the percentage of day case patients who would recommend the hospital to their friends and family if they needed similar treatment or care

Friends & Family Test : Daycase Responses

■ DC : % Not Recommend   ■ DC : % Recommend   ■ DC : Response Rate (No target)

What our patients and public have told us?

'Admitted via GP with suspected appendicitis. Resulted in an appendectomy that night. Received completely outstanding faultless care from beginning to end. I cannot recommend this hospital highly enough. Add to the high standards the hugely caring and thoroughly professional staff with a real team spirit'.

'I was admitted for a total hip replacement and although my stay was brief, I cannot fault the treatment I received. Everybody on the orthopaedic unit, and all other staff I encountered, were highly professional in their approach, and those on the ward could not have been more attentive and caring. My needs were met with good grace and appropriate humour, and I was not fussed over but given just the right amount of encouragement and independence, whilst still feeing safe. The only negative I would like to mention is the poor signage in the corridors'.

'I would like the consultant to talk to me a lot more'.

What we did in 2014/2015:

Domain 5   **Treating and care for people in a safe environment and protecting them from avoidable harm**

Priority 5   **Continue to keep patients safe from avoidable harm**

Description of the issue and the reason we prioritised it:

The safety of our patients is a key priority in our quality improvement work. We continue to run a patient

patient safety programme. Our aim is to reduce levels of harm to patients whilst in hospital and we measure this through harms like pressure ulcer rates, infection rates, thrombosis events, and the number of patients falling in hospital. All of these can lead to pain and distress for our patients and extra days or weeks in hospital. Our aim fits with a continuing national priority across the NHS to measure the incidence of pressure ulcers (sores), falls, urine infections from catheters, and blood clots, through a system called the Safety Thermometer.

We have reported on harm free care since April 2013. Since then we have seen a decrease in the number of patients acquiring a new pressure ulcer in hospital as measured by the Safety Thermometer. Our actual number of grade 2 pressure ulcers has reduced by 9% this year.

We have also started to measure the number of patients who are admitted to hospital with a harm, such as a pressure ulcer, catheter associated urine infection or blood clot. Working with our community partners to improve safety and reduce harm will be a priority action for 2015/2016.

The Safety Thermometer chart below shows we have sustained a high percentage of new harm free care. It also shows the percentage of patients who are admitted with a harm and the percentage of new pressure ulcers developed in hospital.
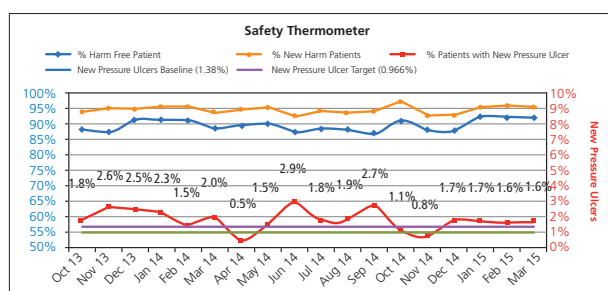
- We continued to make sure patients were assessed for their risk of developing a blood clot and given preventative treatment if at high risk. We conducted a detailed enquiry of patients who developed blood clots to ensure we learned and improved.

Since April 2014 we have assessed 99.1% of patients for their risk of developing a blood clot in hospital. We have given preventative treatment to 96.6% of patients at high risk. We have reviewed the care of all patients who developed a blood clot and found the vast majority of patients were managed appropriately. The Trust continues to be recognised as an exemplar site and shares knowledge and experience to help other hospitals achieve the best blood clot prevention for all patients.

- We aimed to reduce the number of preventable falls and undertook a detailed enquiry of patients who fell and injured themselves to ensure we learned and improved.

Since April 2014 there have been 29 incidents reported where a patient had a fall resulting in a fracture.   Of these, 18 incidents resulted in a fracture which required non-surgical treatment and 11 patients had a fractured hip which required surgery. Our detailed investigations of all patients who fell and sustained a fracture or major harm showed that patients often fell when they were walking or standing during their rehabilitation phase. We also found that communication with families had improved. We should continue to improve assessment and re-assessment of a patient's risk of falling, and ensure that patients have the correct footwear and walking aids.

- We continued to reduce the number of patients who developed grade 2, 3 and 4 pressure ulcers (sores) in hospital. We continued to conduct a detailed enquiry of patients who developed grade 3 and 4 pressure ulcers in hospital so we learned and improved. We aimed to do more work with our community partners to undertake reviews of patients who came into hospital with pressure ulcers.

This year we have reduced by 9% the number of grade 2 pressure ulcers from 269 in 2013/2014 to 244 in 2014/2015.   This year there have been four hospital acquired grade 3 pressure ulcers (more serious), and no grade 4 pressure ulcers. A detailed review is undertaken if any one ward has three or more pressure ulcers in one month.   As a result we have improved the recognition and treatment of moisture sores and introduced ear guards for patients with oxygen tubing to protect the skin on the ears which can be very thin.   We have also introduced softer oxygen tubing on every ward this year.

The chart below shows the total number of hospital acquired grade 2, 3 and 4 pressure ulcers
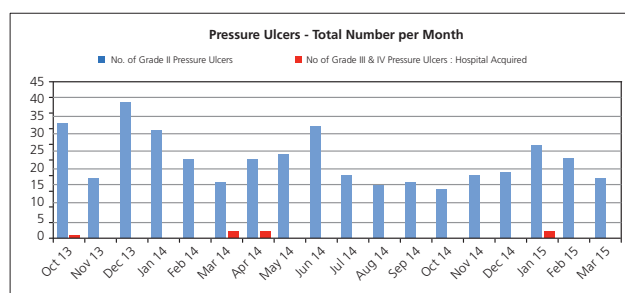
- We aimed to reduce the number of catheter associated urine infections by continuing the use of the catheter care bundle and on-going catheter care.

We have continued to use the catheter care bundle. This is a set of practices which, when used together, help reduce urine infections when a catheter is first put in and guides on-going catheter care. We want to reduce the number of infections further and so this continues to be a priority in our 'Sign Up to Safety' Campaign.

- We ensured adults and children were protected by aiming to increase to 80% the number of staff who were trained to safeguard adults and children.

Safeguarding adults training to protect vulnerable people from abuse is a high priority for the Trust. On their first day all new staff have a session on safeguarding adults and the Mental Capacity Act, and what action they should take if they are concerned a vulnerable adult is being abused. All new staff are given a Mental Capacity Act and adult safeguarding 'prompt cards' booklet. All staff must complete an adult safeguarding e-learning module. By the end of March 2015 79% of staff had completed this training. Staff are also able to attend teaching sessions. Completion of training is discussed at staff appraisals.

Safeguarding children's training is also a high priority for the Trust. On their first day all new staff have a taught session on safeguarding children and what they should do if they are concerned a child may or is being abused. There are several levels of training dependent on the person's job role and contact with children. Between April 2014 to December 2014 76% of appropriate staff completed level 1 training, 74% of appropriate staff completed level 2 training, and 97% of appropriate staff completed level 3 training.

Infection prevention and control – work plan for 14/15

- We continued to use the Sepsis Six campaign to treat patients with severe infections within an hour of arrival in hospital.

Sepsis Six is the name given to a set of practices designed to reduce the number of people who die from severe infection. We introduced the Sepsis Six campaign in the Emergency Department at the end of 2013 through an education programme. Patients with severe infection must have their blood count, blood culture and blood acid measurement taken in the first hour. Treatment with oxygen, antibiotics and fluids must also begin in the first hour and urine output measured. Since April

2014 we have measured 3 key components of Sepsis Six – blood acid measurement (lactate), treatment with antibiotics and completion of the Sepsis Six pathway (proforma). Between April 2014 and September 2014 we achieved an overall compliance of 55%, between October 2014 and March 2015 we had an overall compliance of 83% and 72% for each quarter against a target of 65%.

The line graph below shows our overall compliance with the three measures in the Emergency Department from April 2014 to March 2015
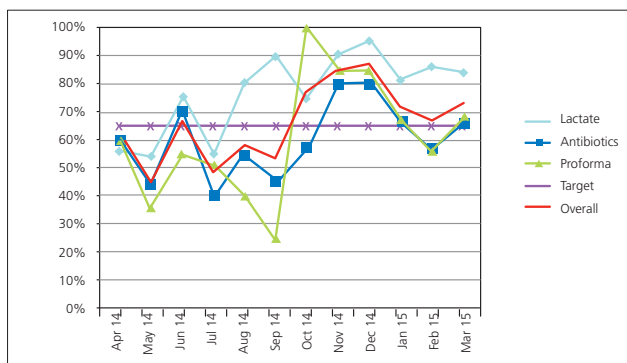
- We aimed to maintain low numbers of patients with avoidable MRSA bloodstream infections and avoidable C. Difficile infections through good infection control practice.

Between April 2014 and March 2015 2 patients had an MRSA bloodstream infection. Both of these were investigated and one was found to be a contaminant. This means it was not a true bloodstream infection. 23 patients developed C. difficile against a target of 18 patients for the year. We have worked collaboratively with our commissioners to ensure best practice and have a detailed action plan in place. This includes a variety of measures. For example, using different coloured aprons in each ward bay, Actichlor plus, (a combination of detergent and disinfectant) for cleaning and a trial of sporicidal wipes for cleaning commodes.

- We continued to monitor infection control practice through audit and report findings to the Infection Prevention and Control Committee.

We continued to monitor hand hygiene practice which shows a high level of compliance. We also continue to monitor a range of other infection prevention and control practices such as commode cleanliness and the storage and use of clean and dirty laundry practices.

- We continued to review technologies into the prevention and control of infections and introduced new technologies where appropriate.

New innovations have been introduced such as a new alcohol hand gel dispenser which is part of the door handle at the entrance and exit to the Neonatal Unit. We have introduced Actichlor plus and disinfectant wipes for cleaning. We continue to use two Glosair machines to ensure beds, rooms and surfaces are properly decontaminated after use.

- We continued to use ATP monitoring (our hygiene monitoring system) to ensure the cleanliness of equipment and the environment.

We continued to routinely monitor the cleanliness of equipment and the environment using this system. It is used before and after an area is deep cleaned to highlight the standard of cleaning. This includes the main patient touch points such as bed frames, door handles and toilet areas.

- We continued to monitor hand hygiene practice, including a review of hand wash and alcohol hand rub facilities, to encourage staff and visitors to wash their hands.

We continued to monitor hand hygiene practice which showed a high level of compliance. We have introduced some new automated hand gel dispensers and made the signage more prominent at all the entrances and exits to the wards and outpatient departments.

- We reviewed cleaning products for use in sinks and bathrooms to use the best available.

We have looked into what other hospitals in the South West use to clean their sinks and bathrooms. We are now using Actichlor Plus throughout the hospital and for all our ward deep cleaning programmes.

- We aimed to complete the review of outpatient dirty utility rooms to make sure they met the required Trust standard.

We have focused our work on ward dirty utility rooms which are checked by a senior nurse every day. The review of outpatient dirty utility rooms will be progressed in 2015/2016.

What our patients and public have told us?
'Full marks to the cleaners'. 'The cleaner is very meticulous'

'The nurses and doctors always clean their hands'

'Some staff do not wash their hands'.

'The toilets are not always clean'.

2.2 This section sets out our quality priorities for 2015/2016

Our priorities for quality improvement in 2015/2016 and why we have chosen them

Looking forward to 2015/2016 we have used a broad range of methods to gather information and generate our quality priorities. These include:

- Speaking to patients and asking them to give us feedback on their experience of care during their hospital stay.
- Using information from the national inpatient survey and the Friends and Family test.
- Learning from themes from comments, compliments, concerns and complaints.
- Learning from risk reports and listening to what staff have told us during Executive Safety and Quality walk rounds. These rounds give staff the opportunity to talk face-to-face about safety or quality concerns with Executive Directors and Non-Executive Directors.
- Listening to what our staff have told us from the national staff survey and the staff Friends and Family test.
- Talking to our local commissioners and Wiltshire Council and asking them about local people's needs and improvements that could be achieved by working together.
- Continuing to respond to the recommendations made into the failings at Mid Staffordshire NHS Foundation Trust Public Inquiry chaired by Robert Francis QC (the Francis Report).
- Responding to NHS England's NHS Services Seven days a Week Forum report with ten clinical standards to improve urgent and emergency care for patients seven days a week.
- Responding to NHS England's Five Year Forward View which sets out a national plan on how the NHS needs to change and improve over the next five years.

We have consulted widely on the priorities and involved the local Age UK, Warminster Health and Social Care Group, our staff, governors and members to help us make the final decisions on our priorities for 2015/2016. The priorities have been discussed with clinical teams as part of the service planning process. Our Clinical Commissioning Groups have also helped us work out what our priorities should be and the work we need to do together. Some of their comments are included in this report.

This process confirmed that the priorities for 2015/2016 are the areas where we need to focus our quality improvement. We have changed them from 2014/2015 and given an explanation. The Board has agreed these priorities.

The Trust has made good progress on last year's priorities however there are still further improvements that can be made and additional work has been identified for 2015/2016. A number of these areas are required for our Commissioning for Quality and Innovation (CQUIN) programme and support the Care Quality Commission (CQC) regulations.

The actions we plan to take in our quality priorities reflect the Trust's vision to ensure that every patient has an outstanding experience. We will continue to listen to our patients so that we can understand if we are meeting their needs and expectations. We will do this by acting on patient real time feedback, the Friends and Family test comments, national survey results, concerns and complaints and listen to patient stories at the Clinical Governance Committee. We will continue to make sure staff voices are heard and that they know how to raise concerns. We will do this through members of the Trust Board actively talking to staff at ward and departmental level about any issues or concerns they may have as part of our quality and safety walks. We actively promote a culture of openness and honesty so that our staff feel able to report adverse incidents and we take action to improve our national staff survey results.

Our priorities for 2015/2016* are:

Priority 1   Strive to keep patients safe from avoidable harm

Priority 2   Ensure patients have a positive experience of care

Priority 3   Actively work with our community partners and patients to prevent ill health

Priority 4   Provide patients with high quality care seven days a week

Priority 5   Provide co-ordinated care across the whole health community.

*These priorities are **not** ranked in order of priority. The Trust Board agreed the 2015/2016 priorities on 22 May 2015.

Progress in our priority areas will be measured and monitored through the Trust's quality governance process. To enable the Trust Board, the Clinical Governance Committee and Clinical Management Board to do this they will receive monthly reports and ask for further work where it is needed. The Trust Board minutes and reports can be viewed on the Trust website.

The following sections describe the work which will be undertaken in 2015/2016 to achieve or improve the priority areas.

What we will do in 2015/2016:

Priority 1 - Strive to keep patients safe from avoidable harm

Description of the issue and reason for prioritising it:

Patients should be able to expect to be treated in a safe and clean environment and be protected from avoidable harm. Improving patient safety involves many things, including, high quality nursing care and creating a culture of learning from incidents to prevent them happening again. As a Trust, patient safety is our first and most important priority so we will continue to implement national standards and monitor and report the level of harm free care in the Safety Thermometer and other key quality indicators. We have joined the 'Sign up to Safety' campaign which aims to cut avoidable harm by 50% over the next three years and we will report progress against each element every year. We are also an active participant in the Wessex Patient Safety Collaborative.

What we will do in 2015/2016?

➢ We will continue to reduce the number of patients who have preventable falls and fracture their hip in hospital.

➢ We will continue to reduce the number of patients who develop grade 2, 3 and 4 ulcers.

➢ We will continue to reduce the number of patients who develop a catheter associated urine infection.

➢ We will improve the recognition and treatment of patients with severe infections using Sepsis Six practices which are designed to reduce the numbers of people who die from severe infections.

➢ We will work collaboratively with our network to improve the prevention, recognition and treatment of patients with acute kidney injury.

➢ We will continue to work with our staff to ensure that we have low numbers of patients with avoidable infections and reduce the number of patients with surgical site infections.

➢ We will continue to improve surgical safety by the use of the World Health Organisation safety checklist and safety briefings.

➢ We will implement the GROW programme to identify babies who are smaller than expected for their stage of pregnancy.

How will we report progress throughout the year?

Safety work is overseen by the Safety Steering group. We measure our infection rates, blood clot assessment and treatment, pressure ulcers, falls resulting in harm and report them every month to the Trust Board, Clinical Management Board, Operational Management Board and to the Clinical Governance Committee at every meeting as well as our commissioners.

Priority 2 – Ensure patients have a positive experience of care

Description of the issue and reason for prioritising it:

Patients and their families should experience high quality care. No one going into hospital should have to worry about being left in pain, unable to eat, drink, or go to the toilet. Patients who are in need of support and their families, should have peace of mind that they will be treated with kindness, compassion, respect, dignity, understanding and honesty. We need to continue to measure and understand how patients really feel about the care they receive and take improvement actions. As well as our patient feedback surveys, our national staff survey provides important information on the health of the Trust, so too, does the staff Friends and Family test which asks staff whether they would recommend this hospital to their friends and family as a high quality

hospital to receive treatment and care. Patients, their families and carers have told us that an area that needs improvement is for different services to work together so that their care is joined up or integrated. We are working closely with Wiltshire Council and our commissioners to improve the patient's journey from admission to discharge home.

Timely access to services is a critical part of a patient's experience of care. The NHS should be there for patients when they need it. This means providing equally good quality care seven days a week (see priority 4).

What we will do in 2015/2016:

• We will continue to improve the identification and diagnosis of patients with dementia and refer them to their GP or specialist mental health team when needed to ensure they receive effective care and treatment.

• We will work with GPs and voluntary organisations to do more to identify carers and provide them with better support, advice and information.

• We want to focus more on learning from patient complaints, concerns and feedback so we can make improvements when issues are identified.

• We want to continue to ensure that patients, their families and carers are involved in decisions about their care, treatment and on-going care. We will compare patient feedback from those admitted in the week with those admitted at the weekend and make improvements.

• We will start to plan to improve the choices available to women during pregnancy about where they have their baby and who will lead their care.

• We will work collaboratively with our network to improve care for children as they move from children's to adult services. This is called the Ready Steady Go Programme.

• We will introduce the Friends and Family test for children under the age of 16 to monitor the quality of care.

• We will continue to report on the staff Friends and Family test and make improvements where needed.

How will we report progress throughout the year?

Real time feedback and the Friends and Family test score will be measured and reported to the Trust Board, Clinical Management Board, Operational Management Board and our commissioners monthly and to the Clinical Governance Committee.

Priority 3 – Actively work with our community partners and patients to prevent ill health

Description of the issue and reason for prioritising it:

We want people to live longer and with a better quality of life. We want to continue to work with GPs in supporting the earlier diagnosis of illness and tackling risk factors such as high blood pressure and cholesterol and we want to ensure people have access to the right treatment when they need it. We want to do more to help people stay in good health and to take responsibility for their own health. Better access to support and information will be crucial in preventing ill health.

What we will do in 2015/2016:

- With our community partners we will focus on helping patients and pregnant women to stop smoking.

- We will continue to work with GPs to help patients to drink less alcohol and reduce the number of patients admitted to hospital with alcohol related problems.

- With our community partners we will help patients to eat healthily and exercise more to tackle obesity.

- With our local commissioners and Wiltshire Council we aim to set up a Fracture Liaison Service to improve bone health of patients who have had a simple fracture.

- We will continue to support patients with long term conditions such as diabetes, heart disease and chronic breathing problems to manage their own health and avoid complications.

- We will continue to support the physical and mental wellbeing of our staff in the 'Shape up at Salisbury' programme.

- We will publish the outcomes of our bowel screening programme and respond to new public health campaigns.

How will we report progress throughout the year?

We will measure improvements from the 2013/2014 figures, monitor and report our progress through the our Maternity Services dashboard, our Public Health Steering Group, our Staff Health and Wellbeing programme, local audits and quality indicator reports to the Clinical Management Board and to the Clinical Governance Committee.

Priority 4 – Provide patients with high quality care seven days a week

Description of the issue and reason for prioritising it:

We want to ensure all our patients have an outstanding experience of care. Over the next two years we want to work towards implementing the ten clinical standards described by the NHS Services, Seven Days a Week Forum. The Forum described the standard of urgent and emergency care that all patients should expect to receive seven days a week.

What we will do in 2015/2016:

- We will ensure that all emergency patients admitted to the Medical and Surgical Assessment Units are seen and assessed by a consultant within 14 hours of arrival.

- We will develop a one stop clinic for urology and gynaecology emergency patients so they can be seen and assessed without admission to hospital.

- We will ensure that when medical shifts change over twice daily handovers will continue to be led by a senior doctor with multi-professional participation from the in-coming and out-going shifts seven days a week.

- We will improve access to inpatient ultrasound scans and MRI slots at weekends.

- We will improve the efficiency of theatres.

- Throughout the hospital we will introduce new personalised medical and nursing care plans for patients at the end of life to improve patient care and communication with families and GPs.

- We will continue to support patients near the end of their life in their homes and on the wards with our community and hospital palliative care service 7 days a week.

How will we report progress throughout the year?

We will measure, monitor and report progress through the Hospital at Night Board and the End of Life Care Strategy Steering Group and to the Operational Management Board. The Hospital at Night Board and the End of Life Care Strategy Steering Group report to the Clinical Management Board every six months and to the Clinical Governance Committee annually.

Priority 5 – Provide co-ordinated care across the whole health community

Description of the issue and reason for prioritising it:

The Five Year Forward View has set the NHS the challenge of better integration of care across different services. From April 2015 we will see the plans for the Better Care Fund (the first joining up of NHS and social care funding) take effect. The Better Care Fund will join up health and care around the needs of patients, so that people can be supported in their own home for longer rather than being admitted to hospital.

What we will do in 2015/2016:

- We will provide more support for GPs and community care services by direct access to senior doctors via telephone, email, rapid access clinics and better information in the electronic discharge summary.

- We will ensure that all patients admitted to hospital as an emergency are assessed for complex needs within 14 hours by a team of doctors, nurses, therapist and social workers.

- With our community partners we will develop a single discharge assessment process which records all a patient's assessments in one place.

- With Wiltshire Council and the Clinical Commissioning Group we will work together on improvements which are part of the Better Care Fund. The Better Care Fund was set up to reduce the number of patients delayed in hospital by testing out new services to see what works well and where community services can improve.

How will we report progress throughout the year?

We will measure, monitor and report progress through the Patient Flow Programme Management Board. It reports to the Operational Management Board every six months.

2.2 Statements of assurance from the Board

Review of Services

During 2014/2015 Salisbury NHS Foundation Trust provided and/or subcontracted 46 relevant health services. Salisbury NHS Foundation Trust has reviewed all the data available to us on the quality of care in all 46 of these relevant health services. The income generated by the relevant health services reviewed in 2014/2015 represents 100% of the total income generated from the provision of relevant health services by Salisbury NHS Foundation Trust for 2014/2015.

The Trust has published a Quality Strategy 2012 – 2015 which sets out a quality governance framework for the review of individual services. This includes the completion of the Salisbury Organisational Risk Tool which alerts us to risks relating to quality of care. Where risks are identified, plans are put in place for improvement. It also includes a review of quality information to provide assurance of effectiveness, safety and patient experience in each individual service. Information reviewed includes a Directorate Quality Indicator report, clinical audit results, patient survey feedback, real time patient feedback, the friends and family test, comments, complaints and compliments and a risk report highlighting adverse events. This information is discussed quarterly at Directorate performance meetings and the Department Executive Safety and Quality walk rounds. Clinical teams present their quality and safety outcomes and improvement work to the Clinical Governance Committee every year as part of the assurance process.

There is a clear quality reporting structure in the Trust where scheduled reports are presented and discussed at the Clinical Management Board or Clinical Governance Committee. Many of the reports are also reported to our commissioners as part of our requirement to provide assurance on contract and quality performance compliance.

Each year the Trust has a number of external agency and peer review inspections. The reports, recommendations and action plans are discussed at one of the assuring committees. For example, in November 2014 the Wessex Trauma Network undertook a peer review of

the care of patients with major trauma. The review team commented that they observed some excellent practice and performance and the hospital was commended for its care for patients with major trauma, particularly in the time of arrival in A&E to the time of a CT scan, access to rehabilitation and psychology services, and collaboration with the major trauma centre in Southampton with regard to the provision of plastic surgery. Two improvement actions are planned: the trauma leaders and managers to have deputies to step in if the need arises, and ongoing work with our partners to reduce the number of patients delayed in the spinal unit who are fit to be discharged from hospital.

Areas where problems or concerns have been identified have action plans for improvement and these are monitored through the Directorate performance management meetings. Any recurrent themes can be included as key objectives for improvement in the Trust service plan or the following year's Quality Account priority areas.

Participation in Clinical Audits

During 2014/2015, 28 national clinical audits and 2 national confidential enquiries covered relevant health services that Salisbury NHS Foundation Trust provides.

During 2014/2015, Salisbury NHS Foundation Trust participated in 27 (96 %) national clinical audits, and 2 (100%) national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that Salisbury NHS Foundation Trust was eligible to participate in during 2014/2015 are as follows in the table below.

The national clinical audits and national confidential enquiries that Salisbury NHS Foundation Trust participated in, and for which data collection was completed during 2014/2015, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

National Clinical Audit / Clinical Outcome Review Programme	Eligible	Participation	% of cases submitted to each audit	Category
Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	yes	yes	100%	Heart
Adult Community Acquired Pneumonia	yes	yes	100%	Acute
British Society for Clinical Neurophysiology (BSCN) and Association of Neurophysiological Scientists (ANS) Standards for Ulnar Neuropathy at Elbow (UNE) testing	yes	no	N/A	Long term conditions
Bowel cancer (NBOCAP)	yes	yes	100%	Cancer
Cardiac Rhythm Management (CRM)	yes	yes	100%	Heart
Case Mix Programme (CMP)	yes	yes	100%	Acute
Congenital Heart Disease (Paediatric cardiac surgery) (CHD)	no	N/A	N/A	Heart

Coronary Angioplasty/ National Audit of PCI	yes	yes	100%	Heart
Diabetes (Adult) conditions	yes	yes	100%	Long term conditions
Diabetes (Paediatric) (NPDA) conditions	yes	yes	100%	Long term conditions
Elective surgery (National PROMs Programme)	yes	yes	100%	Other
Falls and Fragility Fractures Audit Programme (FFFAP)	yes	yes	100%	Older People
Inflammatory Bowel Disease (IBD) programme	yes	yes	100%	Long term conditions
Lung cancer (NLCA)	yes	yes	100%	Cancer
Major Trauma: The Trauma Audit & Research Network (TARN)	yes	yes	90% to 30/6/14	Acute
Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK)	yes	yes	100%	Women and Children's Health
Medical and Surgical Clinical Outcome Review Programme, National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	yes	yes	100%	Acute
National Audit of Dementia	yes	yes	No national audit took place in 2014	Older people
National Cardiac Arrest Audit (NCAA)	yes	yes	Did not participate	Heart
National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme	yes	yes	100%	Long term conditions
National Comparative Audit of Blood Transfusion programme	yes	yes	100%	Blood and Transplant
National Emergency Laparotomy Audit (NELA)	yes	yes	100%	Acute
National Joint Registry (NJR)	yes	yes	100%	Acute
National Vascular Registry	yes	yes	100%	Acute

Neonatal Intensive and Special Care (NNAP)	yes	yes	100%	Women's & Children's Health
Non-Invasive Ventilation - adults	yes	yes	No national audit took place in 2014	Acute
Oesophago-gastric cancer (NAOGC)	yes	yes	100%	Cancer
Paediatric Intensive Care Audit Network (PICANet)	no	N/A	N/A	Acute
Pleural Procedure	yes	yes	100%	Long term conditions
Prescribing Observatory for Mental Health (POMH)	no	N/A	N/A	Mental Health
Renal replacement therapy (Renal Registry)	no	N/A	N/A	Long term conditions
Pulmonary Hypertension (Pulmonary Hypertension Audit)	no	N/A	N/A	Heart
Rheumatoid and Early Inflammatory Arthritis	yes	yes	100%	Long term conditions
Sentinel Stroke National Audit Programme (SSNAP)	yes	yes	100%	Older people

Salisbury NHS Foundation Trust participated in a number of audits that are not in the Quality Account mandatory list. This activity is in line with the Trust's annual clinical audit programme which aims to make sure that clinicians are actively engaged in all relevant national audits and confidential enquiries as well as undertaking baseline assessments against all NICE guidelines and quality standards. This enables the Trust to compare our performance against other similar Trusts and to decide on further improvement actions. The annual programme also includes a number of audits agreed as part of the contract with our Clinical Commissioning Groups. The Trust took part in the following additional audits:

• British Association of Dermatologists national audit on Psoriasis
• British Association of Dermatologists national audit on use of Isotretinoin for the treatment of acne
• British Association of Dermatologists national audit on non melanoma skin cancer audit 2014
• Accidental Awareness during Anaesthesia
• National audit of Prostate Cancer
• National Care of the Dying audit Round 4

The reports of 18 (100%) national clinical audits that were published in 2014 were reviewed by Salisbury NHS Foundation Trust in 2014/2015. Of these 16 (89 %) were formally reported to the Clinical Management Board by the clinical lead responsible for implementing the changes in practice and Salisbury NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided set out in the table overleaf.

The table below shows examples of national clinical audit reports reviewed during 2014/2015 and examples of resulting actions being taken by Salisbury NHS Foundation Trust.

Audit report	Reviewed by whom	Action taken or required to improve
Vascular Registry – Outcomes after Elective Repair of Infra-renal Abdominal Aortic Aneurysm (AAA)	Clinical Management Board in April 2014	This national audit looked at the outcomes of planned aneurysm surgery. The dataset was of a high quality. The audit results showed a safe service. This hospital's open AAA volume is comparable with peers whereas our mortality rate (0%) was much better than our peers. One improvement action was required: • To improve patient pathways further by working together with the central vascular hub.
Falls and Fragility Fractures Audit Programme: National Hip Fracture Database 2014	Clinical Management Board in October 2014	The report showed that there were 287 patients at this hospital with a hip fracture. Readmission rates were low and a high rate of patients (77%) returned home within 30 days. The hospital achieved most of the criteria for the best practice tariff (patients operated on within 36 hours). However, achievement of the best practice tariff dropped from 84% to 78% mainly due to lack of theatre space. Improvement actions included: • Reinstating the 'golden patient' initiative which ensures these patients take priority on the operating list. • Routine trauma theatre lists at the weekends were introduced.
BTS Emergency Use of Oxygen	Clinical Management Board in October 2014	This report showed our results for the prescription and administration of emergency oxygen were above the national average in key areas and had improved year on year. Further improvement actions included: • Education sessions for doctors and nurses on the prescription of oxygen and nurse signature of oxygen administered.

The Trust expects to formally review all national audits at the Clinical Management Board within two months of publication. This gives clinical teams time to discuss the findings and to develop an action plan which is presented to the Board for approval and support where actions are needed.

Action plans have been developed for all national audits and confidential enquiries published during the year. Monitoring of these actions is through the Trust's quality performance management structure or through designated working groups. Examples are given in the table on the previous page.

The reports of 183 (100%) local clinical audits were reviewed by the Trust in 2014/2015 and Salisbury NHS Foundation Trust intends to take or has taken the following actions to improve the quality of healthcare provided.

- Thickened drinks are recommended for some patients with swallowing difficulties, but these should match the consistency required from swallowing assessments. Staff and patient questionnaires showed improvement after training and clearer information about how to thicken drinks.
- An internal electronic referral system was implemented to enable medical and surgical teams to obtain a senior doctor clinical opinion from another speciality instead of using a paper copy. To date over 700 referrals have been successfully completed with patients being seen faster and more efficiently.
- Patients had their temperature taken every 30 minutes during operations (98%) and were warmed with heated air (86%) if their temperature fell below 36 degrees. Delays in patients leaving the recovery room due to a low temperature fell from 4% to 1.6%,

Research

The number of patients receiving relevant health services provided or subcontracted by Salisbury NHS Foundation Trust in 2014/2015 that were recruited during that period to participate in research approved by a research ethics committee were 877 patients into 54 studies*. This compares to 912** patients into 44 studies in 2013/2014.

The level of participation in clinical research demonstrates Salisbury NHS Foundation Trust's commitment to improving the quality of care we offer and to making a contribution to wider health improvement. Our clinical staff stay abreast of the latest possible treatment possibilities and active participation in research leads to

successful patient outcomes. Summary information and contact details of study co-ordinators of all clinical research trials our patients are recruited to are available at http://public.ukcrn.org.uk/search/

*End of year recruitment figures will not be finalised until later in the year.
** In the quality account 2013/2014 we reported that 908 patients were recruited into 42 studies. The final number of patients recruited was 912 patients into 44 studies.

Goals agreed with Commissioners

A proportion of Salisbury NHS Foundation Trust's income in 2014/2015 was conditional on achieving quality improvement and innovation goals agreed between Salisbury NHS Foundation Trust and any person or body the Trust 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 details of the agreed goals for 2014/2015 and for the following 12 month period are set out in the tables below. The planned income through this route for 2014/2015 was £3,667,616 (In 2013/14 it was £3,756,771). The amount the Trust actually received in 2014/2015 was £3,635,520. The Trust has invoiced for non-contracted CQUINs of £35,440.

CQUIN contracts were signed with our commissioners during 2014/2015 as part of their overall contract. The Trust achieved all of the quality improvements as set out in the table overleaf.

CQUIN indicators (Wiltshire, Dorset, Bournemouth Poole, Somerset, Southampton City, Isle of Wight, Portsmouth) 2014 – 2015. West Hampshire had separate local CQUINs

Goal name	Description of goal and number	Target in 14/15	Performance in 14/15
National Goals			
Friends and Family Test – implementation of staff Test	1a) All staff groups are asked the Friends and Family test quarterly except for Q3 during the national staff survey	Staff are given the opportunity to answer the Friends and Family test questions once in quarter 1, 2 and 4.	Q1 – 204 responses, 97% recommended the hospital as a place to receive care and treatment. 83% recommended the hospital as a place of work. Q2 – 653 responses, 92% recommended the hospital as a place to receive care and treatment. 81% recommended the hospital as a place of work. Q4 – 314 responses, 92% recommended the hospital as a place to receive care and treatment. 82% recommended the hospital as a place of work.
Friends and Family Test – early implementation	1b) Early implementation of outpatients and day cases	Implementation in all outpatients and day case departments by 1 October 2014	Outpatient response rate – 11% Day case response rate – 18%
Friends and Family Test – increased or maintained response rate	1c) Increased or maintained response rate in A&E and inpatient services	In quarter 4 a response rate at least 20% for A&E services and at least 30% for inpatient services	Q4 – A&E – 24% response rate Q4 – Inpatients - 47% response rate
Friends and Family test: increased response rates in acute inpatient services	1d) Increased response rate	A response rate of at least 40% of inpatients in the month of March 2015	March 2015 - 47.9% response rate
NHS Safety Thermometer – improvement goal	2) Reduction in the prevalence of new hospital acquired grade 2 to 4 pressure ulcers	10% reduction on the median value of 2.14% to 1.93% median value in the last 5 months of 2014/2015	1.5%
Dementia – find, assess, investigate and refer	3a) 1. Number of patients over 75 years admitted as an emergency who have a known diagnosis of dementia or clinical diagnosis of delirium who have been asked the Mental Test Score within 120 hours of admission.	1) 90%	1) 92%

	2. Number of above patients who underwent a diagnostic assessment for dementia. 3. Number of above patients who were referred on to specialist services.	2) 90% 3) 90%	2) 98% 3) 97%
Dementia – clinical leadership	3b) Named lead clinician for dementia and a training programme for staff	Clinical lead in place. Outcome is based on the planned training programme being delivered	Consultant in Elderly Medicine is the clinical lead. Training programme - completed
Dementia – supporting carers of with dementia	3c) Ensuring carers feel supported people	Monthly audit to find out if carers feel supported, were given advice and information	17 carers
Local Goals			
Functional movement in hospital for elderly care patients	4) To reduce the functional decline of elderly patients whilst in hospital through increased mobilisation on two wards	Q1 audit of number of patients appropriate to mobilise and frequency of mobility during the day Q3 sustain numbers of patients with a mobility plan.	Q1 audit was carried out in Q2 Durrington ward – 16 patients mobilised 3.7 times a day during the week and 3.8 times a day at the weekend. Winterslow ward – 17 patients mobilised 2.9 times during the week and 2.4 times a day at the weekend. Q3 audit Durrington ward - 34 patients mobilised 4.8 times a day during the week and 5.7 times a day at the weekend. Winterslow ward - 35 patients mobilised 3.5 times during the week and 2.5 times a day at the weekend.
End of life care	5) To improve the care of patients and families as end of life approaches by implementing the conversation project	Quarterly audit of implementation of standards associated with the conversation with patients and families. Target 50% by Q3, 65% by Q4 of discussion with primary care.	Discussion with the patient - 85% Discussion with the family – 94% Discussion with Primary care – Q3 – 51%, Q4 – 69%

Sepsis Six	6) To increase the percentage of acute patients admitted through A&E with severe sepsis who received the Sepsis Six bundle within 1 hour.	Monthly audit of 3 measures – proforma use, lactate measured and IV antibiotics. Achieve 65% overall by 31/12/14 and sustain in Q4.	Q3 = 83% overall Q4 = 73% overall
Appropriate antibiotic prescribing	7) To measure whether antibiotics are prescribed and reviewed appropriately.	Annual South West region prevalence audit and a monthly audit of whether antibiotics are prescribed and reviewed appropriately on 2 wards to achieve 80% per quarter.	Annual audit in May 14 – completed – 79% Monthly audit of 2 wards – 28 audits in year. Q1 – 81.3%, Q2 – 96.7%, Q3 – 93.6%, Q4 – 91.9%
West Hampshire CCG Local Goals			
Outpatient follow up reform	Reduce routine face to face follow up and commence patient initiated follow up.	Commence and increase non face to face appointments in Trauma and Orthopaedics and Ear Nose and Throat outpatients	Trauma & Orthopaedics Telephone appointments – 46 patients Patient initiated follow ups – 584 patients were given the choice & 25 patients booked and attended an appointment. ENT Telephone appointments – 10 patients. Patient initiated follow ups – 28 patients were given the choice & 1 patient booked and attended an appointment.
System wide delayed transfer of care	To ensure effective joint working of hospital services and community based care in facilitating timely and appropriate transfer from hospital for all adults	Improve the information supplied to the commissioner, internal flow process and hip fracture pathway and report improvements.	NHS delays Q3 – 2 patients, Q4 – 16 patients Social Services delays Q3 – 6 patients, Q4 – 28 patients. Improvement report completed.
Reducing ward moves	To minimise clinically unnecessary ward moves for patients within their hospital stay	Sustain ward moves at less than 1% as a 12 month rolling average	0.89%

| Time from arrival to initial consultant assessment | To ensure patients admitted via the Acute Medical Assessment Unit and Surgical Assessment Unit are seen by a consultant within a maximum of 14 hours of initial arrival at hospital | a) Acute Medical Assessment Unit – 90% of patients seen within 14 hours by a consultant
b) Surgical Assessment Unit – 55% of patients seen by a consultant within 14 hours by the end of Q3 and 60% by the end of Q4 | a) 90%

b) Q3 = 67%, Q4 = 79% |

Specialist Commissioning CQUIN indicators 2014 – 2015

The Trust achieved the quality improvements as set out in the table below.

Goal name	Description of goal and number	Target in 14/15	Performance in 14/15
National Goals			
3 national CQUINs	Friends and Family Test Safety Thermometer Dementia care	The same as the Wiltshire, Dorset and West Hampshire CQUINs above	The same as the Wiltshire, Dorset and West Hampshire CQUINs above
Local goals			
Quality dashboards	To maintain and further enhance quality dashboards for the following services: • Adult Critical Care • Specialised vascular • Specialised orthopaedics • Complex spinal surgery	Quarterly publication of quality dashboards	Data submitted to 2 of the quality dashboards. The specialised orthopaedics & complex spinal surgery dashboard remained in development by NHS England and was not available to enter data. However, the Trust submitted data to the British Spine Register and National Joint Registry from which the dashboards will be populated.
Patient held records	To introduce patient held self care plans including contacts to access care in emergencies in breast cancer and haematology patients	90% of patients to have a patient held self care plan from Q2 to Q4	Breast cancer patients – 90.8% had a patient held self care plan Haematology patients – 92% had a patient held self care plan
Improved access to breast milk in preterm infants	Increase in the percentage of preterm babies born at less than 34 weeks gestation who are receiving some of their own mother's breast milk at final discharge home from the neonatal unit	Increase from 54% baseline in 2013/2014 to 59% for the full year	68.1%

| Reduction of chemotherapy wastage | Implementation of a programme of improvements that deliver measured reductions in chemotherapy drug wastage | Average waste in Q1 was £7,394 per month. Reduce by 10% in Q2 and Q3 and by 20% in Q4. Cost of waste reduction within 15% of target | Q2 & Q3 Wastage reduced by over 10%

Q4 Wastage reduced by over 20% |

Our quality priorities in 2015/2016 reflect the need to continue to work with our partners to improve these aspects of care. The Trust has agreed CQUINs with our commissioners for 2015/2016 as set out in the table below:

CQUIN indicators (Wiltshire, Dorset, Bournemouth Poole, Somerset, Southampton City, Isle of Wight, Portsmouth) 2015 – 2016. West Hampshire has separate local CQUINs

Goal name	Description of goal and number	Target	Quality Domain
National Goals			
1. Acute Kidney Injury	The percentage of patients with AKI treated in hospital whose discharge summary includes each of the 4 key items: 1. Stage of AKI 2. Evidence of medicines review having been undertaken 3. Type of blood tests required on discharge for monitoring 4. Frequency of blood test required for discharge for monitoring	To be confirmed following baseline measures in Q1	Physical health
1. Sepsis	2a) The total number of patients presenting to A&E and other units that directly admit emergencies who met the criteria of the local protocol and were screened for sepsis. 2b) The number of patients who present to A&E and other wards/units that directly admit emergencies with severe sepsis, Red Flag sepsis or septic shock and who received intravenous antibiotics within 1 hour of presenting.	To be confirmed following baseline measures in Q1	Physical health
1. Dementia	3a) 1. The proportion of patients aged 75 years and over to whom case finding is applied following an episode of emergency, unplanned care to hospital. 2. The proportion of those identified as potentially having dementia or delirium who are appropriately assessed. 3. The proportion of those identified, assessed and referred for further diagnostic advice in line with local pathways agreed with commissioners, who have a written care plan on discharge which is shared with the patient's GP. 3b) To ensure that appropriate dementia training is available to staff through a locally determined training programme. 3c) To ensure that carers of people with dementia and delirium feel adequately supported.	1) 90% 2) 90% 3) 90% in Q4 B) Report on progress a) Survey of carers	Mental health

7. Urgent and Emergency care	To decrease the proportion of avoidable emergency admissions to hospital	To be confirmed following baseline measure in Q1	Urgent and Emergency care
8. Urgent and Emergency care	To improve the recording of diagnosis in A&E	85%	Urgent and Emergency care
Local CQUIN			
End of life care	To improve the care of patients and families as end of life approaches by implementing the conversation project	Sustain Q3 & Q4 14/15 measures. 83% patients discussed with the GP.	End of life care
West Hampshire local goals (only)			
Outpatient follow up reform	Continue to reduce routine face to face follow ups and continue patient initiated follow up.	Continue improvement actions	Outpatient follow up reform
System wide delayed transfer of care	To ensure effective joint working of hospital services and community based care in facilitating timely and appropriate transfer from hospital for all adults	Continue improvement actions	System wide delayed transfer of care
End of life care	To improve the care of patients and families as end of life approaches by implementing the conversation project	Sustain Q3 & Q4 14/15 measures. 83% patients discussed with the GP.	End of life care

Specialist Commissioning CQUINs 2015 – 2016

Goal name	Description of goal and number	Target	Quality Domain
National Goals			
2 year outcomes for infants born at 30 weeks or less gestation	All infants born at 30 weeks or less gestation, discharged home from the hospital who remain alive at 2 years corrected aged who have been assessed and have data entered in the neuromotor, malformations, social, respiratory, cardiovascular system, gastrointestinal, renal, neurology, auditory, vision and communication fields in the Badgernet 2 year follow up fields	To be confirmed following baseline measure	Neonatal care
Prevention of hypothermia in preterm babies	To achieve a reduction in the number of preterm babies (34 weeks or less) admitted to the neonatal unit with hypothermia	95%	Neonatal care

Reduce separation of mothers and babies and reduce demand on neonatal services by improving learning from avoidable term admissions (babies over 37 weeks) into the neonatal unit	All babies admitted to the neonatal unit for medical care of babies over 37 weeks will have a joint clinical review by the maternity and neonatal service within one month of the admission. The review should aim to identify the learning points to improve care provision and service design.	95%	Neonatal care
Increase effectiveness of rehabilitation after critical illness by completion of rehabilitation assessment 24 hours after admission	All adult patients have a completed assessment of rehabilitation needs 24 hours after admission to Critical Care.	95%	Critical care

Care Quality Commission (CQC) registration

Salisbury NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is without conditions.

The Care Quality Commission has not taken enforcement action against Salisbury NHS Foundation Trust during 2014/2015.

Salisbury NHS Foundation Trust has not participated in any special reviews or investigations by the Care Quality Commission during 2014/2015.

Care Quality Commission intelligent monitoring

The Care Quality Commission are using a new report based on a wide range of indicators which they use to analyse the quality and performance, patient and staff experience of acute hospitals.

In July 2014 Salisbury NHS Foundation Trust had an overall risk score of 4 and in December 2014 an overall risk score of 1. This puts the Trust in band 6 which is the rating given to hospitals with the lowest risk.

Data quality

Good quality information (data) underpins the effective delivery of patient care and is essential if improvements in the quality of care are to be made. Improving data quality will improve the delivery of patient care and improve value for money.

Following the auditor's findings of some weaknesses in the design of the control environment in regard to the 'referral to treatment - incomplete pathways' and 62 day cancer waits indicators, Salisbury NHS Foundation

The table below shows the Trust's national Data Quality Score compared to other local hospitals and nationally from April 2014 to November 2014

Data Validity Summary (average for all fields in dashboard) - Provider comparison within Area Team
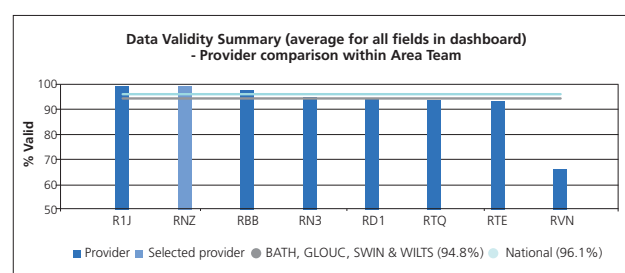
RNZ = Salisbury NHS Foundation Trust data quality score is 98.9% validity versus a national average of 96.1%

Trust will continue to take the following actions to improve data quality:
- Continue to increase the number of reports sent to clinicians and managers to help them make decisions on areas in their service which need to improve.
- Continue to integrate IT systems to reduce duplication and risk of errors.
- We will continue to focus on data quality errors and use the themes to improve training and processes.
- We will implement new national best practice data quality guidance to improve patient care.

To ensure our data quality is able to support the assurance of overall care quality the Trust manages a Data Quality Service. The Data Quality Service aims to ensure staff record clinical information accurately on every occasion. The service achieves this by supporting good practice in the process of data collection, this ensures the person coding the episode of care has the right information about the care given and the appropriate training to ensure accurate data capture. The Data Quality Service staff spend time working with doctors and administrative staff to demonstrate best practice as well as correcting errors made. Errors are detected through the use of automatic electronic data quality reports and rectified by the person who

recorded the data incorrectly. Data quality reports include volumes and types of errors and are reported to the Data Quality Improvement Group, Directorate performance meetings and the Information Governance Steering Group. The Data Quality Service continually monitors and audits data quality locally and participates in an external audit which enables the Trust to benchmark its performance against other Trusts.

The use of these techniques gives the Trust assurance that the information regarding quality of care given is an accurate representation of performance.

Salisbury NHS Foundation Trust submitted records during 2014/2015 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data which included the patient's valid NHS number and General Medical Practice Code is set out in the table below. These are important because the NHS number is a key identifier for patient records and an accurate record of the General Medical Practice Code is essential to enable the transfer of clinical information about the patient.

Data item	Salisbury District Hospital *13/14	National benchmark *13/14	Salisbury District Hospital 14/15	National benchmark 14/15
% for admitted patient care with a valid NHS number	99.7%	99.1%	99.7%	99.2%
% for outpatient care with a valid NHS number	99.8%	99.3%	99.8%	99.3%
% for Accident and Emergency care with a valid NHS number	98.9%	96.0%	98.8%	95.2%
% for admitted patient care with a valid General Medical Practice code	99.1%	99.9%	100.0%	99.9%
% for outpatient care with a valid General Medical Practice code	98.9%	99.9%	99.9%	99.9%
% for Accident and Emergency care with a valid General Medical Practice code	99.1%	99.1%	99.8%	99.2%

*2013/14 month 11 data was reported in the quality account last year and is now reported as at year end

Information Governance Toolkit Attainment levels

Salisbury NHS Foundation Trust's Information Governance Assessment report overall score for 2014/2015 was 85% and was graded as satisfactory (green). The assessment provides an overall measure of the quality of data systems, standards and processes within the organisation. The Trust's score improved from 81% in 2013/2014. The Trust achieved the necessary standard for all areas assessed.

In the toolkit there are 6 standards with 45 separate requirements. Of these, 17 were subject to audit to demonstrate compliance in 2014/2015 and areas for improvement. There will be an ongoing audit programme of the requirements in 2015/2016.

Clinical Coding Error Rate

Clinical coding translates the medical terminology written in a patient's health care record to describe a patient's diagnosis and treatment into a standard, recognised code. The accuracy of this coding is a fundamental indicator of the accuracy of the patient records and underpins payments and financial flows within the NHS. The Trust introduced new coding software in 2012. This has improved consistency of coding and provides an audit tool which enables local improvement actions to be taken.

Salisbury NHS Foundation Trust was subject to an external Information Governance clinical coding audit by an independent company during 2014/2015 and the error rate reported in the latest published audit for that period for diagnoses and treatment coding (clinical coding) were:

	Primary diagnosis	Secondary diagnosis	Primary procedure	Secondary procedure
2015	99.5%	98.9%	96.2%	98.05%
2014	96.5%	95.4%	93.8%	94.6%
2013	98%	97.5%	98.6%	97.5%

The speciality services reviewed within the sample in January 2015 were Gastroenterology, Cardiology, Plastics, Urology and Haematology. The results should not be extrapolated further than the actual sample audited.

The following improvement actions were progressed in 2014/2015:

- We have introduced an electronic discharge summary on most of the wards and ensured they contained information regarding active co-morbidities and other conditions treated whilst an inpatient.

- We continued to improve the coding of co-morbidities of patients. A coder is present at the weekly mortality review meeting and we have successfully used a co-morbidity checklist to record long term conditions accurately and have started to extend its use in the Medical Assessment Unit.

- A re-audit of palliative care coding of patients who had died was undertaken in November 2014. We found in a sample of 137 patient spells there were 14 instances (10%) where the patient should have had a palliative care code assigned to their care. The re-audit showed an improvement on the 2013 audit which showed of 212 patient spells there were 40 instances (20%) where the patient should have had a palliative care code assigned to their care. This was corrected retrospectively and further training provided to the coders.

Salisbury NHS Foundation Trust will be taking the following actions to improve data quality in 2015/2016:
- Continue to improve the quality of filing in health care records.
- Develop an internal audit programme to ensure the quality of coding is maintained throughout the year.
- Ensure that comorbidities are included on all GP discharge summaries and complete the full roll out to all wards.
- Monitor the completion of coding for the 5th working day of the month.

2.3   Reporting against core indicators

Summary Hospital Level Mortality (SHMI)

Salisbury NHS Foundation Trust considers that the SHMI data is as described for the following reasons:

- See explanation under description of the issue and reason for prioritising it in priority one.

Salisbury NHS Foundation Trust has taken the following actions to improve the SHMI of 104 to improve the quality of its services by:

- A senior doctor has continued to lead weekly mortality reviews with clinicians and coders. We did not find any serious failings in care but have found areas where we could improve. For example, applying the use of the Sepsis Six care practices within an hour of diagnosis of severe sepsis.

- Since October 2013 we have extended our specialist palliative care services to seven days a week. This has enabled more people to be cared for at home or in the community.

Salisbury NHS Foundation Trust intends to take the following actions to ensure the SHMI remains as expected by:

- Continuing the implementation of Sepsis Six in the Medical and Surgical Assessment Units
- Continuing with other care bundles.
- Continuing to reduce patient moves.
- Continuing to ensure early senior review of acutely ill patients seven days a week.

NHS Outcomes Framework Domain	Indicator	2011/12	2012/13	2013/14	2014/2015	National average	Highest average other Trusts 2014/15	Lowest average other Trusts 2014/15
Domain 1: preventing people from dying prematurely	a) SHMI value	105	107	103*	104 to Sept 14	100	112	89
Domain 2: Enhancing quality of life for people with long term conditions	a) SHMI banding	As expected	As expected	As expected	As expected	As expected	Higher than expected	Lower than expected
	b) Percentage of patient deaths with palliative care coded at either diagnosis or speciality level for the Trust.	29.5%	26%	28.9%	31.8%			

* In 2013/2014 SHMI was reported as 108 to September 2013. The full year SHMI was 103 to March 2014.

NHS Outcomes Framework Domain	Indicator	2012/13	*2013/14	2014/15 Provisional	National average 2014/15	Highest average other Trusts 2014/15	Lowest average other Trusts 2014/15
Domain 3: helping people to recover from episodes of ill health or following injury	Patient reported outcome measures scores for:				Average health gain where full health = 1		
	i) groin hernia surgery	0.079	0.113	0.130**	0.081	0.125	0.009
	ii) varicose vein surgery	0.089	0.035	0.070**	0.100	0.142	0.054
	iii) hip replacement surgery	0.440	0.427	0.514**	0.442	0.501	0.350
	iv) knee replacement surgery	0.333	0.289	0.117**	0.328	0.394	0.249

*In the quality account 2013/2014 provisional data was presented. The data presented is now the final position.
**Average health gain figures have been used for the Trust for 2014/2015, rather than adjusted average health gain, due to the total number of records being lower than 30 for the time period covered (1 April 2014 to 30 September 2014).

Patient Reported Outcomes Measures (PROMs) - *Please see table page 97.*

Salisbury NHS Foundation Trust considers that the Patient Reported Outcomes Measures (PROMs) are as described for the following reasons:

- We introduced PROMs in 2010 for patients who had hip and knee replacement surgery, groin hernia and varicose vein surgery. These measure a patient's health gain after surgery. The information is gathered from the patient who completes a questionnaire before and after surgery. The responses are analysed by an independent company and compared against other Trusts.

- The finalised (18 months in arears) PROMs in England 2012/2013 national report concluded that based on patients' responses to questionnaires before and after surgery, the proportions reporting improvements

in their conditions, and the average health gains reported, were in line with previous years for all procedures. Proportionally, more patients reported improvement on measures focussed specifically on their condition than reported improvement on more general health measures. Overall, Salisbury NHS Foundation Trust compares favourably on all four procedures which were similar to previous years.

Salisbury NHS Foundation Trust has taken the following action to sustain the improvement in the health gain of patients having groin hernia surgery to improve the quality of its services by:

- The senior doctor for groin hernia repair and gall bladder disease has continued to prepare and follow up patients for surgery by a telephone consultation before and after the operation. This saves patients a trip to the hospital. Patients often prefer a telephone call in the privacy of their own home.

NHS Outcomes Framework Domain	Indicator	2012/13	2013/14	2014/152	National average 2014/15	Highest average other Trusts 2014/15	Lowest average other Trusts 2014/15
Domain 3: helping people to recover from episodes of ill health or following injury	Percentage of patients readmitted within 28 days of discharge from hospital of patients aged:			0 to 15* 4.3% 16* or over 5.82%			
	i) 0 to 14*	5.11%	4.69%	4.1%	6.3%	Not available	Not available
	ii) 15 or over*	5.87%	5.74%	5.84%	10.6%		

*In MONITORs detailed requirements for quality reports 2014/2015 it has been acknowledged that an error was made in the drafting of the regulations and that the split of patients for this indicator should be (i) 0 to 15 and (ii) 16 or over

Emergency readmissions within 28 days of discharge - *Please see table above.*

Salisbury NHS Foundation Trust considers that the percentage of emergency re-admissions within 28 days of discharge from hospital is as described for the following reasons:

- Every time a patient is discharged and readmitted to hospital the staff code the episode of care. The Data Quality Service continually monitors and audits data

quality locally and we participate in external audits which enables the Trust to compare its performance against other Trusts.

Salisbury NHS Foundation Trust has taken the following actions to reduce readmissions of patients within 28 days of discharge to improve the quality of its services:

- The haematology team have continued to provide a daily email advice service for GPs which has helped reduce re-admissions.

- The acute medicine team continue to provide telephone advice for GPs which has helped reduce re-admissions.

Salisbury NHS Foundation Trust intends to take the following actions to reduce readmissions to improve the quality of its services:

- We will continue to review groups of patients with diagnoses and procedures where readmission rates are higher than expected and take improvement actions.

Responsiveness to the personal needs of patients - *Please see table below.*

Salisbury NHS Foundation Trust considers that the mean score of responsiveness to inpatient personal needs is as described for the following reasons:

- Each year the Trust participates in the National Inpatient Survey. A random sample of 850 patients are sent a nationally agreed questionnaire and the results are analysed independently by the Patient Survey Co-ordination Centre.

Salisbury NHS Foundation Trust has taken the following actions to improve responsiveness to inpatient personal needs and improved the quality of its services by:

- We have reviewed the skill mix and numbers of nursing staff on each ward every six months and reported these to the Board. The Board has invested £1 million in additional ward nursing staff this year. We continue to publish the actual number of staff on duty against the expected number on our website.

Salisbury NHS Foundation Trust intends to take the following actions to improve responsiveness to inpatient personal needs and improve the quality of its services by:

- Continuing to eliminate mixed sex accommodation.

- Looking in detail at real time feedback about the help patient's need with eating and drinking and improve assistance at mealtimes.

- Reducing delays on the day of discharge.

NHS Outcomes Framework Domain	Indicator	2011/12	2012/13	2013/14	2014/15	National average 2014/15	Highest average other Trusts 2014/15	Lowest average other Trusts 2014/15
Domain 4: ensuring that people have a positive experience of care	Responsiveness to the personal needs of its patients (mean score)	6.9	7.1	7.2	7.0	7.2	8.8	5.6

The Staff Friends and Family Test – taken from our local quarterly survey and our national staff survey results

Salisbury NHS Foundation Trust considers that the percentage of staff employed by, or under contract to the Trust during 2014/2015 who would recommend the hospital as a provider of care to their friends and family is as described for the following reason:

- Each year the Trust participates in the National Staff Survey. A random sample of 800 staff are sent a

nationally agreed questionnaire and the results are analysed by the Staff Survey Co-ordination Centre.

- In 2014/2015 we also introduced the staff Friends and Family test and gave every member of staff the opportunity to answer the questions once a year. Staff were asked two questions. Firstly, we asked them whether they would recommend the hospital as a place to work and secondly whether they would recommend the hospital to their friends and family if they needed care or treatment.

The table shows how staff responded to the Friends and Family test in the national staff survey 2014. The Trust was in the top 20% of hospitals nationally for this indicator

NHS Outcomes Framework Domain	Indicator	2012/13	2013/14	2014/15	National average in 2014/15	Highest average other Trusts	Lowest average other Trusts
Domain 4: ensuring that people have a positive experience of care	Percentage of staff who would recommend the hospital to friends or family needing care	76%	82%	83%	68%	93%	38%

The table below shows how staff responded to the two questions in Quarter 1, 2 and 4. Quarter 3 was excluded due to the national staff survey taking place.

NHS Outcomes Framework Domain	Indicator	2014/15*	National average in 2014/15	Highest average other Trusts	Lowest average other Trusts
Domain 4: ensuring that people have a positive experience of care	Percentage of staff who would recommend the hospital to friends or family needing care	93.1% (Q1, Q2 & Q4 surveys combined) Q1 = 97.5% Q2 = 92.0% Q4 = 92.1%	77% (2014-15 Q2 survey)	98% (2014-15 Q2 survey)	41% (2014-15 Q2 survey)

*The staff Friends and Family test was introduced locally from 1 April 2014

Salisbury NHS Foundation Trust plan to take the following actions to improve the percentage of staff who would recommend the hospital as a place to work to improve the quality of its services by:

• Continuing to train our staff in preventing and dealing with violence and aggression and supporting our staff who experience violence and aggression from patients or visitors.

Venous thromboembolism

Salisbury NHS Foundation Trust considers that the percentage of patients admitted to hospital and who were risk assessed for venous thromboembolism (blood clots) is as described for the following reasons:

• Patient level data is collected monthly by the ward pharmacist from the patient's prescription chart.

The data is captured electronically and analysed by a senior nurse linked to the Thrombosis Committee.

Salisbury NHS Foundation Trust has taken the following actions to improve the percentage of patients admitted to hospital who were risk assessed for venous thromboembolism to improve the quality of its services:

• Salisbury NHS Foundation Trust is an exemplar site for the prevention and treatment of venous thromboembolism (blood clots) and has continued to achieve 99.1% of patients being assessed for the risk of developing blood clots and 96.6% receiving appropriate preventative treatment. We will continue to monitor our progress and feedback the results to senior doctors and nurses.

- We continued to conduct detailed enquiries of patients who develop blood clots to ensure we learn and improve.
- We introduced a ward based anti-coagulant nurse to provide patient and staff education.

Salisbury NHS Foundation Trust intends to continue with the actions described above to sustain the percentage of patients admitted to hospital who are risk assessed for venous thromboembolism and given preventative treatment.

NHS Outcomes Framework Domain	Indicator	2012/13	2013/14	2014/15	National average 2014/15	Highest average other Trusts 2014/15	Lowest average other Trusts 2014/15
Domain 5: treating and caring for people in a safe environment and protecting them from avoidable harm	Percentage of patients who were admitted to hospital and who were risk assessed for Venous Thromboembolism	98%	98.7%	99.1%	96.2% (2014-15 Q2)	100% (2014-15 Q2)	86.4% (2014-15 Q2)

NHS Outcomes Framework Domain	Indicator	2011/12	2012/13	2013/14	2014/15	National average 2014/15	Highest average other Trusts 2014/15	Lowest average other Trusts 2014/15
Domain 5: treating and caring for people in a safe environment and protecting them from avoidable harm	The rate per 100,000 bed days of C difficile infection reported within the Trust amongst patients aged 2 or over	30.0	16.9	14.2	15.3	14.7	37.1	1.2

C.difficile infection

Salisbury NHS Foundation Trust considers that the rate per 100,000 bed days of cases of C.difficile infection are as described for the following reason:

- The Trust complies with Department of Health guidance against which we report positive cases of C. difficile. We submitted our data to the Health Protection Agency and are compared nationally against other Trusts. C. difficile data is subject to external audit for assurance purposes.

Salisbury NHS Foundation Trust has taken the following actions to reduce the rate per 100,000 bed days of cases of C. difficile infection to improve the quality of its services by:

- Maintaining and monitoring good infection control practice including hand hygiene, prompt isolation and sampling of patients with suspected C. difficile, introduced different coloured aprons for each bay, introduced Actichlor Plus and trialled new sporicidal commode wipes.
- Maintaining and monitoring standards of cleanliness and taking actions to improve.
- Designated ward rounds and improved best practice in antibiotic prescribing.
- In depth analysis of patients who develop C difficile in hospital to learn and improve.

Salisbury NHS Foundation Trust intends to take the following actions to reduce the rate per 100,000 bed days of cases of C.difficile infection to improve the quality of its services by:

- Continued vigilance through the above actions
- Ongoing designated wards rounds to support doctors in best practice in antibiotic prescribing.
- Ongoing monthly audits of antibiotic prescribing practice and improvement actions.

Patient safety incidents

Salisbury NHS Foundation Trust considers that the rate of patient safety incidents reported and the number and percentage of such incidents that resulted in severe harm or death are as described for the following reasons:

- The Trust actively promotes an open and fair culture that encourages the honest and timely reporting of adverse events and near misses to ensure learning and improvement actions are taken.
- The Trust submits weekly patient safety incident data to the National Reporting Learning System. We are ranked against other Trusts in respect of the rate of reporting and category of harm.
- We work in partnership with our commissioners to share learning and improvement actions.
- The Trust complies with the duty of candour.

Salisbury NHS Foundation Trust has taken the following actions to reduce the rate of patient safety incidents and the number and percentage of such incidents that have resulted in severe harm or death to improve the quality of its services by:

- Investigating clinical incidents and serious incidents and sharing the lessons learnt across the Trust and ensuring recommendations are implemented through the Directorate quality performance meetings.
- Continuing to monitor the completion of recommendations of clinical reviews and serious incidents at the Clinical Management Board and

NHS Outcomes Framework Domain	Indicator	2012/13	2013/14	2014/15 1/4/2014 – 30/9/2014	Median for acute (not specialist) organisations 2014/15 1/4/2014 – 30/9/2014
Domain 5: treating and caring for people in a safe environment and protecting them from avoidable harm	Rate of patient safety incidents reported. The percentage of such incidents that resulted in severe harm or death	7.4 incidents per 100 0.8%	*8.04 incidents per 100 admissions *0.45%	***28.94 incidents per 1000 bed days 0.4%	***35.1 incidents per 1000 bed days 0.5%

*In 2013/2014 8.0 incidents per 100 admissions and 0.65% of such incidents results in severe harm or death were reported. Data was only available to 30/9/2013. The full year is now reported.
**The number of incidents per 100 admissions is taken from the National Reporting Learning System (NRLS) report. This shows the latest actual figures reported nationally for the Trust which are always 6 months in arrears.
***The comparative reporting rate was changed on 1/4/2014 from incident per 100 admissions to incidents per 1000 bed days. This does not allow a comparison of the 2012/2013 & 2013/2014 data with the 2014/2015 data.

Clinical Governance Committee.
- Ensuring more timely identification of themes and trends with the implementation of Datix web.

Salisbury NHS Foundation Trust intends to take the following actions to reduce the rate of patient safety incidents and the number and percentage of such incidents that result in severe harm or death to improve the quality of its services by:

- Data from the National Reporting Learning System (see table below) shows that the Trust has decreased levels of harm compared to the median for acute (non specialist) organisations. The Trust will continue to actively promote reporting, investigation of clinical incidents and serious incidents and share learning across the Trust and with our commissioners to ensure improvement.
- Our staff survey also indicates that the hospital is in the top 20% of Trusts for staff feeling able to report errors, near misses or incidents witnessed and staff feeling secure to raise concerns about unsafe clinical practice.

The Friends and Family Test – Patients

Salisbury NHS Foundation Trust considers the data collected from inpatients and patients who attended the Accident and Emergency department, outpatient departments or had a day case procedure who would recommend the ward or department if they needed similar care or treatment is as described for the following reasons:

- The Trust follows the Friends and Family Test national technical guidance published by NHS England to calculate the response rate and the percentage who would recommend the ward or the Accident and

Emergency Department or outpatient department or day case procedure. From 1 October 2014 NHS England withdrew the net promoter score and replaced it with a new score which measures the percentage of patients who were extremely likely or likely to recommend the hospital and the percentage of patients who were extremely unlikely or unlikely not to recommend the hospital. Don't know and neither likely nor unlikely responses are excluded from the score.

Salisbury NHS Foundation Trust has taken the following actions to improve the response rate and the percentage of patients who would recommend the hospital to friends and family needing care and improve the quality of its services by:

- Providing a range of different methods for patients to give their feedback, such as postcards, the Trust website, a Friends and Family Test App for patients with a smartphone.

- Publishing the response rate and percentage who would recommend every month by ward and department with patient comments and the improvements we have made in response to feedback.

Salisbury NHS Foundation Trust intends to take the following actions to improve the response rate and percentage of patients who would recommend the hospital to friends and family needing care and improve the quality of its services by:

- In 2015/2016 we will introduce the Friends and Family test for children under the age of 16 years.

NHS Outcomes Framework Domain	Indicator	*2013/14	2014/15	National average 2014/15	Highest average other Trusts	Lowest average other Trusts
Domain 4: ensuring that people have a positive experience of care	Response rate and net promoter score (graph overleaf) of patients who would recommend the ward or A&E department to friends or family needing care	Response rate: Wards: 44.2% A&E: 14% Trust overall response rate: 24.3%	Response rate: Wards: 45.5% A&E: 20.6% Trust overall response rate: 28.5%	Response rate: Wards: 35.8% A&E: 20.1% Overall response rate: 25.2%	Response rate: Wards: 100% A&E: 80.3% Overall response rate: N/A	Response rate: Wards: 7.1% A&E: 2.5% Overall response rate: N/A

* The Friends and Family test was introduced on 1 April 2013

The graph below shows the Trust's Friends and Family percentage of patients who would recommend the A&E department compared to the national average from April 2014 to March 2015.

% Recommend (SALISBURY NHS FOUNDATION TRUST)   % Recommend (England Average)
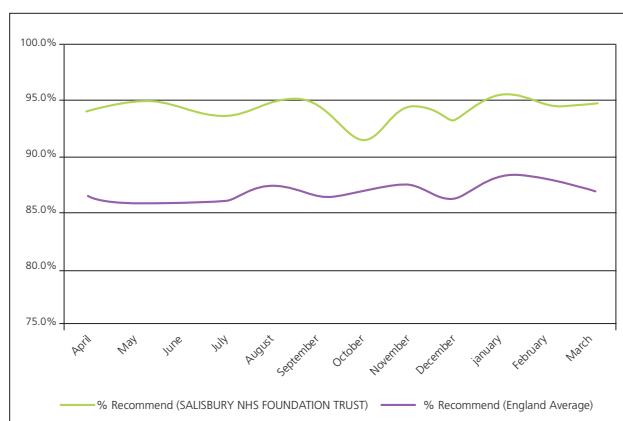
Part 3: Other information

Review of Quality Performance

This section gives information relating to the quality of care that Salisbury NHS Foundation Trust provides through a range of selected measures of patient safety, effectiveness and experience. These areas have been chosen to cover the priority areas highlighted for improvement in this Quality Account, as well as areas which our patients have told us are important to them, such as cleanliness and infection prevention and control. Our commissioners measure a number of these areas and our CQUIN contract supports improvement measures.

These indicators are included in a monthly quality indicator report that is reported to the Board and Clinical Governance Committee.

Patient Safety Indicators								
	2010/11	2011/12	2012/13	2013/14	2014/15	National average	What does this mean?	Source of measure
1.Mortality rate (HSMR)	95*	104	114	*109	101 to Dec 14	100	Lower than 100 is good	Based on the national definition of HSMR & SHMI.
SHMI new measure 2011/12)	n/a	105	107	103 *&*	104 to Sept 14	100		
2. MRSA notifications**	0 (5)	4 (5)	3 (3)	2 (2)	2 (5)	Not available	0 is excellent	National definition
3. C. difficile infection per 1,000 bed days	0.32	0.51 Trust and non Trust apportioned; 0.29 Trust apportioned only	0.25 Trust and non Trust apportioned; 0.16 Trust apportioned only	0.19 Trust and non Trust apportioned; 0.14 Trust apportioned only	0.19 Trust and non Trust apportioned; 0.15 Trust apportioned only	Not available	Lower than national average is good	National definition
4. Global Trigger adverse events rate	31	41	32	34 ***	48 to 31/1/15	40	Lower score the better	Definition based on Patient Safety First Campaign

Patient Safety Indicators								
	2010/11	2011/12	2012/13	2013/14	2014/15	National average	What does this mean?	Source of measure
5. 'Never events' that occurred in the Trust****	2 (These were associated with surgery & rectified with no long term harm)	1 (This was associated with surgery with no patient harm)	2	0	2 (These were associated with surgery)	271 never events (1/4/14-28/2/15)	0 is good	Definition from National Patient Safety Agency
6. Patient falls in hospital resulting in a fracture or major harm	21	32	32	21	29	Not available	Low number is good	Definition from National Patient Safety Agency
Clinical Effectiveness indicators								
7. Patients having surgery within 36 hours of admission with a fractured hip	74%	87%	80%	81%	87.1%	90%	Higher number is good	Based on national definition with data taken from hospital system and national database.
8. % of patients who had a risk assessment for taken from VTE (venous thromboembolism)	91%	92%	98%	98.7%	99.1%	90%	Higher number better	Based on national definition hospital system with data and national database.
9. % patients who had a CT scan within 24 hrs of admission with a stroke	90%	92%	94.6%	91.6%	96.9% in 2014/15 measured as a CT scan within 12 hours	Not available	Higher number better	Based on national definition with data taken from hospital system and national database.

Clinical Effectiveness Indicators								
	2010/11	**2011/12**	**2012/13**	**2013/14**	**2014/15**	**National average**	**What does this mean?**	**Source of measure**
10. Compliance with NICE Technology Appraisal Guidance published in year	80%	70%	72%	68%	73%	Not measured	Higher number better	Local indicator
Patient experience indicators								
11. Number of patients reported with grade 3 & 4 pressure ulcers	19	12	7	6	4	Not available	Lower number is better	National definition with data taken from hospital reporting systems
12. % of patients who felt they were treated with dignity and respect	81%	79% Yes always 19% Yes sometimes	83% Yes always 15.5% Yes sometimes	82% Yes always 15.5% Yes sometimes	83% Yes always 15% Yes sometimes	Not available	Higher number is better	Data taken from national inpatient survey
13. Means score of patients stating the quality of care was very good or better	7.9 #	7.8 #	8.1 #	8.1 #	8.3 #	Not available	Higher number is better	Data taken from national inpatient survey
14. % of patients in mixed sex accommodation	11%	11%	7%	3%	11%	Not available	Lower number is better	Data taken from national inpatient survey
15. % of patients who stated they had enough help from staff to eat their meals	67%	63%	74%	75%	68%	Not available	Higher number is better	Data taken from national inpatient survey

Patient Safety Indicators								
	2010/11	2011/12	2012/13	2013/14	2014/15	National average	What does this mean?	Source of measure
16. % of patients who thought the hospital was clean	66%	65%	66%	69%	70%	Not available	Higher number is better	Data taken from national inpatient survey

• In previous annual reports the HSMR was reported as 101 in 2009/10 and 97 in 2010/11. However, in 2011/2012 HSMR was rebased and our figures were rebased to 100 in 2009/2010 and 95 in 2010/2011. In 2013/2014 we reported our HSMR from April 2013 to January 2014 as 107. The final HSMR for 2013/2014 was 109.

& In 2013/2014 SHMI was reported as 108 to 30/9/2013. The full year rate was 103.

** In previous annual reports the Trust quoted Trust and non-Trust apportioned MRSA notifications as a total figure. This will have included community hospital and GP patients. The total figure is quoted in brackets in the table.

*** The Global Trigger/adverse events rate in 2013/2014 was published as 34 up to 31January 2014. The total figure for the full year in 2013/2014 was 34.

**** Never events are adverse events that should never happen to a patient in hospital. An example is an operation that takes place on the wrong part of the body. The never events list increased from 8 to 25 on 1 April 2011.

In the national inpatient survey in 2012 the way patients were asked to answer the question was changed. To enable a year on year comparison the average score has been substituted with a mean score of patients asked the question.

National Targets and Regulatory Requirements

	2010/11	2011/12	2012/13	2013/14	2014/15	Target for 2015/16
Maximum time of 18 weeks from point of referral to treatment in aggregate - admitted	94.9%	93.5%	93.4%	94%	91.6%	90%
Maximum time of 18 weeks from point of referral to treatment in aggregate – non-admitted	98.6%	98.2%	97.9%	98.2%	98.1%	95%
Maximum time of 18 weeks from point of referral to treatment in aggregate – patients on an incomplete pathway	92.9%	91.5%	94.7%	96.3%	96.4%	92%
A&E: maximum waiting time of four hours from arrival to admission/ transfer/discharge	97.8%	97.86%	96.9%	96.3%	95.2%	95%
All cancers: 62 day wait for first treatment from urgent GP referral for suspected cancer	92.7%	93.3%	90.5%	92.85%	90.6%	85%
All cancers: 62 day wait for first treatment from NHS cancer screening service referral	100%	97.2%	100%	100%	95.2%	90%

All cancers: 31 day wait for second or subsequent treatment – surgery	98.5%	98.9%	98.9%	97.6%	99.6%	94%
All cancers: 31 day wait for second or subsequent treatment – anti cancer drug treatments.	100%	100%	100%	100%	100%	98%
All cancers: 31 day wait for second or subsequent treatment – radiotherapy	n/a	n/a	n/a	n/a	n/a	94%
All cancers: 31 day wait from diagnosis to first treatment	98.5%	97.9%	97.9%	98.4%	98.4%	96%
Cancer: two week wait from referral to date first seen for all urgent referrals (cancer suspected)	94.7%	94%	94.4%	94.4%	94.7%	93%
Cancer: two week wait from referral to date first seen for symptomatic breast patients (cancer not initially suspected)	96.6%	97.3%	97.0%	94.9%	95.1%	93%
C.difficile year on year reduction (from 10/11 positive samples taken within 72 hrs of admission are reported as non Trust apportioned) *	52 (31Trust apportioned, 21 non Trust apportioned)	111 (44 Trust apportioned 67 non Trust apportioned)	39 (25 Trust apportioned 14 non Trust apportioned)	30 (21 Trust apportioned 9 non Trust apportioned)	29 (23 Trust apportioned, 6 non Trust apportioned)	19
MRSA – maintaining the annual number of MRSA bloodstream infections at less than half of the 03/04	0 (5)	4 (5)	3 (3)	2 (2)	2 (3)	0
Certification against compliance with requirements regarding access to health care for people with a learning disability	Compliant	Compliant	Compliant	Compliant	Compliant	Maintain compliance

* From 2010/2011 the definition changed and this reflects the number of positive Trust in-patient cases split between Trust apportioned (over 72 hrs after admission) and non-Trust apportioned (less than 72 hrs of admission).

NHS Wiltshire CCG summary of Salisbury Foundation Trust's 2014-15 Quality Account - 27 May 2015

NHS Wiltshire Clinical Commissioning Group (CCG) have reviewed Salisbury Hospital Foundation Trust's 2014-15 Quality Account. Our view is the Quality Account is presented in a clear and easy to read format, includes all essential elements and incorporates the NHS England's 2014-15 presentation guidance. To the best of our knowledge, the report appears factually correct.

It is the view of the CCG that the Quality Account reflects the ongoing commitment from Salisbury Foundation Trust to quality improvement and addressing key issues in a focused and innovative way. It is evident the Trust have reflected the NHS Outcomes Framework in their Trust priorities, and the account summarises the achievements against quality priorities throughout the year. The CCG acknowledges and commends the improvement in reduction of hospital acquired pressure ulcers and the performance in the implementation of Friends and Family Test, both of which were maintained during a period of challenging demand. The CCG recognizes that achieving the 4 hours target in 14/15 has been challenging and will continue to support the Trust in achieving the required patient flow going forward into 15/16. We will also continue to support the Trust to drive improvements in patient safety through projects and collaboration to focus on local priorities and minimise potential risks. We have a structured monthly quality review meeting with the Trust, and review a range of indicators and metrics from a number of sources.

The Trust have continued to embed the recommendations of key national documents, such as the Francis Report, and ambitions of Keogh report. As such, the Trust have responded effectively to ensure timely review of staffing levels, and have significantly invested in staffing to ensure appropriate clinical skill mix, and continue to monitor trends and early warning signs of changes and staffing levels. The appropriate workforce with robust clinical leadership is key to delivering services effectively. Clearly the Trust places emphasis on ongoing monitoring of nursing and clinical skill mix to minimise any potential impact that staff shortages have on patient experience and outcomes. The CCG acknowledge that during 2014-15, SFT have reported challenges in eliminating mixed sex accommodation (MSA) throughout the trust, and are working closely with Commissioners to reduce avoidable MSA occurrences. The CCG note the Trust is committed to taking both immediate actions and seeking longer term solutions to ensure the privacy, dignity, safety and experience of patients is paramount.

The CCG acknowledge the quality improvements achieved, in particular improving communication across end of life care. NHS Wiltshire CCG are supporting the Trust to continue to build on this success through year two of a CQUIN scheme. The CCG is supportive of the priorities that Salisbury Foundation Trust have identified for 2015/2016. Sepsis and Acute Kidney Injury were rightly identified as priorities in advance of the National CQUIN frameworks being issued and the roll out of improved and electronic discharge summaries.

NHS Wiltshire CCG welcomes the specific priorities for 2015/16 which the Trust has highlighted in this report, all are appropriate areas to target for continued improvement and link with the Clinical Commissioning priorities.

Over the coming year, the CCG look forward to supporting the Trust, to further embed trust wide learning and improvement from incidents, including Never Events, themes from complaints and further development and expansion of ambulatory care services .The CCG will increase the frequency of Quality Assurance visits and engagement with the Trust to enable the Trust to showcase improvements and identify areas on which to focus.

Statement from NHS Dorset Clinical Commissioning Group for Salisbury NHS Foundation Trust Quality Account - 6 May 2015

Over the past 12 months Salisbury Hospital NHS Foundation Trust (SFT) has continued to focus on improving the clinical outcomes, safety and experience of patients within their services. The work that the Trust has done throughout the year on improving their mortality rates has been effective, achieving an eight point drop in Hospital Standardised Mortality Ratio. The Trust has also made good progress with their other priorities for the year including dementia diagnosis and treatment, harm free care and improving patient experience.

In relation to the priorities identified for 2015/2016 there is an ongoing focus on working with partners to improve the coordination of carers. The CCG recognises and endorses the continued focus on preventing avoidable harm, improving patient experience and access to services seven days per week.

The CCG looks forward to working with SFT over the coming 12 months to maintain and improve high quality healthcare services for the population of Dorset".

Statement from Wiltshire Council Health Select Committee - 14 May 2015

Wiltshire Council Health Select Committee has been asked to comment on the Trust's quality account 2014/15.

The Committee believes this to be an accurate reflection of the Trust's performance in 2014/15 as regards patient safety, clinical effectiveness and patient experience, the 3 overarching criteria for quality accounts.

We have noted the continued effort to achieve success in relation to particular priorities in 2014/15 these include:

Domain 1, Priority 1: the mortality trend is reducing year on year and is now within the expected range; many measures have been instigated to achieve this, the Sepsis Six campaign has seen real success.

Domain 2, Priority 2: the faster assessment of patients and the provision of dementia champions has improved the rate at which patients are referred when admitted to hospital; the Freedom for Life programme is helping patients to control their diabetes; and people with COPD can attend a pulmonary rehabilitation programme.

Domain 3, Priority 3: access to rehabilitation has been improved; you have expanded the Keep Active campaign; and are working with GPs to manage the 7 most common conditions for admission of children.

Domain 4, Priority 4: the national in-patient survey shows an increase in the quality of care and 96.7% of patients said they were likely to recommend SFT to friends and family.

Domain 5, Priority 5: the Trust have sustained a high percentage of new harm-free care; reduced pressure ulcers; and tackled cleanliness with even better and more rigorous measures being put in place.

During 2014/15 18 clinical audits were reviewed and 16 reported to the Board as a result of which trauma theatre lists at weekends were introduced and the number of patients leaving the recovery room with a low temperature dropped from 4 to 1%.

Just 2 never events were recorded; the number of patients who were in mixed sex wards increased but the number of patients who said they had been helped with meals decreased; cases of C.Difficile halved since 2012/13 and MRSA reduced as well from 3 to 2.

Your priorities for 2015/16 are 1) strive to keep patients safe from avoidable harm; 2) ensure patients have a positive experience of care; 3) actively work with partners and patients to prevent ill health; 4) provide patients with high quality care 7 days a week and 5) provide co-ordinated care across the community. The Trust are putting many measures and programmes in place to see that good outcomes are achieved and have joined the "Sign up to Safety " campaign, the GROW programme, "Shape up at Salisbury" initiative amongst many others and will measure, monitor and report progress to the Board and steering groups.

The committee would like to thank the Board for the transparency and co-operation afforded to them throughout the year.

Statement from Healthwatch – 11 May 2015

Healthwatch Wiltshire (HWW) welcomes the opportunity to comment on Salisbury NHS Foundation Trust's quality account for 2014/15. HWW was established to promote the voice of patients and the wider public with respect to health and social care services. Over the past year we have continued to work with the Trust to ensure that patients and the wider community are appropriately involved in providing feedback and that this feedback is taken seriously by the Trust.

We are pleased to see that the Care Quality Commission have rated the Trust as being in the lowest band for risk in its provision of care services and that it has also been given a green (best) governance risk rating by Monitor. In addition, the Trust has joined the 'sign up to safety' campaign, which aims to halve avoidable harm within the NHS over the next 3 years. This is positive news for patients and shows that the Trust has committed to providing safe and good quality care and effective governance.

Care for older people and in particular for those with dementia continues to be a key area for the Trust. We welcome this commitment and in particular the Trust's focus on creating dementia friendly environments, psychological support for older people, improvements in the number of patients screened for dementia on admission and their work to increase social stimulation for inpatients. This fits well with the new dementia strategy for Wiltshire and it is hoped these actions will significantly improve the experience of older and more vulnerable patients. We look forward to hearing about the outcomes of this work.

Results from the national inpatient survey showed that patients were sometimes delayed on the day of discharge. We know from our own engagement work

that this is a major issue for patients across the county However, we are satisfied that the Trust has carried out work to identify the causes of the delays and that they have put in place actions that aim to improve the experience of discharge for patients and their families. We will continue to monitor the outcomes of the new initiatives.

We note that rates for C. Difficile infections are slightly higher than the national average but note that action has been taken to reduce the rates. We will continue to monitor these rates over the coming year.

The Trust has said it is committed to learning from incidents that resulted in harm and to share learning across the organisation. We particularly welcome this as we are aware that the two never events (by definition, events that should never happen) occurred over the past year within the Trust. We will be looking to see whether learning from these events has occurred and will continue to closely monitor any further occurrences over the coming year.

The results from the national inpatient survey show that 68% of patients said that they had had enough help from staff to eat their meals. We would like to see this figure improve over the coming year. The concern is that many more vulnerable patients (who may not have completed the survey) may be at risk. We do note the investment in more ward nursing staff and hope that this has a positive impact on these figures.

The Trust has introduced a number of different ways for patients to provide feedback. Friend and Family test feedback can be given online, via text and from a phone app as well as by more traditional methods. This may explain the increased response rate for the test. We welcome also the use of patient feedback being in the creation of 'local' ward-based action plans and to make improvements to patient care across the Trust.

We are pleased to see that the Trust is working more with their community partners to improve the health of local people. Much work has been done around smoking cessation, reduction in alcohol intake and obesity. We note that this partnership working around public health/prevention is set as one of the Trust's priorities for the coming year. We welcome this commitment as we recognise that the wider health community has a role to play in the Trust's performance.

We note the new priorities set by the Trust. Healthwatch Wiltshire will engage with patients, carers, and the wider community to support the Trust in meeting these priorities over the coming year.

Statement from the Governors – 14 May 2015

Thank you for inviting the Governors to comment on the quality account. The Governors were impressed with the wide range of quality improvements over the past year. We are particularly pleased to see the reduction in pressure ulcers, the innovative initiatives to encourage rehabilitation, a compassionate approach to end of life care and the continued improvements to the environment. Whilst the number of C Difficile cases was disappointing the action taken by the Board demonstrated a collaborative, open and positive attitude to learning and improving.

Going forward the Governors support the priorities in this year's quality account. The Board's continued focus on the care of older people, vulnerable adults and children is welcome. The Trust Board clearly have patient safety and patient experience at the centre of their priorities with commitment to the 'Sign up to Safety Campaign'. We are pleased to see the Trust will continue to listen to patients and respond to this feedback as well as respond to national drivers that aim to improve the care for patients. We commend the recognition of the caring, compassionate and hard-working staff who strive to provide an outstanding experience for patients.

How to provide feedback

All feedback is welcomed and the Trust listens to these concerns and steps are taken to address individual issues at the time. Comments are also used to improve services and directly influence projects and initiatives being put in place by the Trust.

Statement of Directors' 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 NHS Foundation Trust Boards should put in place to support the data quality for the preparation of the quality report.

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

• The content of the quality report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2014/2015 and supporting guidance.

- The content of the quality report is not inconsistent with internal and external sources of information including:

- Board minutes and papers for the period April 2014 to May 2015;

- Papers relating to quality reported to the Board over the period April 2014 to May 2015;

- Feedback from the commissioners dated 27 May 2015.

- Feedback from the governors dated 14 May 2015.

- Feedback from Local Healthwatch organisations dated 11 May 2015

- Feedback from Overview and Scrutiny Committee dated 14 May 2015.
- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated May 2014, September 2014, January 2015.

- The 2014 national patient survey dated 21 May 2015.

- The 2014 national staff survey dated 25 February 2015.

- The Head of Internal Audit's annual opinion over the Trust's control environment dated 14 May 2015.

- Care Quality Commission intelligent monitoring report dated December 2014.

The quality report presents a balanced picture of the NHS Foundation Trust's performance over the period covered;

Data Quality

The Trust acknowledges the finding of the audit set out overleaf in relation to data underpinning the measures of performance set out in this report, but remain satisfied that overall:

➢ The performance information reported in the quality report is sufficiently reliable and accurate to ensure appropriate management of the processes of the organisation;

➢ There are internal controls over the collection and reporting of the measures of performance included in the quality report , and these controls are subject to review to confirm that they are working effectively in practice;
➢ The quality report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations (published at www.monitornhsft.gov.uk/annualreportingmanual) as well as the standards to support data quality for the preparation of the quality report (available at www.monitornhsft.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

Nick Marsden
Chairman
22 May 2015

Peter Hill
Chief Executive
22 May 2015

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF SALISBURY NHS FOUNDATION TRUST ON THE QUALITY REPORT

We have been engaged by the Council of Governors of Salisbury NHS Foundation Trust to perform an independent assurance engagement in respect of Salisbury NHS Foundation Trust's Quality Report for the year ended 31 March 2015 (the 'Quality Report') and certain performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2015 subject to limited assurance consist of the following two national priority indicators:

- Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways ("Referral to Treatment – incomplete pathways"); and
- Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers ("62 day cancer waits").

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 2014/15 ('the Guidance'); and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Guidance.

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

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

- Board minutes for the period April 2014 to May 2015;
- Papers relating to Quality reported to the Board over the period April 2014 to May 2015;
- Feedback from the Commissioners dated May 2015;
- Feedback from local Healthwatch organisations dated May 2015;
- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, 2014/15;
- The 2014/15 national patient survey;
- The 2014/15 national staff survey;
- Care Quality Commission quality and risk profiles/ intelligent monitoring reports 2014/15; and
- The 2014/15 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 Salisbury NHS Foundation Trust as a body, to assist the Council of Governors in reporting the NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2015, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicator. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Salisbury NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

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

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

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

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

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

The scope of our assurance work has not included governance over quality or the non-mandated indicator, which was determined locally by Salisbury 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 2015:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual; and

- the Quality Report is not consistent in all material respects with the sources specified in the Guidance.

We identified weaknesses in the design of the control environment in regard to the "referral to treatment – incomplete pathways" indicator. As a result of our testing of this indicator we also identified data errors, where data included within the indicator could not be agreed to supporting patient records. As a result we are not able to issue a limited assurance opinion in respect of the "referral to treatment – incomplete pathways" indicator.

We identified weaknesses in the design of the control environment in regard to the "62 day cancer waits" indicator. As a result of our testing of this indicator we also identified data errors, where data included within the indicator could not be agreed to supporting patient records. As a result we are not able to issue a limited assurance opinion in respect of the "62 day cancer waits" indicator.

Jonathan Brown
KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL
22 May 2015

Sustainability Report

Trust Strategy on Sustainability

It is recognised that the NHS has a role to play in reducing the UK's carbon dioxide emissions. The operation of Salisbury NHS Foundation Trust involves many activities which have an impact on the environment. These include the use of energy and water, the production and handling of waste and the use of natural resources. The Trust continues to investigate ways in which its environmental impact can be reduced.

The Trust measures a number of key indicators to assist with the monitoring of environmental performance such as utility usage and waste generation. Key indicators are measured and reported within the Trust through regular reports and to the Department of Health through ERIC returns.

The size of the Trust also means that it participates in the National Carbon Reduction Commitment (CRC) scheme. The reports generated for this scheme allow the Environment Agency (EA) to monitor the absolute carbon generated by the organisation and the change year on year to a "footprint" year.

The NHS Sustainable Development Unit (SDU) has also set targets for the NHS of a 10% reduction in carbon emissions by 2015 from a 2007 baseline. The Trust has achieved this target reduction in 2014 and is continuing to work towards a more challenging target of a 34% reduction by 2020, from the 1990 baseline.

The Trust will continue to develop more accurate key performance indicators with the progression of environmental management and improved sustainability initiatives.

The Trust continues to ensure compliance with the Building Performance Directive and ensure that updated Display Energy Certificates (DEC) are in place.

Summary Performance Table

Area		Non Financial data	Non Financial data		Financial data	Financial data
		2013/2014	2014/2015		2013/2014	2014/2015
Greenhouse Gas Emissions	Scope 1 (Direct) GHG Emissions	Gas: 7143 Tonnes CO2e 38,560,401 kWhs Transport; 135 tonnes CO2e	Gas: 6967 Tonnes CO2e 37,614,863 kWhs Transport; 69 tonnes CO2e		*Gas; £1,377,003 Transport; £103,411	*Gas; £1,307,919 Transport; £38,978
	Scope 2 (Indirect) GHG Emissions	3270 tonnes CO2e 5,998,208 kWhs	3426 tonnes CO2e 6,284,314		£742,877	£,752,640
	Scope 3 ** Official Business Travel Emissions	88 tonnes CO2e	274 tonnes CO2e		£144,940	£308,117

Waste minimisation and management	Absolute values for total amount of waste produced by the Trust	1,367 tonnes	1,338 tonnes			
	Methods of disposal	High Temperature. Non Burn Treatment. Landfill. Recovery /Recycling	High Temperature. Non Burn Treatment. Landfill. Recovery /Recycling	Expenditure on waste disposal	£319,942	£310,098
Finite Resources	Water & Sewerage	139,873 m3	149,825 m3	Water & Sewerage	£385,097	£406,922

Source: Final Estates Return Information Collection (ERIC) information for 2013/2014 and 2014/2015
*Includes £1,290 annual CRC subsistence fee and £145,560 CRC allowances for 2013/14
*Includes £1,290 annual CRC subsistence fee and £189,228 CRC allowances for 2014/15
** Please note that Scope 3 reporting includes business mileage rates but not public transport travel

Projects and Initiatives in 2014

The Trust has been investing for the future by carrying out a series of sustainability and energy management projects and initiatives. The major schemes have included the replacement of some heating boilers, with efficient condensing units, and the Trust is continuing with the programme of installing energy efficient LED lighting wherever appropriate. The replacement of the main cooling equipment has been carried out to ensure that the hospital can provide a suitable clinical environment in a cost and energy efficient way. Voltage Optimisation equipment has been installed to ensure that electrical equipment is operating efficiently on the appropriate voltage Investment has been made in renewable technology with the installation of Solar Thermal and Photo Voltaic arrays on the roofs of buildings, and other sites are under consideration. These will provide both power and heating to help further reduce the carbon footprint. A project for generating electricity to support the grid during peak winter demand is also programmed this year. This will reduce our electricity costs through generating income and reduce the CRC commitment.

Future Priorities and Targets

As already stated, the Trust is working towards the achievement of the NHS Sustainable Development Unit targets of carbon reduction, which in line with the Climate Change Act 2008 gives an ambitious aspiration for the health and care system to achieve a 34% reduction by 2020 in carbon dioxide equivalent emissions from building energy use and the travel and procurement of goods and services.

To achieve this target the Trust has developed a Sustainable Development Strategy and SDMP to improve the sustainability of the Trust's operations by establishing clear objectives and targets. This will provide the basis for long term improvements in sustainability within the Trust. Regular reviews of the SDMP will be undertaken by the Trust's Sustainability Working Group, to ensure that the Trust's commitments to sustainable development are being fully integrated into all areas. These include.

Travel

Policies and performance: The Trust set itself an objective to reduce the carbon that it is responsible for from the vehicle fleet it has. In line with this objective, new vehicles which have been leased for the courier fleet have Euro 5 engines which have the lowest emissions in their class. In addition, a vehicle review ensured that the correct sized vehicle appropriate for the workload were leased, which contributed to further savings. Electric vehicles are being considered for some duties where appropriate, however range is a limiting factor until technology improves.

Active Travel: The Trust had a vision to engage with staff and the local community and develop a plan to encourage active travel with supporting facilities. The Trust has continued with its commitment to run the cycle to work schemes for staff and has introduced cost effective schemes for staff to buy cycles should they wish.

Traffic management: The Trust has plans to reduce traffic impact and promote public transport and active travel which is supported by information and incentive schemes. On-site car parking is managed through the use of enforcement measures by the Trust.

Procurement

Policies and performance: Work is ongoing to develop a sustainable procurement policy that supports local community and minimizes environmental impacts.

Procurement skills: Work is ongoing to provide staff with accessible information on sustainable procurement, provide training and review the learning and development needs of staff against key sustainable development objectives.

Engaging suppliers: Work is ongoing to assess the impact of key suppliers on our sustainable development objectives and also create an understanding of our objectives and help improve their understanding of sustainable development.

Sustainable procurement: We have added sustainable development clauses in tendering documents and contracts. When bids are evaluated, we now include a Carbon Reduction Strategy and Sustainability weighting. The next stage is to benchmark the impact of C02 from a procurement perspective and agree an action plan to reduce this.

Facilities Management

Minimising waste: The Trust has an active campaign to recycle unused or unwanted office equipment and furniture through a scheme run by volunteers. This has proved very popular with staff and has directly reduced the level of waste from the site that goes to landfill. The Trust has avoided the cost of buying new equipment, by sorting waste and using suitable recycling operators.

Energy and water usage: The Trust has made use of specific funding set aside internally and government-backed loans to invest in energy efficient equipment. These schemes include low energy lighting LED, high efficiency condensing boilers, highly efficient chillers and renewable energy through PV and solar thermal arrays.

Workforce

Healthy workplace: The trust objective is to provide incentives and facilities to promote active low carbon travel, healthy and sustainable food choices and regular exercise. The Trust has an on-site fully equipped leisure facility, which promotes fitness programmes and healthy activities. This has been upgraded during 2013/14 to increase the number of staff who can benefit from this.

Community Engagement

Policy and performance: The Trust developed a community engagement action plan with clear social, economic and environmental objectives. The Trust continues to work in partnership with other bodies and links in with local government and climate change adaptation teams where required to ensure a coordinated approach to environmental management.

Community participation: The Trust has gathered views on sustainable development. In addition, local volunteers have been very successful with a ground-breaking initiative for the NHS, by forming a voluntary equipment recycling and reclamation project. This initiative links in with the site waste management group to reuse and recycle as much equipment as we can.

Healthy and sustainable food choices: Plans for healthy and sustainable food choices, a system to track sourcing, transportation, consumption and disposal of food and drink products is ongoing, together with targets to increase healthy and sustainable food choices.

Facilities and New Buildings

Policies and performance: During the year a review of the south side of the site took place. A partnership with development companies is being sought to explore possibilities for this section of land.

Design: Work to minimise whole life costs of building and refurbishment projects through design will continue, with work to produce design briefs that encourage low carbon, low environmental impact proposals from suppliers and partners.

Equality Report

Approach to Equality and Diversity

We respect and value the diversity of our patients, their relatives and carers, and our staff and are committed to meeting the needs and expectations of the diverse communities we serve, providing high quality care.

The Trust has undertaken a considerable amount of work on Equality and Diversity (E&D), which helps improve patient services and promote equality of opportunity for staff. The Equality and Diversity Steering Group (EDSG) reports to the Trust Board and determines the strategic direction on E&D, based on current legislation and national initiatives.

The group reports to the Trust Board twice a year on its work and progress against action plans and provides information on the make up of staff and patients. The Trust also has several equality networks:

• Reaching Equality Aspiring Confident Hope (REACH) group for Black Asian Minority Ethnic (BAME) staff

• Lesbian, Gay Bisexual and Transgender (LGBT) network (Rainbow SHED) for staff to discuss issues that relate to their employment experiences and hospital services

• Disability Employees Network (DEN) which covers disability issues and policies. For instance, the Trust has the 'Positive About Disabled' people 'two ticks standard' and has policies that apply to the recruitment, retention, training and development of staff with disabilities.

We have used the Equality Delivery System 2 (EDS 2) to engage with local and national interest groups who have offered feedback and the opportunity for involvement in the Trust's EDS assessment.

Public Sector Equality Duties (PSED)

The Trust has to prepare and publish one or more objectives that help the organisation further the three aims of the Equality Duty. The Trust used the refreshed NHS equality assessment tool (EDS 2 Equality Delivery System) to support the collection of evidence on equality practises and measure its progress in the different equality groups: age, gender, religion/or belief, sexual orientation, marriage/ civil partnership, race, disability, pregnancy and maternity, gender reassignment.

The Trust also carries out equality analysis to ensure that Trust policies, procedures, developments or activities do not have an unintentional adverse impact on patients or staff from equality groups.

The Trust is compliant with its PSED duties and has published its Equality Delivery System gradings, equality objectives and supporting documents. This can be found at www.salisbury.nhs.uk/about us/equality and diversity along with other E&D information.

Priorities and Targets Going Forward

We have adopted the EDS 2 (Equality Delivery System) model and are working with local interest groups on four equality objectives for 2014/15:

Objective 1 - To develop a fundraising campaign that will raise awareness in the community of the needs of elderly people which will result in improvements to our medical wards

Objective 2 – Use the fundraising campaign to challenge the views of the community on how much we should do as a society to improve the profile of the elderly

Objective 3 - To design and implement a programme of positive action for our staff to ensure that they are able to perform their duties free from abuse, harassment, bullying, violence from patients, other members of the public and colleagues

Objective 4 - To develop and implement a plan to enable and encourage managers and staff to understand the benefits of diversity in the workplace, which will ensure our work environment is free from discrimination

In addition we are also:

- Holding several awareness events throughout the year on various Equality and Diversity themes

- Publishing a quarterly Equality and Diversity newsletter for internal and external organisations

- Working with local interest groups delivering bespoke training. For instance, training for staff to assist partially sighted visitors and patients. This will be run by the National Guide Dogs Association

These priorities are regularly reviewed, monitored and measured through the EDSG which is chaired by a non-executive director of the Trust.

Staff Survey Report

Approach to Staff Engagement

The Trust is proud to engage with staff through a number of well-established processes focused on effective staff communications and consultation. Staff engagement occurs at a variety of levels through-out the organisation and includes monthly face to face cascade briefings led by the Executive Team, corporate messages shared though the intranet, Broadcast emails and quarterly Chief Executive open sessions.   Dedicated Directorate Quality and Safety Walkrounds provide staff with opportunities to highlight areas of good practice as well as concerns.   We also provide topic based communications where and when appropriate.

Our Staff Survey and Staff Friends and Family Test provide opportunities for regular staff feedback which is used to plan developments and improvements across the Trust. This is monitored through the internal Operational Management Board.

There is a good working relationship between Trust management, Trade Unions and staff, and Trade union representatives are actively involved in discussions around the future financial challenges facing the Trust, as are staff through a number of open events. These events also provide opportunities to feedback ideas and comments.

The Trust has an open and honest culture of involvement and engagement and effective feedback mechanisms for staff.   The 2014 staff survey included a measure of 'staff engagement' which reveals how staff feel about contributing to improvements at work, whether the Trust is somewhere they would recommend to work and whether they feel motivated.   The Trust score places it in the top 20% of acute Trusts.

Summary of performance – NHS Staff Survey

Response rate	2013/14		2014/15		
	Trust	**National average**	**Trust**	**National Average**	**Trust Improvement/ deterioration**
	59%	49%	57%	42%	2% deterioration

Top 5 ranking scores	2013/14		2014/15		
	Trust	**National average**	**Trust**	**National Average**	**Trust Improvement/ deterioration**
Staff job satisfaction	3.74	3.60	3.75	3.60	0.01 improvement
Support from immediate manager	3.80	3.64	3.80	3.65	No change

Top 5 ranking scores	2013/14		2014/15		
	Trust	National average	Trust	National Average	Trust Improvement/ deterioration
Staff motivation at work	3.95	3.86	4.00	3.86	0.05 improvement
Percentage reporting errors, near misses or incidents witnessed in the last month	90%	90%	94%	90%	4% improvement
Staff recommendation of the Trust as a place to work or receive treatment	4.01	3.68	4.02	3.67	0.01 improvement

Bottom 5 ranking scores	2013/14		2014/15		
	Trust	National average	Trust	National Average	Trust Improvement/ deterioration
Percentage of staff experiencing physical violence from staff in the last 12 months	2%	2%	3%	3%	1% deterioration
Percentage of staff experiencing physical violence from patients, relatives or the public in the last 12 months	17%	15%	17%	14%	No change
Percentage experiencing harassment, bullying or abuse from patients, relatives or the public in the last 12 months	26%	29%	31%	29%	5% deterioration
Percentage experiencing harassment, bullying or abuse from staff in the last 12 months	23%	24%	27%	23%	4% deterioration
Percentage receiving job relevant training, learning or development in last 12 months	81%	81%	79%	81%	2% deterioration

In addition to the top and bottom ranking scores above, there had been significant changes in the scores from the previous year in the following areas.

Significant changes	2013/14		2014/15		
	Trust	National average	Trust	National Average	Trust Improvement/ deterioration
Percentage of staff experiencing discrimination at work in the last 12 months	7%	11%	11%	11%	4% deterioration

Future Priorities and targets

National staff survey scores measure how the Trust performs in relation to other acute Trusts and in terms of staff perceptions. Scores are not absolute scales or targets of good or bad performance. However, following publication of the staff survey, the Trust has an action plan that focuses on **six key areas** for improvement, which are listed below. These will be monitored by the Trust Board, reported on in Trust Board meetings that are held in public and measured through the 2015 staff survey.

1. Percentage of staff experiencing discrimination at work in the last 12 months, is a new category where the results this year are worse than in the previous year. Further work is required to investigate what forms of discrimination staff are reporting, and the sources of the discrimination such as peers, managers, patients and / or relatives. This will be done through focus groups to allow for a qualitative assessment of the issues. Clear messages about discrimination being unacceptable will be reinforced, supported by the equality and diversity work plans. The trust prides itself on being professional and friendly and these values will be reinforced through internal processes.

2. Percentage experiencing harassment, bullying or abuse from patients, relatives the public or staff in the last 12 months is also a category where previously staff have not reported high incidence and so forms a new area for work and change. The NHS and Salisbury NHS Foundation Trust has a zero tolerance of any form of harassment, bullying or abuse. Staff need to feel supported where it occurs and the Trust will take action to reduce the incidence and to hold to account those found to be exhibiting such behaviours.

3. Percentage experiencing physical violence from patients, relatives the public or staff in last 12

months, represents a theme from previous survey results, and despite a significant number of focused actions in the past 12 months the results have not shown improvements. Existing plans will be reviewed and support by detailed understanding through working groups.

4. Percentage receiving job relevant training, learning or development in last 12 months. Critical to our 'patient-centred and safe' values is ensuring that our staff are up to date and can practice safely. Ensuring that staff who are ward based are able to access training is essential and Directorate managers and Senior Nurses have a key role in ensuring that teams feel supported to prioritise training and learning. A focus group approach will be used to explore what is preventing the regular process of being up to date with learning.

Additional areas for work (Stretch Targets)

5. Percentage suffering work related stress. The trust has improved its support to staff through focused activity including the appointment of an RMN, stress awareness sessions, access to counselling and alternative therapies. This has resulted in an improvement this year with fewer staff reporting experiencing stress at work. However, this remains a key area of interest and concern for the trust and so will remain as a trust wide activity in the action plan.

6. Percentage appraised in the past 12 months. There has been no further progress on the percentage of staff reporting that they have been appraised in the last 12 months, and we are average in comparison with other acute trusts. As we continue to embed the appraisal system Splda and our Trust values the work on appraisals will continue to feature on the plans for improvement and change.

Regulatory Ratings Report

Financial Rating

The Continuity of Services assessment, on two key financial ratios and is scored 1-4 which describes the level of risk of financial failure.

Governance Risk Rating

Monitor's assessment of governance risk is based predominantly on the Trust's plans for ensuring compliance with its Licence, but will reflect historic risk performance where this may be indicative of future risk.

The governance rating is determined by an assessment of governance elements, which are:

- performance against national measures
- compliance with Care Quality Commission requirements
- any declared risk of, or actual, failure to deliver mandatory or commissioner requested services

- any other factors not covered above that the regulator may regard as a breach of the Trust's authorisation or provider Licence

NHS Foundation Trusts will, in general, supply the information that forms the basis for their governance risk rating. In particular, they are responsible for self-certification on a quarterly basis on areas of governance and for supplying any required exception reports.

Under the Risk Assurance Framework, the quarterly information is assessed as Green (no concerns), Red (regulatory action underway) or Concerns, which are described in narrative.

The Trust then submits quarterly reports on which it is assessed by Monitor against the agreed plan. The Annual Plan forecast ratings and the quarterly performance against these ratings for 2013/14 and 2014/2015 are set out below.

	Annual Plan 2013/2014 forecast	Q1 2013/2014 actual	Q2 2013/2014 actual	Q3 2013/2014 actual	Q4 2013/2014 actual
Financial Risk	3	3	3	4	4
Governance Risk rating	Green	Green	Green	Green	Green

	Annual Plan 2014/2015 forecast	Q1 2014/2015 actual	Q2 2014/2015 actual	Q3 2014/2015 actual	Q4 2014/2015 actual
Continuity of Service Risk Rating	4	4	4	4	4
Governance Risk rating	Green	Green	Green	Green	*Please see note below

Quarter 4. Please note that the Trust had yet to receive feedback from Monitor on its assessment of the Trust's targets and indicators return at the time of publication of this Annual Report.

At no time since the Trust was authorised as a Foundation Trust on 1 June 2006, has Monitor formally intervened under any of the powers that are available to the Regulator.

Public Interest Disclosures

Income Disclosure

The Trust can confirm that income from the provision of goods and services for the purposes of the health service in England is greater than its income from the provision of goods and services for any other purposes.

Other Income and Impact on Provision of Services

The Trust provides a variety of services to patients, visitors, staff and external bodies that generate income which cover the cost of the service and makes a contribution towards funding patient care. Services that generate income include: accommodation, catering, car parking, private patient treatment, pharmacy products including My Trusty range and sterile supplies. The total income from all of these areas amounted to around £ 6.2 million. Some areas, such as day nursery and the Staff Club, aim to break even. The other areas contributed surpluses, which have been applied to meeting patient care expenditure. In addition, the Trust received £4.4m from Salisbury Trading Ltd (excluding laundry undertaken for the Trust) and £1.8m from Odstock Medical Ltd.

Partnership Working

The Trust works in partnership with other statutory, non statutory and voluntary sector organisations to commission and develop work to support diverse communities. Current work includes the Equality and Diversity Wiltshire Public Sector Lead Officer Group, which brings together lead officers from statutory organisations working together collaborative on a collective Equality & Human Rights Charter and understanding the needs of local people so that there is an integrated approach to our PSED (Public Sector Equality Duties). The Trust is also working with learning disability groups to improve these patients' and their carers' experiences of hospital care. The Trust has also determined the socio-economic breakdown of its membership and the population within its catchment area.

Occupational Health and Safety

Each member of staff has access to a comprehensive in-house Occupational Health Service that includes a full-time staff counsellor. The Trust has an active Health and Safety Committee, where management and staff Health and Safety representatives meet regularly to consider the Trust's performance against a range of indicators and to discuss actions and developments for improvement.

Policies and Procedures to Counter Fraud

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

Better Payment Practice Code

Better Payment Practice Code		
	Number	**£000s/Amount**
Total Non-NHS trade invoices paid in the period	78,986	69,694
Total Non-NHS trade invoices paid within target	65,639	56,082
Percentage of Non-NHS trade invoices paid within target	83.1%	80.5%
Total NHS trade invoices paid in the period	2,173	5,608
Total NHS trade invoices paid within target	1,640	4,601
Percentage of NHS trade invoices paid within target	75.5%	82.9%
The Better Payment Practice Code requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.		

Management Costs

Management Costs (excluding subsidiary)	
	£000
Total Trust Management Costs	7,727
Total Trust Income	197,884
% of total Income	3.90%

Provision of Information and Involvement of Employees

The Trust continues to build on its existing processes for staff communication and consultation, and this includes the involvement of Trade Unions and staff on issues that affect them. Regular communication through face to face briefings, the Intranet, a Chief Executive's message and publications are enhanced by topic based communications where and when appropriate. The Trust has continued to create awareness of the financial and economic factors that affect the performance of the Trust as well as information that relates to the development of the Trust, and the quality of its services through its normal communication channels. This is supported by executive led safety and quality walk rounds that not only enable staff to share any concerns, but also give the Executive team the opportunity to feedback their views on these key areas to ward staff. Financial information and the Trust's position is also shared regularly with the Trust's Trade Union representatives.

Patient and Public Involvement Initiatives

Patients were involved in a number of projects this year, using many different methods including patient stories, focus groups, questionnaires and real time feedback, along with the results of the National Patient Surveys and the Friends and Family Test. Salisbury is one of six acute Trusts that will be involved in a pilot to investigate the use of real time feedback in order to improve patients' experiences of relational aspects of care. The study is being undertaken by the Picker Institute Europe and the University of Oxford and the data collection will run from June 2015 to March 2016.

Policies Adopted with Suppliers

Tender specifications now require companies or individuals to disclose their approach to equality and diversity.

Serious Untoward Incidents involving data loss or confidentiality

During 2015/2016 there was one reported Serious Untoward Incident involving data loss or confidentiality breaches which is covered in the Annual Governance Statement in the Annual Accounts.

Review of Effectiveness of Trust's System of Internal Control

The Trust Board has carried out a review of the effectiveness of its systems of Internal Control. This is covered in the Annual Governance Statement in the Annual Accounts.

The Annual Report has been approved by the Trust Board on 22 May 2015.

Peter Hill
Chief Executive
22 May 2015

Salisbury NHS Foundation Trust Consolidated Financial Statements For The Year To 31 March 2015

(i)

FOREWORD TO THE ACCOUNTS

These consolidated accounts for the year ended 31 March 2015 have been prepared by Salisbury NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006, and comply with the annual reporting guidance for NHS Foundation Trusts within the NHS Foundation Trust Annual Reporting Manual (FT ARM) for the financial period.

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

The results of the Trust's subsidiary companies, Odstock Medical Limited and Salisbury Trading Limited for the year to 31 March 2015 together with their assets and liabilities as at that date have been consolidated into these financial statements. Details of the subsidiary companies can be found in note 33.

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, the Trust has consolidated the income and expenditure of Salisbury District Hospital Charitable Fund for the year ended 31 March 2015 and its assets and liabilities as at that date.

Signed:

Peter Hill - Chief Executive

Date: 27 May 2015

Statement of the Chief Executive's responsibilities as the Accounting Officer of Salisbury NHS Foundation Trust

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

Under the NHS Act 2006, Monitor has directed Salisbury 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 Salisbury NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

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

- observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;

- make judgements and estimates on a reasonable basis;

- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;

- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance; and

- prepare the financial statements on a going concern basis.

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

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

Signed:

Peter Hill - Chief Executive

Date: 27 May 2015

Annual Governance Statement

1. SCOPE OF RESPONSIBILITY

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

2. THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide a reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Salisbury NHS Foundation Trust, to evaluate the likelihood of those risks being realised and reduce the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Salisbury NHS Foundation Trust for the year ended 31 March 2015 and up to the date of approval of the annual report and accounts.

3. CAPACITY TO HANDLE RISK

As Accounting Officer I have overall responsibility for risk management but day to day management has been delegated to an Executive Lead for Risk. The Executive Lead for Risk is responsible for reporting to the Trust Board on the development and progress of risk management and for ensuring that the Risk Management Strategy is implemented and evaluated effectively. A Head of Risk Management supports the Executive Lead for Risk and is responsible for ensuring that staff are trained and equipped to manage risk in a way appropriate to their authority and duties. This is achieved through risk training programmes and through supporting and facilitating departments/teams directly, all underpinned by a comprehensive suite of risk management policies. The Risk Management Policy sets out the Trust's attitudes to risk and defines the structures for the management and ownership of risk throughout the organisation. There is also a Trust 'Whistleblowing Policy' in place. The Head of Risk Management works closely with Directorate and General Management teams across the Trust to ensure they understand their responsibilities and accountabilities for managing risk in their areas. The approach is informed by various sources of information including incident reports, key quality indicator reports, survey feedback and comments, risk analysis exercises, and central guidance. Areas of good practice are identified through the above intelligence which feeds into the Directorate performance meetings (3:3s). This mechanism allows the organisation to identify, learn from, and share good practice.

4. THE RISK AND CONTROL FRAMEWORK

The Trust recognises the need for a robust focus on the identification and management of risks and therefore places risk within an integral part of our approach to quality.

The overall objective of the Risk Management Strategy is to ensure that robust risk management processes are in place which provide assurance to the Board that the Trust is discharging its responsibilities as an NHS Foundation Trust in ensuring business and financial acumen, improving services and the quality of care provision, whilst operating as a model employer and service provider in achieving the Trust's operational and strategic objectives.

The Risk Management Strategy sets out the strategic goals towards which the Trust is working with regard to Risk Management, and provides a framework that sets out clear expectations about the roles, responsibilities and requirements of all Trust staff.

The strategic goals are as follows: -

- To ensure that the Trust remains within its licence as defined by Monitor and to deliver a risk management framework which highlights to the Executive Team and Trust Board any risks which may prevent the Trust from complying with its licence.

- Continued development of the Assurance Framework as the vehicle for informing the Annual Governance Statement.

- To ensure that Risk Management policies are implemented ensuring that:
  > all risks, including principal risks, service development risks, and project risks, are being identified through a comprehensive and informed Risk Register and risk assessment process;
  > The open reporting of adverse events is encouraged and learning is shared throughout the organisation.

- To monitor the effectiveness of Risk Management Policies and procedures via the monitoring of agreed Key Performance Indicators.

- To further develop the organisational safety culture and its effectiveness through implementation of Striving for Excellence, and Patient Safety Collaborative interventions.

- To develop an Annual Risk Management Plan, which is agreed, reviewed and monitored by the Trust Board.

- To ensure that all individuals within the organisation are aware of their role, responsibilities and accountability with regard to Risk Management.

- To ensure that the structure and process for managing risk across the organisation is reviewed and monitored annually.

- To ensure compliance with Monitor, Care Quality Commission registration requirements and Health and Safety Standards.

The risk assessment and risk register procedure is set out within the Trust's Risk Management Policy. This policy gives clear instruction on the risk assessment process including risk identification, evaluation, treatment, and monitoring. The Policy also describes how risk assessments and the register are operationally managed through centralised Datix software and how the risks are communicated up and down the organisation. Directorate risk registers are reviewed at the Directorate performance meetings three times a year. This clearly outlines the leadership, responsibility and accountability arrangements which are then taken forward through the Assurance Framework, Risk Registers and performance management processes enabling the coherent and effective delivery of risk management throughout the organisation.

Capacity is developed across the Trust through training commensurate with staff duties and responsibilities. Sharing learning through risk related issues and incidents is an essential component to maintaining the risk management culture within the Trust.

The Risk Management Policy makes it clear that it is not always possible to reduce an identified risk completely and it may be necessary to make judgements about the costs of managing a risk and the benefits to be gained. New risks identified for inclusion on the Organisational Risk Register are assessed for their likelihood and consequence using a 5x5 risk matrix in accordance with the Risk Management Policy. In order to ensure a standardised approach the same method of risk assessment documentation and scoring is used for all risks at all levels (clinical risk, non-clinical risk, financial risk, human resource risk and information risk).

The Head of Risk Management reports to the Assurance Committees (Sub Committees of the Trust Board) on a quarterly basis those risks scoring 12 or above on the Trust Risk Register. The designated Assurance Committees of the Trust Board are the Clinical Governance Committee (Clinical Risk), the Finance and Performance Committee (Financial Risk), and the Joint Board of Directors (Organisational Risk including workforce, Health and Safety, IT). The Audit Committee monitors the Assurance Framework process overall on a biannual basis. It is the responsibility of the Assurance Committees to review the Trust Risk Register to ensure breadth and depth of information and for assurance that actions are being taken to control and mitigate the risks cited. The assuring committees subsequently report to the Trust Board on a quarterly basis any new risks identified, gaps in assurance/control, as well as positive assurance on an exception basis. If a significant risk to the Trust's service delivery or gap in control/assurance is identified then this is reported immediately via the Executive. The appropriate Assurance Committee or the Trust Board can recommend whether an extreme risk should be monitored via the Assurance Framework.

The Trust Risk Register (risks scoring above 12) is reviewed by the Trust Board twice a year, firstly through the summer Assurance Framework and Risk Management workshop, and secondly at the public meeting when the Assurance Framework is presented in its entirety.

A risk is considered acceptable when there are adequate control measures in place and the risk has been managed as far as is considered to be reasonably practicable.

Risks requiring a cost benefit analysis are fed into the Trust Risk Register for wider debate and decision on 'acceptability' through the Assurance Committees.

The Trust has identified the following risks which are being highlighted due to their potential impact on the delivery of the Trust's business plan but also the detrimental impact they could have on its reputation.

1   The potential for poor compliance with infection prevention practice and policy leading to an increase in hospital acquired infection rates, loss of reputation and confidence and failure to meet reduction targets is recognised and included within the Assurance Framework. This is monitored by the Director of Nursing in her role as Director of Infection Prevention and Control (DIPC) and a high level of scrutiny maintained at all levels of the organisation including root cause analysis of any cases of hospital acquired reportable infection. A comprehensive clostridium difficile reduction plan is in place and monitored monthly in order to ensure learning arising from the individual investigations is embedded into policy and practice.

2   One of the Trust's highest reported incidents is slips and falls and the potential for this to result in patient injury. Securing patient safety is recognised within the Assurance Framework and specifically slips and falls within the Medicine Directorate Risk Register. Any fall resulting in major harm or fracture is subject to root cause analysis, and reported externally where it meets the criteria for reporting a Serious Incident Requiring Investigation (SIRI). This information is utilised to identify trends and themes and support the change of practice or identification of equipment requirements to prevent recurrence. The Trust has a falls group and the falls report is also presented to the Clinical Risk Group and Clinical Management Board quarterly.

3   The Trust has identified that ongoing work is required to ensure that savings plans are robustly identified, described and enacted throughout the year. During 2014-15 the Trust has experienced very considerable non-elective pressure on operational services. The funding of these services based on a 30% marginal tariff was not sufficient to meet the costs of treatment. In addition the lack of available doctors and nurses drove up agency costs significantly. These factors together with the 4% real terms cut in the tariff led to a financial deficit in the year and further deficits are projected for 2015-16 and beyond if the same national approach is taken to funding the tariff. Deficits will have serious implications for the Trust's activity and performance, unless there are radical changes within the health system which would allow more coherent and reliable activity planning and a funding system which makes appropriate recognition of the costs of serving a growing and increasingly elderly population.

Another example of how risk management is embedded into organisational activity is illustrated through the policy ratification process. It is a requirement that all Trust policies have undergone equality impact assessment screening and where indicated, a full assessment.

Incident reporting is encouraged throughout the organisation under a single process described in the Adverse Events Reporting Policy. Numbers of incidents reported by department are monitored as a quality indicator within the risk management report cards at the directorate performance meetings. All departments and staff groups within the Trust report incidents and the latest National Reporting and Learning System (NRLS) Report (October 2013-March 2014) showed that the Trust is in the middle 50% for the reporting of incidents with over 90% of reported incidents resulting in no harm. Work continues with identified staff groups who report at low levels to improve this position.

The Trust has maintained its lines of communication between both the Board and Ward level. The Clinical Governance Committee, as an assuring Committee for the Board, regularly receives patient feedback through patient stories, Friends and Family Test and Real-time Feedback. During the year the Clinical Governance Committee has also established a junior doctor and junior nurse within its formal membership. This ensures that both positive and negative messages about the care being delivered within the Trust are visible to the Trust Board members. This is consolidated with an annual Patient Experience Report to the Board. Key risk areas are also discussed, where appropriate, through Governors meetings and Constituency meetings with the membership.

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

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employers 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. The Trust has put in place an alternative pension provider to cater for employees who are not eligible to join the NHS Pension Scheme.

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

The Foundation Trust has undertaken risks 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.

Quality Governance Arrangements

Quality is clearly embedded in the Trust's overall strategy and includes a number of goals:

- There will be a shared understanding of quality across the Trust.
- The achievement of quality is a core activity of all Trust staff who understand their individual roles and responsibilities.
- The Trust has a quality measurement system to support evaluation and improvement.
- To ensure the Trust continues to drive and innovate quality thinking.

The overall quality strategy is supported by the Quality Directorate whose service plan includes objectives that drive year on year improvement across patient safety, clinical effectiveness and outcomes as well as patient experience in line with national and local priorities. The strategy is further supported by the annual quality report where the key priorities have been identified using for example quality performance information such as trends in reported incidents or patient survey results.

The Trust has established a quality framework for the review of individual services which includes completion of the Salisbury Organisation Risk Tool as well as full review and analysis of the quality performance information available – this includes the directorate quality indicator report, clinical audit results, patient feedback from surveys, real time feedback, friends and family test, complaints and compliments, as well as risk reporting. This information is discussed at the Directorate quality meetings and performance meetings three times a year, department / ward quality walks, and there is an annual service level presentation by Clinical Leads and the MDT, against the five key CQC domains as part of the assurance process to the Clinical Governance Committee.

There is a clear quality reporting structure in the Trust where scheduled reports are presented and discussed at the monthly Clinical Management Board (CMB) and/or the Clinical Governance Committee (CGC) which meets nine times a year and, where appropriate, submitted to the Commissioners as part of the Trust contract performance compliance.

Any external agency/peer reviews during the year have the reports, recommendations and action plans discussed at the appropriate Assurance Committee and any risks identified are added to the Trust risk register.

Areas where risks have been identified through this approach, have agreed action taken/planned, which is then monitored through the Directorate performance management framework. Any recurrent themes can be included as key objectives for improvement in the Trust service plan or future Quality Report priority areas.

The Trust's arrangements for compliance with Care Quality Commission requirements are overseen by a working group chaired by the Director of Nursing. A range of clinical areas are making presentations throughout 2015 to the Joint Board of Directors and Clinical Governance Committee on their compliance arrangements.

The Assurance Framework

The Assurance Framework brings together the evidence to produce and support the Annual Governance Statement. The Assurance Framework and Risk management processes were subject to review by Internal Audit who concluded that 'the 2014/15 Board Assurance Framework (BAF) is embedded within the governance structure of the Trust. BAF processes ensure that it is continually updated (for controls, assurances, risks and gaps) and therefore operates as a 'live' document. Risk management processes were seen to be working effectively across the Trust'.

The Assurance Framework is kept under quarterly review by the Assurance Committees and agreed annually by the Trust Board. The Framework identifies the principal risks facing the Trust and informs the Trust Board how each of these risks is being managed and monitored effectively. Each principal risk has an identified local risk manager who is responsible for managing and reporting on the overall risk, controls, gaps, and actions being taken to mitigate the risk. The identified local risk manager is normally an Executive Director. Assurance Committees are also identified to assure the Trust Board that each principal risk is being monitored, gaps in controls identified and processes put into place to minimise the risk to the organisation.

The designated Assurance Committees of the Trust Board are the Clinical Governance Committee, the Finance and Performance Committee and the Joint Board of Directors.

At the committees the Trust Risk Register (risks scoring 12 and above – high and extreme) is also presented so that the Assurance Committees can consider the breadth and depth of information included, the robustness of agreed mitigating actions, and whether there are risks which may impact on the principal risks within the Assurance Framework. The Assurance Committees can recommend inclusion of such risks on the Assurance Framework should there be sufficient concern as to their impact.

The Audit Committee, on behalf of the Trust Board, and Internal Audit review the Assurance Framework. Positive feedback was received at the Audit Committee in relation to the Assurance Framework remaining a 'live' document within the Trust.

Aligned to the headings in the Trust Service Plan the Assurance Framework has identified in-year strategic risks around:

(i)   Being the hospital of **choice** and providing a comprehensive range of high quality local services. This includes failure to deliver key performance targets resulting in patients choosing to be treated elsewhere and intervention by regulators, a fall in market share resulting in a fall in income to the Trust, centralisation of services, services put out to tender reducing the Trust's overall income and failure to listen to patients and key stakeholders resulting in poor patient experience, lack of learning / positive changes and loss of reputation.

(ii)   Ensuring that we treat our patients with **care,** kindness and compassion and keep them safe from avoidable harm. This includes poor compliance with infection prevention practice and policy leading to increased infection rates, loss of reputation and public confidence and failure to achieve reduction targets, failing to comply with internal and external expectations on quality of care, protect the vulnerable if safeguarding policies and procedures are not applied appropriately and robust governance processes are not in place.

(iii) Making SFT a place to work where **staff** feel valued to develop as individuals and teams. This includes failing to deliver excellence for all patients if staff do not feel valued, safe, have the right skills to complete their job or staffed to the right levels.

(iv)   Being innovative and using resources to deliver efficient and effective care, ensuring **value.** This includes failing to provide: a reliable IT infrastructure, secure all income due under contracts whilst avoiding fines, containing expenditure within budgets and achieving agreed efficiency savings and undertake robust capacity and demand planning.

All financial information is ultimately reported to the Finance and Performance Committee on a monthly basis.

Emerging risks will continue to be identified through the Annual Plan process as required by Monitor. In the current climate future risks to the organisation include restructure of commissioning services external to the Trust and the potential impact of this and continued emphasis on cost reductions and savings plans arising from the deflation of the national tariff.

These emerging risks will be managed and controlled within the established risk management framework. Outcomes and effectiveness of controls/actions will be monitored through the Assurance Committees through performance reporting and the review of mitigation measures as detailed within the Assurance Framework and Risk Register.

Information Governance

The Trust recognises the importance of information assets and is committed to managing them through clear leadership and accountability underpinned by staff education. The Trust has identified a Senior Information Risk Owner (SIRO) at Board level to monitor and report on all information related risks. The Information Risk and Security Policy defines how the Trust manages information risk and how the effectiveness of the policy is assessed and measured.

The Information Risk and Security Policy fits within the overall risk management framework for the Trust. It identifies the roles and responsibilities of the Information Asset Owners and Administrators who work with the SIRO to ensure that all information risks are identified and monitored through the Trust Risk Register and risk assessment processes.

During 2014/15 work continued to ensure there is a comprehensive and robust evidence assurance programme linked to the work of information asset management. The Trust continues to ensure that the Information Asset Owners and Information Asset Administrators evidence is reviewed and updated on a regular basis.

Information Governance arrangements within the organisation have continued to improve in 2014/15. During the year there has been effective reporting of Information Governance incidents and near misses and follow up on all incidents has ensured corrective actions where necessary. There has been one serious internal system security incident related to the Data Protection Act (level 2 or above) which required reporting to the Information Commissioners Office (ICO). This related to the security within internal clinical systems however on investigation and review by the ICO they determined that regulatory action was not appropriate in this case.

The Trust completed self assessment against version 12 of the IG toolkit gaining an 85% compliance level and maintaining a Satisfactory rating across the entire Toolkit. A satisfactory rating is only achieved by the Trust maintaining level 2 or above in all 45 requirements.

5. REVIEW OF ECONOMY, EFFICIENCY AND EFFECTIVENESS OF THE USE OF RESOURCES

The Trust regularly reviews the economy, efficiency, and effectiveness of the use of resources through: benchmarking, reference costs, regular meetings between the Directorates and Executive Directors, and assessing performance against plans. Investments are determined against detailed business plans and outcomes are reviewed against those plans.

The Trust assesses its compliance with the Code of Governance annually. New developments and information on governance are reviewed and incorporated into practice. The Board is held to account by the Council of Governors; the Council ensures that suitable non-executives are appointed to the Board. There are annual appraisals of all board members, overseen by the Remuneration Committee and the Governors Performance Committee.

The Trust Board assesses its own effectiveness and that of its committees. The Board's committees report into the public board meeting via their draft minutes and a covering report. The committee chair also highlights key points at the meeting.

The Trust ensures compliance with legal requirements, the NHS Constitution and the Licence through its corporate governance arrangements. In particular, risks to compliance are identified through the regular review and reporting that inform the Assurance Framework. There is additional regular review through the Audit Committee and the Clinical Governance Committee, through to the board.

Arrangements to operate efficiently economically and effectively are formally reviewed by external audit and are the subject of detailed review through the transformation programme and departmental cost improvement activity. Clinical Service Reviews also examine questions of service effectiveness and efficiency.

Arrangements are in place to support compliance with the CQC's standards. As noted below, the Trust is fully compliant with CQC requirements.

The Trust's finances are reviewed by the Finance and Performance Committee at its monthly meetings. Monthly performance and quality outturn information is scrutinised each month by the Board and the Council and the range of information continues to develop. The approach to the review of complaints by the board has been improved and there are regular reports on patient feedback. Board members take part in departmental walk-rounds regularly which enables them to hear first hand from staff positive work that is being undertaken as well as any concerns about quality and safety. This enables actions to be put in place, and supported by the executive team, to facilitate timely and appropriate corrective action and mitigate risk where possible.

In producing and certifying the Corporate Governance Statement, the board expects to take account of: external/regulatory assessments of finance, quality and performance, feedback from staff, commissioners and patients, findings arising from board governance review activity, reports from internal and external audit, and the range of principal risks emerging from the Assurance Framework.

The key Assurance Committees regularly receive and discuss their respective risk registers, for high level risks within the organisation. The Audit Committee has sought assurance that the Assurance Framework appropriately reflects the level of risk and incorporates mitigating action. Independent assurance on the effectiveness of risk management and internal control has been provided through Internal Audit reviews.

A wide internal audit programme encompassed (amongst others) the following areas:

- Management of Serious Incidents
- Quality Account Indicators
- IT Change Control
- Employment and Professional Registration Checks
- Patient Experience - Friends and Family Test
- Prevention and Management of Infection Control
- NICE Guidance
- Critical Financial Assurance - Financial Accounting and Payroll Controls
- Cost Improvement Programme
- Health and Safety

The Board has maintained an active programme of fraud prevention in accordance with the core activities required by NHS Protect.

The Trust Board, through its Sub-Committee the Finance and Performance Committee, reviews performance against savings plans and the delivery of efficient services within budget.

A Programme Steering Group has been established to drive forward savings across the Trust. Membership comprises the Executive Directors, Directorate Managers and other senior staff within the organisation. A systematic approach is used to monitor performance based on the work performed at the Trust by external consultants.

The Trust has also had some success in achieving cost savings through a number of service improvement projects, which seek to optimise the efficient and effective use of resources whilst enhancing the patient experience.

The Trust is focussing on Cost Improvement Plans (CIPS) which seek to achieve savings of 4.8% in 2015-16. This is an extremely challenging target and savings plans need to be robust and achievable in the year. The Trust Board and its Finance Committee have established appropriate monitoring arrangement, including triggers for remedial action, if required. The CIPS Project Management Office will continue to oversee the project governance arrangements, project management and sign off of schemes to ensure there is clarity on accountability for the delivery of savings against key milestones. Saving schemes are reviewed by the Medical Director and Director of Nursing to ensure patient safety is not compromised. Further support from external consultants will be used to help drive out savings.

Procurement of goods and services is undertaken through professional procurement staff and through working with neighbouring organisations within a Procurement Confederation. The cost of goods is regularly benchmarked. In year cost pressures are rigorously reviewed and challenged, and means of avoiding cost pressures are always considered.

The Trust's Reference Costs shows it to be approximately 1% below the national average costs, based on the last published data, which relates to 2013/14.

6. ANNUAL QUALITY REPORT

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 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.

To ensure that the Quality Report presents a balanced view and there are appropriate controls in place to ensure accuracy of data the following steps are taken:

- The Trust has a Quality Strategy in place which informs the organisation's direction of travel taking into account local and national priorities.

- There is clear corporate leadership for Quality. The Medical Director and Director of Nursing lead on the areas of work identified within the Quality Report.

- Progress against the priority areas within the Quality Report is monitored through the clinical governance framework and selected quality metrics are reported via the Quality Indicator report which is published every month for the Trust Board and Clinical Management Board.

- There is corporate leadership for data accuracy with the Director of Corporate Development holding responsibility for the quality of performance data which is reported monthly at the Joint Board of Directors and Trust Board.

- The Trust has a Data Quality Policy in place (underpinned by documented department based administrative processes) which details the steps taken to ensure data accuracy. Data Quality features within the roles and responsibilities (job descriptions) of key staff members for example those working in the Informatics Department.

The Quality Report process is coordinated by the Head of Clinical Effectiveness. There is an established timetable of internal and external stakeholder engagement including staff, governors, and membership. A wide range of methods have been utilised to gather information, and input in order to inform the priority areas. This includes the use of national inpatient surveys, real time feedback in clinical areas, Friends and Family Test data, risk reports and issues raised through executive led Safety and Quality walk rounds. Controls are in place to ensure the accuracy of data and data quality is assured through the national Data Quality Score for SFT which is 98.9% from April to November 2014, compared to 96.1% nationally. The priorities have been discussed with clinical teams as part of the service planning process, and views from staff, Trust Governors, Age UK, Warminster Health and Social Care Group, and the membership have been sought. Commissioners have been asked for their feedback and the Quality Report is reviewed by external agencies such as Healthwatch, CCGs, the Health and Social Care Select Committee of the Local Authority.

The Quality Report is only published following the above timetabled reviews and data scrutiny by internal and external stakeholders including KPMG LLP.

The Trust has recently approved a revised version of its Access Policy describing how the recording of data for elective pathways should be performed and clarifying the rules for how the patient journey should be monitored. The Central Booking department undertakes reviews of patient level information to assess for accuracy and validity. The Information Department has written reports which highlight to staff, and their line managers, where data is not consistent. A number of internal audits have been carried out assessing the Trust's approach to data recording of referral to treatment times. A weekly waiting list group uses the data at patient level identifying potential data quality issues and the monthly Waiting List Task Force reviews the data at a more aggregated level.

7. 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, Finance and Performance and Clinical Governance Committees and the Joint Board of Directors, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Head of Internal Audit has provided me with an opinion of reasonable assurance that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

The basis for forming this opinion was:
1   An assessment of the design and operation of the Assurance Framework and supporting processes; and
2   An assessment of the range of individual opinions arising from risk-based audit assignments contained within internal audit risk-based plans that have been reported throughout the year. This assessment has taken account of the relative materiality of these areas and management's progress in respect of addressing control weaknesses.

However, some weaknesses in the design and/or inconsistent application of controls have been identified in the Internal Audit Annual Report and in the 'limited assurance' review carried out by the Appointed Auditor in relation to performance indicators included in the Quality Report. The major issues, or themes, that emerged from the internal audit work were in relation to the Cost Improvement Programme (CIP) Specification, Development and Implementation of IT Systems, IT Change Control, Financial Accounting & Payroll and Ward Visits. These included not addressing the risk of non-achievement of savings, difficulties producing robust financial monitoring, concerns over documentation within IT change control, control account reconciliation, salary overpayments, management of patient's cash at ward level and management of drug fridges. However, the positive findings outweighed these weaknesses and action plans have been put in place to address these and are monitored by the Audit Committee.
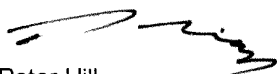
There were two areas reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited assurance'. Recommendations were made to further strengthen the control environment in these areas and the management responses indicated that the recommendations had been accepted and will be monitored.

Executive Managers within the organisation who have responsibility for the development and maintenance of the system of internal control have provided me with assurance. The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. Other sources of assurance on which reliance has been placed include the external audit opinion (KPMG LLP) in relation to the annual report and annual accounts, the Assurance Committees (including the Audit Committee), the self assessment process against the CQC essential standards of quality and safety, TIAA and the Internal Clinical Audit Team who have provided me with information and comments.

8. CONCLUSION

Overall there is in place a dynamic process for the management of internal control which is reviewed and updated regularly by the Executive Team and various Board Committees that are in place in the Trust to help me meet my responsibilities as Accounting Officer. I conclude that no significant internal control issues have been identified for the year ended 31st March 2015.

Signed:

Peter Hill
Chief Executive

Independent Auditor's report to the Council of Governors of Salisbury NHS Foundation Trust Only

1. Our opinion on the financial statements is unmodified

We have audited the financial statements of Salisbury NHS Foundation Trust (FT) for the year ended 31 March 2015 set out on pages 1 to 43. 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 2015 and of the Group's and the Trust's income and expenditure for the year then ended; and

- the financial statements have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2014/15.

2. Our assessment of risks of material misstatement

In arriving at our audit opinion above on the financial statements the risks of material misstatement that had the greatest effect on our audit were as follows:

Valuation of land, buildings and dwellings - £109.6 million

Refer to the Annual Report page 51 (Audit Committee Report) and the Financial Statements page 8 (accounting policy) and pages 27 to 30 (financial disclosures).

The risk: Land and buildings are required to be maintained at up to date estimates of year-end market value in existing use (EUV) for non-specialised property assets in operational use, and, for specialised assets where no market value is readily ascertainable, the depreciated replacement cost of a modern equivalent asset that has the same service potential as the existing property (MEAV)

There is significant judgment involved in determining the appropriate basis (EUV or MEAV) for each asset according to the degree of specialization, as well as over the assumptions made in arriving at the valuation and the condition of the asset. In particular the MEAV basis requires an assumption as to whether the replacement asset would be situated on the existing site or, if more appropriate, on an alternative site, with a potentially significant effect on the valuation.

In 2014/15 the Group commissioned a full revaluation exercise of all land, buildings and dwellings from an external valuer, District Valuer Services.

Our Response: In this area our audit procedures included:

- Assessing the competence, capability, objectivity and independence of the District Valuer Services, considering the terms of engagement of, and the instructions issued to, the valuer for consistency with the requirements of the NHS Foundation Trust Annual Reporting Manual;

- Considering those assets acquired or constructed during the year which were not subject to a full valuation to assess whether it was reasonable for the Group to conclude that the fair value of these assets was not significantly different from their initial cost by reference to appropriate indices;

- Challenging the appropriateness of the valuation bases and assumptions applied to individual assets by reference to property records held by the Group, including reconciliation of details provided for revalued assets to the historical revaluations and indices applied to the revaluation with reference to third party data. We used our own valuation specialist to support our assessment of the revaluation; and

- Undertaking work to understand the basis upon which any revaluations to land and buildings have been recognised in the financial statements and determining whether they complied with the requirements of the FT Annual Reporting Manual; and We considered the adequacy of the disclosures about the key judgments and degree of estimation involved in arriving at the valuation and the related sensitivities.

NHS Income Recognition - £174.8 million

Refer to the Annual Report page 51 (Audit Committee Report) and the Financial Statements page 6 (accounting policy) and pages 19 to 20 (financial disclosures).

The risk: The main source of income for the Trust is the provision of healthcare services to the public under contracts with NHS commissioners, which make up (96%) of income from activities. The Trust participates in the national Agreement of Balances (AoB) exercise for the purpose of ensuring that intra-NHS balances are eliminated on the consolidation of the Department of Health's resource accounts. The AoB exercise identifies mismatches between receivable and payable balances recognised by the Trust and its commissioners, which will be resolved after the date of approval of these financial statements. For these financial statements the Trust identifies the specific cause, and accounts for the expected future resolution, of each individual difference. Mis-matches can occur for a number of reasons, but the most significant arise where:

- the Trust and commissioners record different accruals for completed periods of healthcare which have not yet been invoiced;

- income relating to partially completed period of healthcare is apportioned across the financial years and the commissioners and the Trust make different apportionment assumptions; and

- there is a lack of agreement over proposed contract penalties for sub-standard performance.

Where there is a lack of agreement, mis-matches can also be classified as formal disputes and referred to NHS England Area Teams for resolution.

We do not consider NHS income to be at high risk of significant misstatement, or to be subject to a significant level of judgement. However, due to its materiality in the context of the financial statements as a whole NHS income is considered to be one of the areas which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.

Our response: In this area our audit procedures included:

- Reconciling the income recorded in the financial statements to signed contracts with material commissioners and reviewing material variations agreed throughout the year to supporting activity, supported by explanations from the Trust;

- Assessing whether the Trust was in formal dispute or arbitration in relation to any material income balances and examining the supporting correspondence, including - if appropriate - any legal advice, for consistency with the treatment of these balances within the financial statements;

- Inspecting third party confirmations from commissioners, including the results of the AoB exercise with other NHS organisations and comparing the values disclosed within their financial statements to the values recorded in the Trust's financial statements; and

- Carrying out testing of a sample of invoices raised pre and post year end to determine whether income had been recognised in the appropriate period.

3. *Our application of materiality and an overview of the scope of our audit*

The materiality for the financial statements was set at £4.0m, determined with reference to a benchmark of income from operations (of which it represents 2%). We consider income from operations to be more stable than a surplus-related benchmark.

We report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £0.2, in addition to other identified misstatements that warrant reporting on qualitative grounds.

The Group has four reporting components and all of them were subject to audits for group reporting purposes performed by the Group audit team at one location in Salisbury. These audits covered 100% of group income, surplus for the year and total assets. The audits performed for group reporting purposes were all performed to Group materiality levels.

4. *Our opinion on other matters prescribed by the Audit Code for NHS Foundation Trusts is unmodified*

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2014/15; and

- 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.

5. *We have nothing to report in respect of the matters on which we are required to report by exception*

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the directors' statement that they 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 other stakeholders to assess the Group's performance, business model and strategy; or

- the Annual Report which includes the section on "The Audit Committee" on page 60 does not appropriately address matters communicated by us to the audit committee.

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 2014/15, is misleading or is not consistent with our knowledge of the Group and other information of which we are aware from our audit of the financial statements.

- the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in its use of resources.

We have nothing to report in respect of the above responsibilities.

Certificate of audit completion

We certify that we have completed the audit of the accounts of Salisbury NHS Foundation Trust in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor.

As detailed further in our separate opinion on the Trust's quality report, we have not issued a limited assurance opinion in relation to the Trust's mandated indicators (62 day Cancer Waits and 18 week Referral to Treatment target).

Respective responsibilities of the accounting officer and auditor

As described more fully in the Statement of Accounting Officer's Responsibilities on page (ii) 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 UK Ethical Standards for Auditors.

Scope of an audit of financial statements performed in accordance with ISAs (UK and Ireland)

A description of the scope of an audit of financial statements is provided on our website at www.kpmg.com/uk/auditscopeother2014. This report is made subject to important explanations regarding our responsibilities, as published on that website, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006. 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.

Jonathan Brown for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
100 Temple Street
Bristol
BS1 6AG

28 May 2015

STATEMENT OF COMPREHENSIVE INCOME
For The Year Ended 31 March 2015

		Group		Trust	
		2014/15	2013/14	**2014/15**	2013/14
	Note	**£000**	£000	**£000**	£000
Revenue from patient care activities	3	**181,706**	178,954	**181,706**	178,954
Other operating revenue	5	**21,980**	20,539	**16,178**	15,315
Operating expenses	7	**(199,862)**	(191,321)	**(193,053)**	(186,885)
OPERATING SURPLUS		**3,824**	8,172	**4,831**	7,384
FINANCE COSTS					
Finance income	12	**240**	193	**64**	68
Finance costs - financial liabilities	13	**(1,941)**	(1,962)	**(1,941)**	(1,962)
Finance costs - unwinding of discount on provisions	13	**(5)**	(10)	**(5)**	(10)
PDC Dividends payable		**(3,675)**	(3,510)	**(3,675)**	(3,510)
NET FINANCE COSTS		**(5,381)**	(5,289)	**(5,557)**	(5,414)
Movement in fair value of investment property and other investments	18	**24**	42	**-**	-
RETAINED SURPLUS FOR THE YEAR		**(1,533)**	2,925	**(726)**	1,970
OTHER COMPREHENSIVE INCOME:					
Items that will not be reclassified to income and expenditure					
Revaluation gains/(losses) on property plant and equipment	17	**(587)**	10,166	**(829)**	10,008
Items that may be reclassified to income and expenditure					
Fair Value gains on Available-for-sale financial investments	18	**393**	262	**-**	-
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		**(1,727)**	13,353	**(1,555)**	11,978

NOTE: ALLOCATION OF PROFIT/(LOSSES) FOR THE YEAR
(a) Surplus/(Deficit) for the period attributable to:

(i) Minority interest, and		**7**	(6)	**-**	-
(ii) Owners of Salisbury NHS Foundation Trust		**(1,540)**	2,931	**(726)**	1,970
TOTAL		**(1,533)**	2,925	**(726)**	1,970

(b) Total comprehensive income/(expense) for the year attributable to:

(i) Minority interest, and		**7**	(6)	**-**	-
(ii) Owners of Salisbury NHS Foundation Trust		**(1,734)**	13,359	**(1,555)**	11,978
TOTAL		**(1,727)**	13,353	**(1,555)**	11,978

The notes on pages 5 to 43 form an integral part of these financial statements.
All revenue and expenditure is derived from continuing operations.
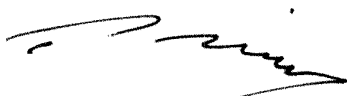
STATEMENT OF FINANCIAL POSITION
31 MARCH 2015

	Note	Group 31 March 2015 £000	Group 31 March 2014 £000	Trust 31 March 2015 £000	Trust 31 March 2014 £000
NON-CURRENT ASSETS					
Intangible assets	16	**2,460**	1,934	**2,460**	1,934
Property, plant and equipment	17	**138,236**	138,835	**131,640**	132,295
Investments in subsidiaries	33	**-**	-	**-**	-
Investments	18	**5,812**	5,235	**-**	-
Other financial assets	19	**-**	-	**2,868**	3,330
Total non-current assets		**146,508**	146,004	**136,968**	137,559
CURRENT ASSETS					
Inventories	20	**2,994**	3,140	**1,892**	1,792
Trade and other receivables	21	**10,296**	10,393	**10,360**	10,939
Investments	18	**237**	290	**-**	-
Other financial assets	19	**-**	-	**462**	-
Non-current assets held for sale	22	**-**	235	**-**	-
Cash and cash equivalents	23	**17,436**	20,061	**14,880**	16,949
Total current assets		**30,963**	34,119	**27,594**	29,680
Total assets		**177,471**	180,123	**164,562**	167,239
CURRENT LIABILITIES					
Trade and other payables	24	**(17,776)**	(17,470)	**(17,249)**	(17,140)
Borrowings	25	**(694)**	(1,515)	**(694)**	(1,515)
Provisions	26	**(549)**	(561)	**(549)**	(561)
TOTAL CURRENT LIABILITIES		**(19,019)**	(19,546)	**(18,492)**	(19,216)
TOTAL ASSETS LESS CURRENT LIABILITIES		**158,452**	160,577	**146,070**	148,023
NON-CURRENT LIABILITIES					
Borrowings	25	**(19,258)**	(19,931)	**(19,258)**	(19,931)
Provisions	26	**(352)**	(369)	**(352)**	(369)
TOTAL NON CURRENT LIABILITIES		**(19,610)**	(20,300)	**(19,610)**	(20,300)
TOTAL ASSETS EMPLOYED		**138,842**	140,277	**126,460**	127,723
FINANCED BY:					
TAXPAYERS' EQUITY					
Minority Interest		**63**	56	**-**	-
Public dividend capital	35	**53,631**	53,339	**53,631**	53,339
Revaluation reserve		**56,740**	58,452	**56,740**	58,452
Income and expenditure reserve		**16,220**	15,965	**16,089**	15,932
Charitable fund reserves	36	**12,188**	12,465	**-**	-
TOTAL TAXPAYERS EQUITY		**138,842**	140,277	**126,460**	127,723

The notes on pages 5 to 43 form an integral part of these financial statements.
The financial statements on pages 1 to 43 were approved by the Board on 27 May 2015 and signed on its behalf by:

Signed:

Peter Hill - Chief Executive

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS EQUITY
31 MARCH 2015

	Public dividend capital (PDC) £000	Income and expenditure reserve £000	Revaluation reserve £000	Minority interest £000	NHS Charitable Funds reserve £000	Total taxpayers' equity £000
Taxpayers' and Others' Equity at 1 April 2013	51,554	13,428	49,106	62	10,989	125,139
Changes in taxpayers' equity for 2013-14						
Retained surplus/(deficit) for the year	-	1,230	-	(6)	1,701	**2,925**
Net gain/(loss) on revaluation of property plant and equipment	-	-	10,008	-	-	**10,008**
Transfer of the excess of current cost depreciation over historical cost depreciation to the Income and Expenditure Reserve	-	662	(662)	-	-	**-**
Revaluations and impairments - charitable fund assets	-	-	-	-	158	**158**
Fair Value gains/(losses) on Available-for-sale financial investments	-	-	-	-	262	**262**
Other reserve movements	-	645	-	-	(645)	**-**
Public dividend capital received in year	1,785	-	-	-	-	**1,785**
Balance at 31 March 2014	53,339	15,965	58,452	56	12,465	140,277
Changes in taxpayers' equity for 2014-15						
Retained surplus/(deficit) for the year	-	(1,914)	-	7	374	**(1,533)**
Net gain/(loss) on revaluation of property plant and equipment	-	-	(829)	-	-	**(829)**
Transfer of the excess of current cost depreciation over historical cost depreciation to the Income and Expenditure Reserve	-	883	(883)	-	-	**-**
Revaluations and impairments - charitable fund assets	-	-	-	-	242	**242**
Fair Value gains/(losses) on Available-for-sale financial investments	-	-	-	-	393	**393**
Other reserve movements	-	1,286	-	-	(1,286)	**-**
Public dividend capital received in year	292	-	-	-	-	**292**
Balance at 31 March 2015	53,631	16,220	56,740	63	12,188	138,842

The notes on pages 5 to 43 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
31 MARCH 2015

	Note	Group 2015 £000	Group 2014 £000	Trust 2015 £000	Trust 2014 £000
CASH FLOWS FROM OPERATING ACTIVITIES					
Total operating surplus		3,824	8,172	4,831	7,384
NON-CASH INCOME AND EXPENSE					
Depreciation and amortisation charge		9,270	9,268	9,049	9,171
Loss on disposal of property, plant and equipment		21	-	37	-
Non-cash donations credited to income		-	-	(1,293)	(647)
(Increase) in trade and other receivables		183	(1,513)	653	(5,012)
(Increase)/decrease in inventories		146	(747)	(100)	531
Increase/(decrease) in trade and other payables		1,079	160	849	35
Increase/(decrease) in provisions		(34)	3	(34)	3
NHS charitable funds - net adjustments for working capital movements, non-cash transactions and non-operating cash flows		479	48	-	-
Net cash inflow from operating activities		**14,968**	**15,391**	**13,992**	**11,465**
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received		64	68	64	68
Payments to acquire property, plant and equipment		(9,573)	(7,024)	(8,234)	(5,783)
Receipts from sale of property, plant and equipment		132	-	116	1,243
Payments to acquire intangible assets		(977)	(1,357)	(977)	(1,357)
NHS charitable funds - net cash flows from investing activities		(209)	(253)	-	-
Net cash inflow/(outflow) from investing activities		**(10,563)**	**(8,566)**	**(9,031)**	**(5,829)**
CASH FLOWS FROM FINANCING ACTIVITIES					
New public dividend capital received		292	1,785	292	1,785
Loans repaid		(819)	(1,565)	(819)	(1,565)
Capital element of finance lease rental payments		(98)	(91)	(98)	(91)
Capital element of Private Finance Initiative obligations		(577)	(485)	(577)	(485)
Interest paid		(5)	(28)	(5)	(28)
Interest element of finance lease rental payments		(18)	(26)	(18)	(26)
Interest element of Private Finance Initiative obligations		(1,918)	(1,908)	(1,918)	(1,908)
PDC dividend paid		(3,887)	(3,280)	(3,887)	(3,280)
Net cash (outflow)/inflow from financing		**(7,030)**	**(5,598)**	**(7,030)**	**(5,598)**
(Decrease)/increase in cash and cash equivalents		**(2,625)**	**1,227**	**(2,069)**	**38**
Cash and cash equivalents at the beginning of the financial year		20,061	18,834	16,949	16,911
Cash and cash equivalents at the end of the financial year	23	**17,436**	20,061	**14,880**	16,949

The notes on pages 5 to 43 form an integral part of these financial statements.

NOTES TO THE ACCOUNTS

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 has been agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2014/15 NHS Foundation Trust Annual Reporting Manual (FT ARM) issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards and HM Treasury's Financial Reporting Manual to the extent that they are meaningful and appropriate to NHS Foundation Trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

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.

1.2 Basis of Consolidation

NHS Charitable Fund

The NHS foundation trust is the corporate trustee to Salisbury District Hospital Charitable Fund. The foundation trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the foundation trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The consolidation is for reporting purposes only and does not affect the charity's legal and regulatory independence and day to day operations.

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). On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

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

Charitable donations and assets are maintained and administered separately and distinctly from those of the Trust by charitable Trustees. By virtue of the fact that the patients and staff of Salisbury District Hospital are the beneficiaries of the charity's fundraising activities HM Treasury has mandated that the Trust must consolidate the charity's financial data to comply with International Financial Reporting Standards.

The key accounting policies of the charitable funds are included below in the relevant sections to which they relate.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.2 Basis of Consolidation (continued)

Subsidiaries
Subsidiary entities are those over which the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to the minority interests are included as a separate item in the Statement of Financial Position.

The amounts consolidated are drawn from the published financial statements of the subsidiaries for the year.

Where subsidiaries' accounting policies are not aligned with those of the Trust (including where they report under UK GAAP) then amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains/ losses are eliminated in full on consolidation.

Subsidiaries which are classified as held for sale are measured at the lower of their carrying amount and 'fair value less cost to sell'.

Unless otherwise stated the notes to the accounts refer to the group and not the Trust, as the Trust's balances are not materially different.

Associates
Associate entities are those over which the Trust has the power to exercise a significant influence. Associate entities are recognised in the Trust's financial statement using the equity method. The investment is initially recognised at cost. It is increased or decreased subsequently to reflect the Trust's share of the profit or loss or other gains and losses (e.g. revaluation gains on the entity's property, plant and equipment) following acquisition. It is also reduced when any distribution (e.g. share dividends) are received by the Trust from the associate.

Associates which are classified as held for sale are measured at the lower of their carrying amount and 'fair value less costs to sell'.

1.3 Income Recognition

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 under contracts from commissioners in respect of healthcare services. Income is recognised in the period in which services are provided, however, inpatient income is recognised in the accounts based on completed spells. Where income is received for a specific activity which is to be delivered in the following year, that income is deferred.

The Trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid e.g. by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts.

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.

Charitable incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.3 Income Recognition (continued)

Legacy income is accounted for within the charity as incoming resources, either upon receipt, or where the receipt of the legacy is virtually certain; this will be once confirmation has been received from the representatives of the estate(s) that payment of the legacy will be made, or property transferred, and once all conditions attached to the legacy have been fulfilled.

1.4 Expenditure on goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been utilised, and is measured at the fair value of those goods and services. Expenditure relating to inventory is recognised when items are consumed as part of the Trust's service delivery. Expenditure is not recognised in operating expenses where it results in the creation of a non-current asset such as property, plant and equipment. Accruals at 31 March 2015 are based on estimates of invoices where services/goods were received but not invoiced at the year end. Included within these accruals is an estimated sum to cover invoices in the coming year where specific liabilities at 31 March 2015 had not been identified.

1.5 Intangible assets

Recognition
Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the trust; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Internally generated
Expenditure on research is not capitalised. Expenditure on development is capitalised only where all of the following can be demonstrated:
• the technical feasibility of completing the intangible asset so that it will be available for use;
• the intention to complete the intangible asset and use it;
• the ability to sell or use the intangible asset;
• how the intangible asset will generate probable future economic benefits or service potential;
• the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it; and
• the ability to measure reliably the expenditure attributable to the intangible asset during its 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'.

Intangible assets held for sale are measured at the lower of their carrying amount or 'fair value less costs to sell'.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.5 Intangible assets (continued)

Amortisation
Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits, which is as follows:
Software 5 Years

1.6 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 will be supplied to, the trust;
● it is expected to be used for more than one financial year;
● the cost of the item can be measured reliably; and
● the item has cost of at least £5,000; or
● collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
● items 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, the components are treated as separate assets and depreciated over their own useful economic lives.

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

Land and Property assets are valued every 5 years with annual desktop valuations and annual impairment reviews carried out in all other years. The 5 yearly revaluations are carried out by a professionally qualified valuer in accordance with the Royal Institute Chartered of Surveyors (RICS) Appraisal and Valuation manual. The valuations are carried out on the basis of a Modern Equivalent Asset, as required by HM Treasury. The annual reviews are carried out using the most appropriate information available at the date of the review. A full revaluation was carried out at 31 March 2015. Fair values are determined as follows:
● Land and non-specialised buildings – market value for existing use.
● Specialised buildings – depreciated replacement cost until 31 March 2015, when the assets were valued at modern equivalent value. (i.e. the estimated cost of replacing specialised buildings by using modern materials, techniques and design)

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

Until 31 March 2008, fixtures and equipment were carried at replacement cost, as assessed by indexation and depreciation of historic cost. From 1 April 2008 indexation has ceased. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

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 a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is derecognised.

NOTES TO THE ACCOUNTS

1. **ACCOUNTING POLICIES (CONTINUED)**

1.6 **Property, plant and equipment (continued)**

Depreciation
Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated. All other assets are being depreciated as follows:
Buildings (excluding dwellings) 4 - 57 years
Dwellings 31 - 60 years
Plant and Machinery 5 - 43 years
Transport equipment 5 - 10 years
Information Technology 4 - 10 years
Furniture and Fittings 5 - 25 years

Property, plant and equipment which has been reclassified as ' held for sale' ceases to be depreciated upon the reclassification.

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

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

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

Each year the Trust makes a transfer from the Revaluation Reserve to the Income and Expenditure Reserve to reflect the excess of current cost depreciation over historical cost depreciation.

Impairments
In accordance with the FT ARM, impairments that arise from a clear consumption of economic benefits or service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before impairment.

An impairment arising from a clear consumtion of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where at the time of the original impairment, a transfer was made from the revaluations reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

De-recognition
Assets intended for disposal are reclassified as 'Held for sale' once all of the following criteria are met:
● the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales
● the sale must be highly probable i.e.:
  ▫ management are committed to a plan to sell the asset;
  ▫ an active programme has begun to find a buyer and complete the sale;
  ▫ the asset is being actively marketed at a reasonable price
  ▫ the sale is expected to be completed within twelve months of the date of classification as 'held for sale'; and
  ▫ the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

NOTES TO THE ACCOUNTS

1. **ACCOUNTING POLICIES (CONTINUED)**

1.6 **Property, plant and equipment (continued)**

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'.   Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are derecognised when all material sale contract conditions have been met. Fair value is opening market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of Comprehensive Income. On disposal, the balance for the asset on the revaluation reserve is transferred to retained earnings.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as ' held for sale' and instead is retained as an operational asset and the assets economic life is adjusted. The asset is derecognised when scrapping or demolition occurs.

Donated, government grant and other grant funded assets
Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor imposes a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

Private Finance Initiative (PFI) transactions
PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as "on-Statement of Financial Position" by the trust. In accordance with IAS 17, the underlying assets are recognised as property, plant and equipment at their fair value, together with an equivalent finance lease liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:
a)   Payment for the fair value of services received;
b)   Payment for the PFI asset, including finance costs; and
c)   Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

Services received
The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

PFI Asset
The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the Trust's approach for each relevant class of asset in accordance with the principles of IAS 16.

PFI liability
A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.6 Property, plant and equipment (continued)

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive Income.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the Statement of Comprehensive Income.

Lifecycle replacement
Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

Assets contributed by the Trust to the operator for use in the scheme
Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the Trust's Statement of Financial Position.

Other assets contributed by the Trust to the operator
Assets contributed (e.g. cash payments, surplus property) by the trust to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the Trust, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

1.7 Investment

Investments in subsidiary undertakings, associates and joint ventures are treated as fixed asset investments and stated at cost.

Deposits and other investments that are readily convertible into known amounts of cash at or close to their carrying amounts are treated as liquid resources in the cash flow statement.

Investments in quoted stocks, shares, gilts and alternative investments are included in the Statement of Financial Position at mid-market price, ex-div.

Unquoted investments are included at the charitable trustee's best estimate of market value.

All gains and losses are taken to the Statement of Comprehensive Income as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (or purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later).

NOTES TO THE ACCOUNTS

1. **ACCOUNTING POLICIES (CONTINUED)**

1.8 **Borrowing costs**

Borrowing costs are recognised as expenses as they are incurred.

1.9 **Inventories**

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured on the First In, First Out (FIFO) method. Work-in-progress comprises goods in intermediate stages of production. The Laundry stock value is based on the original cost less an adjustment to reflect usage, over a three year life (except for Towels and Scrub Suits which have a two year life), in determining an approximation of net realisable value.

1.10 **Cash and cash equivalents**

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Trust's cash management.

1.11 **Provisions**

The NHS Foundation Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the HM Treasury's discount rates of -1.5%, -1.05% and 2.2% in real terms where the expected payments would be in 0 - 5 years, 5 - 10 years and over 10 years respectively from the SOFP date, except for early retirement provisions and injury benefit provisions which both use the HM Treasury's pension discount rate of 1.3% in real terms.

Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is disclosed at Note 26, but is not recognised in the NHS Foundation Trust's accounts.

Non-clinical risk pooling

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

1.12 **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 leave 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.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.12 Employee benefits (continued)

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.

Subsidiary pension scheme

The subsidiary companies, Odstock Medical Limited and Salisbury Trading Limited, operate defined contribution schemes for employees who have contracts of employment directly with the companies. Employer's pension costs are charged to operating expenses as and when they become due.

1.13 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.

1.14 Corporation Tax

The group and trust do not have a corporation tax liability for the year 2014/15. Tax may be payable on activities described below:
 - The activity is not related to the provision of core healthcare as defined under Section 14(1) of the HSCA.
 - The activity is commercial in nature and competes with the private sector. In house trading activities are normally ancillary to the core healthcare objectives and are therefore not subject to tax.
 - Annual profits from the activity must exceed £50,000

1.15 Foreign Exchange

The Trust's functional currency and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March 2015. Resulting exchange gains and losses for either of these are recognised in the trust's surplus/deficit in the period in which they arise.

1.16 Third Party Assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of the HM Treasury Financial Reporting Manual, see note 32.

NOTES TO THE ACCOUNTS

1. **ACCOUNTING POLICIES (CONTINUED)**

1.17 **Leases**

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The trust as lessee
Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are recognised in calculating the trust's surplus/deficit.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

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.

The trust as lessor
Amounts due from lessees under finance leases are recorded as receivables at the amount of the trust's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the trust's net investment outstanding in respect of the leases.

The trust leases land to Salisbury District Hospital Charitable Fund at a nominal amount and, as a result, no separate disclosure has been made of this arrangement.

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.

1.18 **Public Dividend Capital (PDC) and PDC dividend**

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

A charge, reflecting the cost of capital utilised by the NHS foundation trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS foundation trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets (including lottery funded assets), (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (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.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.19 Losses and Special Payments

Losses and Special Payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way each individual case is handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses and compensations register which reports amounts on an accruals basis with the exception of provisions for future losses.

1.20 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the trust, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

1.21 Financial assets

Financial assets are recognised when the trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value.

De-recognition
All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership.

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

Classification
Financial assets are classified into the following categories: financial assets at fair value through income and expenditure; held to maturity investments; available for sale financial assets, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through income and expenditure
Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in calculating the trust's surplus or deficit for the year. The net gain or loss incorporates any interest earned on the financial asset.

NOTES TO THE ACCOUNTS

1. **ACCOUNTING POLICIES (CONTINUED)**

1.21 Financial assets (continued)

Held to maturity investments
Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method and credited to the Statement of Comprehensive Income.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the initial fair value of the financial asset.

At the end of the reporting period, the trust assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

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

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets which are either designated in this category or not classified in any of the other categories. They are included in long-term assets unless the trust intends to dispose of them within 12 months of the Statement of Financial Position date.

Available-for-sale financial assets are recognised initially at fair value, including transaction costs, and measured subsequently at fair value, with gains or losses recognised in reserves and reported in the Statement of Comprehensive Income as an item of "other comprehensive income". When items classified as "available-for-sale" are sold or impaired, the accumulated fair value adjustments recognised are transferred from reserves and recognised in "Finance Costs" in the Statement of Comprehensive Income.

1.22 Financial liabilities

Financial liabilities are recognised on the statement of financial position when the trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are derecognised when the liability has been discharged, that is, the liability has been paid or has expired.

Loans from the Department of Health are recognised at historical cost. Otherwise, financial liabilities are initially recognised at fair value.

Financial liabilities at fair value through profit and loss
Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the trust's surplus/deficit. The net gain or loss incorporates any interest payable on the financial liability.

1. ACCOUNTING POLICIES (CONTINUED)

1.22 Financial liabilities (continued)

Other financial liabilities
After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method, except for loans from Department of Health, which are carried at historic cost. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.23 Critical Accounting Estimates and Judgements

International accounting standard IAS1 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 evaluation is to consider whether there may be a significant risk of causing 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 £109.41 million: 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.

1.24 Accounting standards that have been issued but have not yet been adopted
The following accounting standards, amendments and interpretations have been issued by the IASB and IFRIC but are not yet required to be adopted:

IFRS 9 Financial Instruments
  –   Financial Assets
  –   Financial Liabilities
	Uncertain. Not likely to be adopted by the EU until the IASB has finished the rest of its financial instruments project.

IFRS 13 Fair Value Measurement	Adoption delayed by HM Treasury. To be adopted from 2015/16
IAS 36 (amendment) – recoverable amount disclosures	To be adopted from 2015/16 (aligned to IFRS 13 adoption)
Annual Improvements 2012	Effective from 2015/16 but not yet EU adopted
Annual Improvements 2013	Effective from 2015/16 but not yet EU adopted
IAS 19 (amendment) – employer contributions to defined benefit pension schemes	Effective from 2015/16 but not yet EU adopted
IFRIC 21 Levies	Effective from 2014/15 but not yet EU adopted.

The Trust has considered the above new standards, interpretations and amendments to published standards that are not yet effective and concluded that they are either not relevant to the Trust or that they would not have a significant impact on the Trust's financial statements, apart from some additional disclosures.

1.25 Accounting standards, amendments and interpretations issued that have been adopted early
The Trust has not early adopted any new accounting standards, amendments or interpretations.

NOTES TO THE ACCOUNTS

2. Segmental Analysis

Group and Trust

The business activities of the Group can be summarised as that of 'healthcare'. The Trust's activities comprise five key operating areas where costs are closely monitored during the year. Income is not allocated to each area of activity. The chief operating decision maker for Salisbury NHS Foundation Trust is the Trust Board. Key decisions are agreed at monthly Board meetings and sub-committee meetings of the Board, following scrutiny of performance and resource allocation. The Trust Board review and make decisions on activity and performance of the Trust as a whole entity, not for its separate business activities. The activities of the subsidiary companies, Odstock Medical Limited and Salisbury Trading Limited, and of the charity, Salisbury District Hospital Charitable Fund, are not considered sufficiently material to require separate disclosure.

NOTES TO THE ACCOUNTS

3 Revenue From Patient Care Activities

3.1 Revenue by Type

	Group and Trust	
	2015 **£000**	2014 £000
Elective revenue	**36,655**	36,972
Non-elective revenue	**53,264**	63,215
Outpatient revenue	**26,139**	29,701
A & E revenue	**4,957**	4,915
Other types of activity revenue	**52,768**	36,714
Total revenue at full tariff	**173,783**	171,517
Revenue from activities		
Private patient revenue	**1,856**	1,865
Other clinical income	**6,067**	5,572
	181,706	178,954

Other types of activity revenue above includes amounts due for specialist services (e.g. spinal, burns, genetics, cleft lip and palate), direct access, intensive care, community and hospice services.

3.2 Revenue by Source

	2015 **£000**	2014 £000
Foundation Trusts	**3,246**	3,242
NHS Trusts	**764**	878
Clinical Commissioning Groups and NHS England	**170,676**	168,570
Local Authorities	**1,409**	1,139
NHS Other	**295**	162
Non NHS:		
- Private patients	**1,856**	1,865
- Overseas patients (non-reciprocal)	**81**	53
- NHS Injury scheme (was Road Traffic Act)	**1,171**	1,322
- Other	**2,208**	1,723
	181,706	178,954

NHS Injury Scheme revenue is subject to a provision for doubtful debts of 18.9% (2014: 15.8%) to reflect expected rates of collection. Other income includes £1.1m (2014: £1.1m) income from Salisbury Hospice Charity.

3.3 Commissioner requested services

Under the terms of its Provider Licence, which commenced on 1 April 2013, the Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are those where the Trust has a contractual obligation to provide patient services. This information is provided in the table below:

	2015 **£000**	2014 £000
Commissioner requested services	**165,210**	163,263
Non-commissioner requested services	**16,496**	15,691
	181,706	178,954

NOTES TO THE ACCOUNTS

4. Private patient revenue

The Health & Social Care Act 2012 removed the restriction on the amount a Foundation Trust could earn from private patient income as a percentage of total income, provided a ceiling of 49% is not exceeded for non-NHS income.

Salisbury NHS Foundation Trust private patient income in 2014/15 (and 2013/14) was substantially below the revised level permitted.

5. Other operating revenue

	Group 2015 £000	Group 2014 £000	Trust 2015 £000	Trust 2014 £000
Research and development	738	789	738	789
Education and training	5,496	5,260	5,496	5,260
Non-patient care services to other bodies	940	959	940	959
Received from NHS charities - donated assets	-	-	1,293	648
Laundry income	4,362	3,191	-	876
NHS Charitable Funds: Incoming Resources excluding investment income	1,682	2,906	-	-
Odstock Medical Limited	1,653	1,546	-	-
Other	7,109	5,888	7,711	6,783
	21,980	20,539	16,178	15,315

Included within 'Other' revenue above are amounts received from lodgings £1,294k (2014: £1,296k), car parking £1,358k (2014: £1,276k), catering £921k (2014: £861k) and child care services £518k (2014: £517k).

6. Operating lease income

Group and Trust

6.1 As lessor

The Trust has entered into short term commercial leases on buildings. During 2012/13 the Trust entered an agreement to lease an area within the hospital main entrance to a high street retailer on commercial terms.

6.2 Receipts recognised as income

	Group 2015 £000	Group 2014 £000	Trust 2015 £000	Trust 2014 £000
Rental revenue from operating leases - minimum lease receipts	160	168	241	218

6.3 Total future minimum lease income

Receivable:	Group 2015 £000	Group 2014 £000	Trust 2015 £000	Trust 2014 £000
Within 1 year	170	173	170	173
Between 1 and 5 years	343	481	343	481
After 5 years	14	31	14	31
Total	527	685	527	685

NOTES TO THE ACCOUNTS

7. Operating Expenses

Operating expenses comprise:

	Group		Trust	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
Services from other NHS Foundation Trusts	**1,790**	1,267	**1,790**	1,267
Services from NHS Trusts	**402**	521	**402**	521
Services from Clinical Commissioning Groups and NHS England	**3**	3	**3**	3
Services from other NHS bodies	**224**	229	**224**	229
Purchase of healthcare from non-NHS bodies	**1,121**	575	**1,121**	575
Executive directors costs	**912**	920	**912**	920
Non-executive directors costs	**134**	134	**134**	134
Staff costs	**124,715**	121,459	**121,015**	119,266
Drug costs	**16,840**	14,841	**16,840**	14,841
Supplies and services - clinical (excluding drug costs)	**19,912**	19,221	**19,912**	19,221
Supplies and services - general	**3,269**	3,098	**3,588**	3,510
Establishment	**1,851**	1,754	**1,851**	1,754
Transport	**973**	1,038	**724**	919
Premises	**7,777**	7,338	**7,263**	7,101
Provision for impairment of receivables	**166**	129	**166**	129
Increase in other provisions	**15**	13	**15**	13
Depreciation and amortisation	**9,514**	9,509	**9,049**	9,171
Rentals under operating leases	**82**	128	**124**	170
Audit services - statutory audit	**68**	62	**64**	58
Fees payable to the Trust's auditor and its associates for other services:				
- further assurance services	**8**	8	**8**	8
- other services	**-**	-	**-**	-
Clinical negligence	**4,171**	3,926	**4,171**	3,926
Other	**5,915**	5,148	**3,677**	3,149
	199,862	191,321	**193,053**	186,885

The total employer's pension contributions are disclosed in note 9.1.

Redundancy payments totalling £Nil (2014: £0.022m) are included in staff costs and further details are disclosed in note 9.4.

There is a limitation on the Auditor's liability of £1.0m.

Other expenses include payments for course fees £0.3m (2014: £0.2m), patient's travel £0.2m (2014: £0.2m), the service element of the PFI contract £0.8m (2014: £0.9m), consultancy fees £0.5m (2014: £0.3m), insurance fees £0.2m (2014: £0.2m), legal fees £0.2m (2014: £0.1m), internal audit fees £0.2m (2014: £0.2m) and costs attributable to the Trust's subsidiary companies, Odstock Medical Limited £0.6m (2014: £0.7m) and Salisbury Trading Limited £0.7m (2014: £0.5m). In addition it also includes charitable fund expenses of £0.9m (2014: £0.8m).

8. Operating leases expenditure

Group and Trust

8.1 As lessee

The Group has entered into commercial leases on certain items of property, motor vehicles and equipment. The principal arrangements are in respect of motor vehicles. For these, rentals are for an agreed mileage over a three year term. Excess mileage is charged at a price per mile determined at the inception of the lease.

8.2 Payments recognised as expense

	Group		Trust	
	2015	2014	**2015**	2014
	£000	**£000**	**£000**	**£000**
Minimum lease payments	**82**	128	**124**	170

8.3 Total future minimum lease payments

	Group		Trust	
	2015	2014	**2015**	2014
Payable:	**£000**	£000	**£000**	£000
Within 1 year	**51**	76	**92**	117
Between 1 and 5 years	**52**	110	**147**	233
After 5 years	**-**	-	**18**	31
Total	**103**	186	**257**	381

NOTES TO THE ACCOUNTS

9. Staff costs and numbers

9.1 Staff costs

Group	Total 2015 £000	Permanently Employed 2015 £000	Other 2015 £000	Total 2014 £000	Permanently Employed 2014 £000	Other 2014 £000
Salaries and wages	98,696	98,696	-	98,083	98,083	-
Social Security Costs	7,043	7,043	-	7,157	7,157	-
Employer contributions to NHSPA	11,451	11,451	-	11,469	11,469	-
Other pension costs	6	6	-	4	4	-
Agency and contract staff	8,974	-	8,974	6,038	-	6,038
	126,170	117,196	8,974	122,751	116,713	6,038
Less: costs of staff capitalised	(543)	(543)	-	(350)	(350)	-
	125,627	116,653	8,974	122,401	116,363	6,038

Trust	Total 2015 £000	Permanently Employed 2015 £000	Other 2015 £000	Total 2014 £000	Permanently Employed 2014 £000	Other 2014 £000
Salaries and wages	95,808	95,808	-	95,964	95,964	-
Social Security Costs	7,043	7,043	-	7,115	7,115	-
Employer contributions to NHSPA	11,451	11,451	-	11,437	11,437	-
Other pension costs	6	6	-	4	4	-
Agency and contract staff	8,162	-	8,162	6,038	-	6,038
	122,470	114,308	8,162	120,558	114,520	6,038
Less: costs of staff capitalised	(543)	(543)	-	(350)	(350)	-
	121,927	113,765	8,162	120,208	114,170	6,038

9.2 Average number of persons employed - WTE basis

Group	Total 2015 Number	Permanently Employed 2015 Number	Other 2015 Number	Total 2014 Number	Permanently Employed 2014 Number	Other 2014 Number
Medical and dental	356	322	34	328	310	18
Ambulance staff	-	-	-	6	6	-
Administration and estates	733	688	45	657	651	6
Healthcare assistants & other support staff	255	251	4	263	259	4
Nursing, midwifery & health visiting staff	1,362	1,231	131	1,280	1,150	130
Scientific, therapeutic and technical staff	464	440	24	438	428	10
Total	3,170	2,932	238	2,972	2,804	168

Trust	Total 2015 Number	Permanently Employed 2015 Number	Other 2015 Number	Total 2014 Number	Permanently Employed 2014 Number	Other 2014 Number
Medical and dental	356	322	34	328	310	18
Ambulance staff	-	-	-	6	6	-
Administration and estates	632	619	13	594	588	6
Healthcare assistants & other support staff	255	251	4	263	259	4
Nursing, midwifery & health visiting staff	1,362	1,231	131	1,280	1,150	130
Scientific, therapeutic and technical staff	447	423	24	421	411	10
Total	3,052	2,846	206	2,892	2,724	168

The figure shown under the 'Other' column relates to agency staff disclosed under the operational areas where they worked.

NOTES TO THE ACCOUNTS

9. Staff costs and numbers (continued)

9.3 Directors' remuneration

	Group and Trust	
	2015	2014
	£000	£000
Salaries and wages	866	857
Social Security Costs	99	98
Employer contributions to Pension Schemes	84	99
	1,049	1,054

The total number of Directors accruing benefits under pension schemes is 5 (2014: 6).

9.4 Staff departure costs

Group and Trust

	2015 No. of compulsory redundancies	2015 No. of other agreed departures	2014 No. of compulsory redundancies	2014 No. of other agreed departures
Exit package cost band				
< £10,000	-	7	1	4
£10,001 - £25,000	-	-	1	-
£25,001 - £50,000	-	-	-	-
£50,001 - £100,000	-	-	-	-
Total number of exit packages by type	-	7	2	4
	£000	£000	£000	£000
Total resource costs	-	20	22	16

There were no compulsory redundancy costs relating to senior managers in the year.

The non-compulsory departure payments can be analysed as:

	2015 Agreements Number	2015 Value of agreements £000	2014 Agreements Number	2014 Value of agreements £000
Contractual payments in lieu of notice	7	20	4	16

10 Pension costs

The total cost charged to income in respect of the Group's obligations to the NHS Pension Agency and the defined contribution schemes for Odstock Medical Limited and Salisbury Trading Limited was £11.45m (2014: £11.44m). As at 31 March 2015, contributions of £1.61m (2014: £1.58m) due in respect of the current reporting period (representing the contributions for the final month of the year) had not been paid over to the schemes by the balance sheet date.

10.1 Pension costs

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

NOTES TO THE ACCOUNTS

10.1   Pension costs (continued)

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

a) Accounting valuation
A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2015, is based on valuation data as 31 March 2014, updated to 31 March 2015 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

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

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

The Scheme Regulations allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

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

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

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

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

NOTES TO THE ACCOUNTS

10.1   **Pension costs (continued)**

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

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

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

11.   **Retirements due to ill-health**

During the year to 31 March 2015 there were 3 (2014: 2) early retirements from the Trust on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £0.285m (2014: £0.114m). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

12.   **Finance income**

	Group		Trust	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
Interest revenue:				
Bank accounts	**240**	193	**64**	68
Other loans and receivables	**-**	-	**-**	-
	240	193	**64**	68

13.   **Finance costs**

Group and Trust

	2015	2014
	£000	£000
Interest on loans from Foundation Trust Financing Facility	**5**	28
Interest on obligations under finance leases	**18**	26
Finance costs on obligations under Private Finance Initiatives	**1,335**	1,374
Contingent finance costs - PFI	**583**	534
Total finance expense - financial liabilities	**1,941**	1,962
Other finance costs - unwinding of discounts on provisions	**5**	10
Total	**1,946**	1,972

14.   **The Late Payment of Commercial Debts (Interest) Act 1998**

There were no amounts payable arising from claims made by businesses under this legislation (2014: £Nil).

NOTES TO THE ACCOUNTS

15. Losses and special payments

| | | Group and Trust | | |
| | 2015 | | 2014 | |
	Number	Value £000	Number	Value £000
Losses				
Cash losses	4	1	7	1
Fruitless payments and constructive losses	2	97	1	1
Bad debts and claims abandoned	590	40	572	24
Stores losses	3	15	1	-
	599	153	581	26
Special payments				
Ex-gratia payments	41	48	50	56
	41	48	50	56
Total losses and special payments	640	201	631	82

There were no case payments that exceeded £0.1m.

16. Intangible Assets

16.1 Intangible assets at the balance sheet date comprise the following elements:

Group and Trust

	Software Licences £000	Total £000
Cost or valuation		
At 1 April 2014	2,199	2,199
Additions - purchased	977	977
At 31 March 2015	3,176	3,176
Amortisation		
At 1 April 2014	265	265
Provided during the period	451	451
Amortisation at 31 March 2015	716	716
Net book value at 31 March 2014		
- Purchased at 31 March 2014	1,934	1,934
Total at 31 March 2014	1,934	1,934
Net book value at 31 March 2015		
- Purchased at 31 March 2015	2,460	2,460
Total at 31 March 2015	2,460	2,460

NOTES TO THE ACCOUNTS

17. Property, plant and equipment

Group

17.1 Property, Plant and equipment at the balance sheet date comprise the following elements:

	Freehold land	Freehold buildings excluding dwellings	Freehold dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation									
At 1 April 2014	5,544	99,060	6,486	3,063	59,626	710	16,313	2,258	193,060
Additions - purchased	-	1,150	-	1,884	5,108	-	401	657	9,200
Additions - donated	-	-	-	-	-	-	4	-	4
Reclassifications	-	2,335	-	(2,335)	-	-	-	-	-
Revaluation	(402)	(4,770)	237	-	-	-	-	-	(4,935)
Disposals	-	-	-	-	(1,280)	-	-	-	(1,280)
At 31 March 2015	**5,142**	**97,775**	**6,723**	**2,612**	**63,454**	**710**	**16,718**	**2,915**	**196,049**
Accumulated depreciation									
At 1 April 2014	-	21	-	-	39,975	667	12,677	885	54,225
Provided during the period	-	4,193	163	-	3,397	12	1,113	185	9,063
Revaluation	-	(4,185)	(163)	-	-	-	-	-	(4,348)
Disposals	-	-	-	-	(1,127)	-	-	-	(1,127)
Accumulated depreciation at 31 March 2015	**-**	**29**	**-**	**-**	**42,245**	**679**	**13,790**	**1,070**	**57,813**
Net book value at 31 March 2015									
Owned	5,142	76,222	6,723	2,612	18,037	31	2,894	1,521	113,182
Finance leased	-	-	-	-	123	-	-	-	123
On balance sheet PFI	-	21,224	-	-	-	-	-	-	21,224
Donated	-	300	-	-	3,049	-	34	324	3,707
Total at 31 March 2015	**5,142**	**97,746**	**6,723**	**2,612**	**21,209**	**31**	**2,928**	**1,845**	**138,236**

On 31 March 2015 the District Valuer reviewed the Trust's land, buildings and dwellings on a Modern Equivalent Asset basis in accordance with the guidance included in the Royal Institution of Chartered Surveyors Valuation Standards. As a result, these assets were revalued to bring them to their fair value at 31 March 2015

NOTES TO THE ACCOUNTS

17. Property, plant and equipment (continued)

Group

17.2 Property, plant and equipment at the previous balance sheet date comprise the following elements:

	Freehold land	Freehold buildings excluding dwellings	Freehold dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2014									
At 1 April 2013	5,527	90,322	6,491	2,609	55,834	698	15,537	1,865	178,883
Additions - purchased	-	749	-	2,276	3,264	12	766	339	7,406
Additions - donated	-	-	235	39	544	-	10	54	882
Reclassifications	-	1,861	-	(1,861)	-	-	-	-	-
Revaluation	17	6,128	(5)	-	(16)	-	-	-	6,140
Disposals	-	-	(235)	-	(16)	-	-	-	(251)
At 31 March 2014	**5,544**	**99,060**	**6,486**	**3,063**	**59,626**	**710**	**16,313**	**2,258**	**193,060**
Accumulated depreciation at 1 April 2014									
At 1 April 2013	-	13	-	-	36,180	653	11,345	742	48,933
Provided during the period	-	3,908	126	-	3,811	14	1,332	143	9,334
Revaluation	-	(3,900)	(126)	-	-	-	-	-	(4,026)
Disposals	-	-	-	-	(16)	-	-	-	(16)
Accumulated depreciation at 31 March 2014	**-**	**21**	**-**	**-**	**39,975**	**667**	**12,677**	**885**	**54,225**
Net book value at 31 March 2014									
Owned	5,544	77,376	6,486	3,024	17,338	43	3,596	1,005	114,412
Finance leased	-	-	-	-	185	-	-	-	185
On balance sheet PFI	-	21,363	-	-	-	-	-	-	21,363
Donated	-	300	-	39	2,128	-	40	368	2,875
Total at 31 March 2014	**5,544**	**99,039**	**6,486**	**3,063**	**19,651**	**43**	**3,636**	**1,373**	**138,835**

NOTES TO THE ACCOUNTS

17. Property, plant and equipment (continued)

Trust

17.3 Property, Plant and equipment at the balance sheet date comprise the following elements:

	Freehold land	Freehold buildings excluding dwellings	Freehold dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation									
At 1 April 2014	4,940	95,690	5,710	3,063	55,741	710	16,313	2,258	184,425
Additions - purchased	-	910	-	1,884	3,790	-	391	657	7,632
Additions - donated	-	7	-	-	1,272	-	14	-	1,293
Reclassifications	-	2,335	-	(2,335)	-	-	-	-	-
Revaluation	-	(4,708)	175	-	-	-	-	-	(4,994)
Disposals	(461)	-	-	-	(1,250)	-	-	-	(1,250)
At 31 March 2015	4,479	94,234	5,885	2,612	59,553	710	16,718	2,915	187,106
Accumulated depreciation									
At 1 April 2014	-	-	-	-	37,901	667	12,677	885	52,130
Provided during the period	-	4,025	140	-	3,123	12	1,113	185	8,598
Revaluation	-	(4,025)	(140)	-	-	-	-	-	(4,165)
Disposals	-	-	-	-	(1,097)	-	-	-	(1,097)
Accumulated depreciation at 31 March 2015	-	-	-	-	39,927	679	13,790	1,070	55,466
Net book value at 31 March 2015									
Owned	4,479	72,710	5,885	2,612	16,454	31	2,894	1,521	106,586
Finance leased	-	-	-	-	123	-	-	-	123
On balance sheet PFI	-	21,224	-	-	-	-	-	-	21,224
Donated	-	300	-	-	3,049	-	34	324	3,707
Total at 31 March 2015	4,479	94,234	5,885	2,612	19,626	31	2,928	1,845	131,640

On 31 March 2015 the District Valuer reviewed the Trust's land, buildings and dwellings on a Modern Equivalent Asset basis in accordance with the guidance included in the Royal Institution of Chartered Surveyors Valuation Standards. As a result, these assets were revalued to bring them to their fair value at 31 March 2015

NOTES TO THE ACCOUNTS

17. Property, plant and equipment (continued)

Trust

17.4 Property, plant and equipment at the previous balance sheet date comprise the following elements:

	Freehold land	Freehold buildings excluding dwellings	Freehold dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2013									
At 1 April 2013	4,923	87,202	5,715	2,609	55,001	698	15,537	1,865	173,550
Additions - purchased	-	491	-	2,276	2,660	12	766	339	6,544
Additions - donated	-	-	-	39	544	-	10	54	647
Reclassifications	-	1,861	-	(1,861)	-	-	-	-	-
Revaluation	17	6,136	(5)	-	-	-	-	-	6,148
Disposals	-	-	-	-	(2,464)	-	-	-	(2,464)
At 31 March 2014	4,940	95,690	5,710	3,063	55,741	710	16,313	2,258	184,425
Accumulated depreciation at 1 April 2013									
At 1 April 2013	-	-	-	-	35,475	653	11,345	742	48,215
Provided during the period	-	3,756	104	-	3,647	14	1,332	143	8,996
Revaluation	-	(3,756)	(104)	-	-	-	-	-	(3,860)
Disposals	-	-	-	-	(1,221)	-	-	-	(1,221)
Accumulated depreciation at 31 March 2014	-	-	-	-	37,901	667	12,677	885	52,130
Net book value at 31 March 2014									
Owned	4,940	74,027	5,710	3,024	15,527	43	3,596	1,005	107,872
Finance leased	-	-	-	-	185	-	-	-	185
On balance sheet PFI	-	21,363	-	-	-	-	-	-	21,363
Donated	-	300	-	39	2,128	-	40	368	2,875
Total at 31 March 2014	4,940	95,690	5,710	3,063	17,840	43	3,636	1,373	132,295

NOTES TO THE ACCOUNTS

17. Property, plant and equipment (continued)

Group and Trust

17.5	Net Book Value of Assets Held Under Finance Leases	Plant & Machinery £000	PFI Arrangements £000	Total £000
	Cost or valuation			
	At 1 April 2014	616	21,363	21,979
	Additions - Purchased	-	448	448
	Revaluations	-	(587)	(587)
	At 31 March 2015	**616**	**21,224**	**21,840**
	Accumulated depreciation			
	At 1 April 2014	431	-	431
	Provided during the period	62	551	613
	Revaluation	-	(551)	(551)
	Accumulated depreciation at 31 March 2015	**493**	**-**	**493**
	Net book value at 31 March 2015			
	- Purchased	123	21,224	21,347
	- Donated	-	-	-
	Total at 31 March 2015	**123**	**21,224**	**21,347**
	Cost or valuation			
	At 1 April 2013	616	19,049	19,665
	Revaluation	-	2,314	2,314
	At 31 March 2014	**616**	**21,363**	**21,979**
	Accumulated depreciation			
	At 1 April 2013	370	-	370
	Provided during the period	61	493	554
	Revaluation	-	(493)	(493)
	Accumulated depreciation at 31 March 2014	**431**	**-**	**431**
	Net book value at 31 March 2014			
	- Purchased	185	21,363	21,548
	- Donated	-	-	-
	Total at 31 March 2014	**185**	**21,363**	**21,548**

NOTES TO THE ACCOUNTS

18. Investments

	Group		Trust	
	31 March 2015 £000	31 March 2014 £000	31 March 2015 £000	31 March 2014 £000
Non-current				
Financial assets designated as fair value through profit or loss	**5,812**	5,235	-	-
	5,812	5,235	-	-
Current				
Financial assets designated as fair value through profit or loss	**237**	290	-	-
	237	290	-	-

Non-current investments is an investment portfolio managed by HSBC Global Asset Management on behalf of the charitable fund.

Current asset investments are the cash balances held by HSBC Global Asset Management on behalf of the charitable fund and represents dividend income, interest income and the proceeds of fixed asset investment disposals which have not yet been reinvested.

19. Other financial assets

	Group		Trust	
	31 March 2015 £000	31 March 2014 £000	31 March 2015 £000	31 March 2014 £000
Current				
Loans and receivables	-	-	462	-
Non-current				
Loans and receivables	-	-	2,868	3,330
	-	-	3,330	3,330

Non-current other financial assets represent loans made to Salisbury Trading Limited to purchase laundry equipment and laundry stocks from Salisbury NHS Foundation Trust on the commencement of the subsidiary business.

The long term loan of £2.0m to purchase the laundry equipment is repayable over a 10 year term and attracts interest at 2% above the Bank of England base rate . Repayments commence on 1 July 2015.

The short term loan of £1.3m to purchase the laundry stock is repayable over a 3 year term and attracts interest at 2% above the Bank of England base rate. Repayments commence on 1 July 2015.

NOTES TO THE ACCOUNTS

20. Inventories

	Group		Trust	
	31 March 2015	31 March 2014	**31 March 2015**	31 March 2014
	£000	£000	**£000**	£000
Materials	**1,770**	1,755	**1,770**	1,755
Consumables	**1,224**	1,385	**122**	37
	2,994	3,140	**1,892**	1,792
Inventories recognised as an expense in the period	**21,962**	17,782	**21,091**	17,138
Write-down of inventories (including losses)	**-**	-	**-**	-
Reversal of write-downs that reduced the expense	**-**	-	**-**	-
	21,962	17,782	**21,091**	17,138

21. Trade and other receivables

21.1 Amounts falling due within one year:

	Group		Trust	
	31 March 2015	31 March 2014	**31 March 2015**	31 March 2014
	£000	£000	**£000**	£000
NHS receivables	**3,687**	3,862	**3,687**	3,862
Other receivables with related parties	**328**	467	**912**	467
Provision for impairment of receivables	**(904)**	(989)	**(904)**	(989)
Prepayments	**1,348**	1,107	**1,348**	1,081
PDC dividend receivable	**74**	-	**74**	-
Vat receivable	**305**	126	**305**	126
Other receivables	**5,458**	5,820	**4,938**	6,392
	10,296	10,393	**10,360**	10,939

The majority of transactions are with Clinical Commissioning Groups (CCGs) or NHS England's Specialist Commissioners, as commissioners for NHS patient care services. As CCGs and Specialist Commissioners are funded by government to buy NHS patient care services, no credit scoring of them is considered necessary.

The average credit period taken on sale of goods is 17.7 days (2014: 19.0 days). No interest is charged on trade receivables.

Other receivables include non-NHS trade debts £1.3m (2014: £1.3m) and amounts due from the Compensation Recovery Unit of £3.0m (2014: £2.9m).

NOTES TO THE ACCOUNTS

21. Trade and other receivables (continued)

21.2 Movement in the provision for impairment of receivables

	Group		Trust	
	31 March 2015 £000	31 March 2014 £000	**31 March 2015 £000**	31 March 2014 £000
Balance at beginning of year	**989**	884	**989**	884
Amount written off during the year	**(251)**	(24)	**(251)**	(24)
(Decrease)/increase in allowance recognised in income	**166**	129	**166**	129
Balance at end of year	**904**	989	**904**	989

An allowance for impairment is made where there is an identifiable event which, based on previous experience, is evidence that the monies will not be recovered in full.

21.3 Impaired receivables past their due date

	Group		Trust	
	31 March 2015 £000	31 March 2014 £000	**31 March 2015 £000**	31 March 2014 £000
By up to three months	**32**	365	**32**	365
By three to six months	**17**	112	**17**	112
By more than six months	**855**	512	**855**	512
Total	**904**	989	**904**	989

21.4 Non-impaired receivables past their due date

	Group		Trust	
	31 March 2015 £000	31 March 2014 £000	**31 March 2015 £000**	31 March 2014 £000
By up to three months	**1,081**	739	**1,081**	739
By three to six months	**135**	163	**135**	163
By more than six months	**3,218**	2,989	**3,218**	2,989
Total	**4,434**	3,891	**4,434**	3,891

The sums included in receivables past due date by more than six months, but not impaired, relate to the amount due from the NHS Injury Scheme. The Department of Health issued guidance to provide for debts on the amount owed at 18.9% (2014: 15.8%). These debts relate to insurance claims and hence the date of receipt of monies is not known and so the debts are disclosed as due after one year.

NOTES TO THE ACCOUNTS

22. **Non-current assets for sale**

	Group		Trust	
	31 March 2015 £000	31 March 2014 £000	**31 March 2015 £000**	31 March 2014 £000
Assets classified as held for sale in the year	**-**	235	**-**	-
	-	235	**-**	-

During 2014 the charitable fund received a legacy in the form of a residential property. In accordance with the terms of the donor's last will and testament the property was placed with a local estate agent and made available for sale. The property was sold in the year to 31 March 2015.

23. **Cash and cash equivalents**

	Group		Trust	
	31 March 2015 £000	31 March 2014 £000	**31 March 2015 £000**	31 March 2014 £000
Balance at beginning of year	**20,061**	18,834	**16,949**	16,911
Net change in year	**(2,625)**	1,227	**(2,069)**	38
Balance at end of year	**17,436**	20,061	**14,880**	16,949
Made up of:				
Cash with Government Banking Service	**5,205**	16,778	**5,205**	16,778
Cash with National Loans Fund	**9,500**	-	**9,500**	-
Cash at commercial banks and in hand	**2,731**	3,283	**175**	171
Cash and cash equivalents as in balance sheet	**17,436**	20,061	**14,880**	16,949
Bank overdrafts	**-**	-	**-**	-
Cash and cash equivalents as in cash flow statement	**17,436**	20,061	**14,880**	16,949

NOTES TO THE ACCOUNTS

24. Trade and other payables

	Group		Trust	
	31 March 2015 £000	31 March 2014 £000	31 March 2015 £000	31 March 2014 £000
Amounts falling due within one year:				
NHS payables - revenue	**1,714**	1,180	**1,714**	1,180
Amounts due to other related parties - revenue	**3,864**	3,926	**3,864**	4,064
Non-NHS trade payables - revenue	**5,422**	4,263	**5,157**	4,073
Non-NHS trade payables - capital	**811**	1,413	**811**	1,413
Receipts in advance	**1,170**	1,879	**1,170**	1,879
Accruals and deferred income	**672**	843	**410**	565
Other	**4,123**	3,966	**4,123**	3,966
	17,776	17,470	**17,249**	17,140

NHS payables includes £1.6m outstanding pensions contributions due to the NHS Pensions Agency at 31 March 2015 (2014: £1.5m)

Amounts due to related parties includes income tax and national insurance contributions of £2.3m (2014: £2.3m). Included in 'Other' payables is £0.48m (2014: £0.48m) in respect of March enhancements earned in March but not paid until April, £0.26m (2014: £0.26m) payable to bank staff for work performed in March and £0.50m (2014: £0.44m) due for agency staff for the year to 31 March 2015.

All Trade and other payables are current liabilities.

25. Borrowings

Group and Trust	Current		Non-current	
	31 March 2015 £000	31 March 2014 £000	31 March 2015 £000	31 March 2014 £000
Obligations under finance leases	105	98	85	190
Amounts due under on-SoFP PFI (note 31)	552	598	19,173	19,704
Foundation Trust Financing Facility loan	-	625	-	-
Other loans	37	194	-	37
	694	1,515	19,258	19,931

The finance lease relates to the purchase of microbiology equipment and is for a term of 10 years. For the year ended 31 March 2015 the effective borrowing rate was 7.7% (2014: 7.7%). Interest rates are fixed at the contract date.

The loan from the Foundation Trust Finance Facility is unsecured and for a 5 year period, repayable in equal instalments commencing on 15 March 2011. Interest is payable on the loan at a rate of 1.88% pa.

Other loans relate to three interest free 4 year loans from Salix Finance Limited, a not for profit company funded by the Department for Energy and Climate Change. These loans are repayable in equal instalments commencing on 1 March 2011.

Amounts payable under finance leases:	Minimum lease payments		Present value of minimum lease payments	
	2015 £000	2014 £000	2015 £000	2014 £000
Within one year	117	117	105	98
Between one and five years	88	204	85	190
After five years		-		-
	205	321	190	288
Less finance charges allocated to future periods	(15)	(33)		
	190	288		
Included within:				
Current borrowings			105	98
Non-current borrowings			85	190
			190	288

NOTES TO THE ACCOUNTS

26. Provisions for liabilities and charges

Group and Trust	Current			Non-current	
	31 March 2015 £000	31 March 2014 £000		**31 March 2015 £000**	31 March 2014 £000
Pensions relating to other staff	**21**	22		**53**	74
Legal claims	**410**	421		**-**	-
Other	**118**	118		**299**	295
	549	561		**352**	369

	Pensions relating to other staff	Legal claims	Other	**Total**
	£000	£000	£000	**£000**
At 1 April 2014	96	421	413	930
Change in the discount rate	-	-	12	12
Arising during the year	7	69	9	85
Utilised during the year	(29)	(42)	(22)	(93)
Reversed unused	-	(38)	-	(38)
Unwinding of discount	-	-	5	5
At 31 March 2015	**74**	**410**	**417**	**901**

Expected timing of cash flows:

Within 1 year	21	410	118	549
1 - 5 years	49	-	78	127
5-10 years	4	-	221	225
	74	**410**	**417**	**901**

Pension provisions arise from early retirements which do not result from ill health. These liabilities are not funded by the NHS Pension Scheme.

Legal claims relate to the Trust's provision for personal injury claims and employee claims outstanding at 31 March 2015. These are based on valuation reports provided by the Trust's legal advisers.

Other provisions include the following:
a) £0.302m the Trust has provided for injury benefits payable to former employees as a result of an injury suffered whilst in the Trust's employment (2014: £0.303m).
b) £0.57m (2014: £0.057m) in respect of a supplier claim arising at the end of the contractual term.

£41.96m is included in the provisions of the NHS Litigation Authority at 31 March 2015 in respect of clinical negligence liabilities of the Trust (2014: £37.46m).

NOTES TO THE ACCOUNTS

27. **Capital Commitments**

    Group and Trust

    Commitments under capital expenditure contracts at the balance sheet date were £1.882m (2014: £1.758m).

28. **Contingent liabilities**

    The Trust has agreed in principle to underwrite any loans to its subsidiary company, Odstock Medical Limited, up to a value of £0.5m.

29. **Related Party Transactions**

    Salisbury NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health.

    The Department of Health is regarded as a related party. During the year ended 31 March 2015 the Foundation Trust has had a significant number of material transactions with other entities for which the Department is regarded as the parent. These entities are listed below:

	Income £000	Expenditure £000	Receivables £000	Payables £000
Year ending 31 March 2015				
NHS Dorset CCG	18,600	-	196	-
NHS West Hampshire CCG	14,382	-	7	-
NHS Wiltshire CCG	93,619	-	1,255	-
NHS England:				
Bath, Gloucester, Swindon & Wiltshire Area Team	8,790	-	40	-
Bristol, North Somerset, Somerset & South				
Gloucestershire Area Team	26,858	-	-	562
Wessex Area Team	2,961	-	241	-
Health Education England	5,594	-	7	-
NHS Litigation Authority	-	4,348	-	-
Year ending 31 March 2014				
NHS Dorset CCG	18,648	-	232	-
NHS West Hampshire CCG	14,393	-	-	269
NHS Wiltshire CCG	90,859	8	188	-
NHS England:				
Bath, Gloucester, Swindon & Wiltshire Area Team	8,762	-	503	-
Bristol, North Somerset, Somerset & South				
Gloucestershire Area Team	27,988	-	765	-
Wessex Area Team	2,613	-	159	-
Health Education England	4,766	-	9	-
NHS Litigation Authority	-	4,074	4	-

During the period none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Salisbury NHS Foundation Trust.

In addition, the Trust has had a number of material transactions with other Government Departments and other central and local Government bodies.

The Trust has also received revenue and capital payments from a number of charitable funds, for which it is the Corporate Trustee.

NOTES TO THE ACCOUNTS

30. Private Finance Initiative Schemes (PFI)

30.1 PFI schemes deemed to be on-Statement of Financial Position

Contract start date: 3 March 2004
Contract end date: 31 January 2036
The PFI scheme provides modern clinical buildings for patient services covering a number of specialties including: Burns, Plastics, Orthopaedics, Elderly Medicine, Inpatient and Outpatient facilities. A replacement Laundry also forms part of the scheme, which brought the off-site service onto the District General Hospital premises.
At the end of the contract term the hospital buildings revert back to the Trust for Nil consideration.

	Group and Trust	
	2015	2014
	£000	£000
Amounts included within operating expenses in respect of the 'service' element of PFI schemes deemed to be on-Statement of Financial Position	**809**	936
Depreciation of PFI asset	**551**	493
Net charge to operating expenses	**1,360**	1,429

There were no changes to the terms and conditions of the PFI agreement during the year

Imputed finance lease obligations comprise:	Minimum lease payments		Present value of minimum lease payments	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
Rentals due within one year	**1,849**	1,912	**552**	598
Rentals due within 2 to 5 years	**6,833**	7,053	**1,993**	2,077
Rentals due thereafter	**28,602**	30,230	**17,180**	17,627
	37,284	39,195	**19,725**	20,302
Less: interest element	**(17,559)**	(18,893)		
Total	**19,725**	20,302		

30.2 Annual commitments under Private Finance Transactions - On Statement of Financial Position

The Trust is committed to make the following service payments on the PFI:	**2015**	2014
	£000	£000
Due within one year	**852**	804
Due within 2 to 5 years	**3,947**	3,756
Due after 5 years	**18,757**	19,965
	23,556	24,525

The annual charge will be indexed each year. Indexation will be increased in line with the Retail Price Index.

31. Financial instruments

IFRS 7, IAS 32 and IAS 39, Financial Instruments: Disclosure, requires 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. The main source of income for the Group is under contracts from commissioners in respect of healthcare services. Due to the way that the Commissioners are financed, the Group is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Group in undertaking its activities.

NOTES TO THE ACCOUNTS

31. Financial instruments (continued)

31.1 Foreign currency risk

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

The carrying amount of the Group's foreign currency denominated monetary asset and liabilities at the reporting date is as follows

	Assets		Liabilities		Cash	
	2015	2014	**2015**	2014	**2015**	2014
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Euro	**-**	-	**190**	288	**-**	-
GBP	**10,296**	10,393	**38,439**	39,558	**17,436**	20,061
	10,296	10,393	**38,629**	39,846	**17,436**	20,061

The Euro denominated financial instruments relate to the Trust itself

31.2 Liquidity risk

The NHS Foundation Trust's net operating costs are incurred under contracts with commissioners, which are financed from resources voted annually by Parliament. The Trust also largely finances its capital expenditure from funds made available from Government. Salisbury NHS Foundation Trust is not, therefore, exposed to significant liquidity risks.

31.3 Interest-rate risk

The Group's financial liabilities carry either nil or fixed rates of interest. The Group is not exposed to significant interest-rate risk.

31.4 Liquidity and interest risk tables

The interest rate profile of the non-derivative financial liabilities of the Group, their contractual maturity profile and their weighted average effective interest rates are as follows:

As at 31 March 2015

Fixed rate	Weighted average effective interest rate %	Less than one month £000	1-3 months £000	3 months to 1 year £000	1-2 years £000	2-5 years £000	over 5 years £000	Discount £000	Total £000
Finance lease obligations	7.7	-	29	88	88	-	-	(15)	190
PFI obligations	6.5	250	250	1,349	1,896	4,937	28,602	(17,559)	19,725
Foundation Trust Financing Facility Loan	1.88	-	-	-	-	-	-	-	-
Salix Loan	-	-	-	37	-	-	-	-	37
Floating rate									
Trade and other payables	-	11,811	-	-	-	-	-	-	11,811

As at 31 March 2014

Fixed rate	Weighted average effective interest rate %	Less than one month £000	1-3 months £000	3 months to 1 year £000	1-2 years £000	2-5 years £000	over 5 years £000	Discount £000	Total £000
Finance lease obligations	7.7	-	29	88	117	87	-	(33)	288
PFI obligations	6.5	250	250	1,412	1,896	5,157	30,230	(18,893)	20,302
Foundation Trust Financing Facility Loan	1.88	-	-	631	-	-	-	(6)	625
Salix Loan	-	-	-	194	37	-	-	-	231
Floating rate									
Trade and other payables	-	10,782	-	-	-	-	-	-	10,782

31.5 Credit risk

As 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 at 31 March 2015 are in receivables from customers, as disclosed in note 21.

NOTES TO THE ACCOUNTS

31. **Financial instruments (continued)**

31.6 **Financial instruments by category**

	At Fair value through income and expenditure account	Loans and receivables	Available for sale	Total
	£000	£000	£000	£000
Financial assets - Group				
Trade and other receivables excluding non financial assets	-	6,383	-	6,383
Cash and cash equivalents	-	15,831	-	15,831
Other financial assets	5,812	-	-	5,812
Total at 31 March 2015	**5,812**	**22,214**	**-**	**28,026**
Trade and other receivables excluding non financial assets	-	7,012	-	7,012
Cash and cash equivalents	-	17,332	-	17,332
Other financial assets	5,235	-	235	5,470
Total at 31 March 2014	5,235	24,344	235	29,814
Financial assets - Trust				
Trade and other receivables excluding non financial assets	-	6,298	-	6,298
Cash and cash equivalents	-	14,880	-	14,880
Other financial assets	-	-	-	-
Total at 31 March 2015	**-**	**21,178**	**-**	**21,178**
Trade and other receivables excluding non financial assets	-	7,268	-	7,268
Cash and cash equivalents	-	16,949	-	16,949
Other financial assets	-	-	-	-
Total at 31 March 2014	**-**	24,217	**-**	24,217

	Group		Trust	
	At 'Fair value through income and expenditure account'	Other	At 'Fair value through income and expenditure account'	Other
	£000	£000	£000	£000
Financial liabilities				
Borrowings	-	37	-	37
Private Finance Initiative	-	19,725	-	19,725
Finance lease obligations	-	190	-	190
Trade and other payables	-	14,290	-	13,762
Provisions under contract	-	901	-	901
Total at 31 March 2015	**-**	**35,143**	**-**	**34,615**
Borrowings	-	856	-	856
Private Finance Initiative	-	20,302	-	20,302
Finance lease obligations	-	288	-	288
Trade and other payables	-	13,118	-	12,650
Provisions under contract	-	930	-	930
Total at 31 March 2014	**-**	35,494	**-**	35,026

NOTES TO THE ACCOUNTS

31. **Financial Instruments (continued)**

31.7 **Fair values of financial liabilities at 31 March 2015**

	Group		Trust	
	Book Value £'000	Fair Value £'000	Book Value £'000	Fair Value £'000
Provisions under contract	901	901	901	901
Loans	37	37	37	37
	938	938	938	938

32 **Third Party Assets**

The Trust held £0.001m cash at bank and in hand at 31 March 2015 (2014: £0.001m) which relates to monies held by the NHS Trust on behalf of patients. This has been excluded from the cash at bank and in hand figure reported in the accounts.

33. **Investment in subsidiary**

33.1 **Odstock Medical Limited**

Salisbury NHS Foundation Trust established, following Department of Health approval, a subsidiary company, Odstock Medical Limited, to market and develop a technology created at Salisbury District Hospital. The technology assists patients to obtain increased mobility following illnesses which reduce their muscular co-ordination. The company was established in August 2005 and commenced trading on 1 April 2006. Salisbury NHS Foundation Trust owns 68% of Odstock Medical Limited.

	Trust £
Shares at cost	
At 31 March 2015 and 31 March 2014	**34**

No goodwill arose in respect of the subsidiary as the reporting Trust established the company and received an interest in the company equal to the fair value of assets on its formation.

33.2 **Salisbury Trading Limited**

Salisbury NHS Foundation Trust established a subsidiary company, Salisbury Trading Limited, to market and deliver laundry & linen services. The company commenced trading on 1 October 2013. Salisbury NHS Foundation Trust owns 100% of Salisbury Trading Limited.

	Trust £
Shares at cost	
At 31 March 2015	**1**

No goodwill arose in respect of the subsidiary as the reporting Trust established the company and received an interest in the company equal to the value of assets on its formation.

NOTES TO THE ACCOUNTS

34. Investment in associate

Salisbury NHS Foundation Trust purchased one third of the shares at cost in a start up company, Replica 3dm Limited, which produces three dimensional models from scans and is marketing this capability to other NHS organisations. The company commenced trading in September 2012, but results from that date to 31 March 2015 are deemed to be immaterial and have not been incorporated into these consolidated financial statements. Following the involvement of a new investor during the year to 31 March 2015, the Trust's share of ownership of the company reduced to 22%.

35. Movements on Public Dividend Capital

	2015 £000	2014 £000
Public Dividend Capital at 1 April	53,339	51,554
New public dividend capital received	292	1,785
Public Dividend Capital at 31 March	53,631	53,339

36. Charitable fund balances

	2015 £000	2014 £000
Restricted funds	3,738	4,531
Unrestricted funds	8,441	7,924
Endowment funds	9	10
	12,188	12,465

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by the donor, or where the donor has restricted the use of their donation to a specified ward, patients', nurses' or project fund. Where the restriction requires the gift to be invested to produce income but the trustees have the power to spend the capital, it is classed as expendable endowment.

Unrestricted income funds comprise those funds that the Trustee is free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include general funds, where the donor has not specified or restricted the use the Charity may make of their donation. General funds additionally generate income from Gift Aid, investment income, interest and donations given specifically to cover running costs.

Endowment funds are funds which the trustees are required to invest or to keep and use for the Charity's purposes.

Salisbury **NHS**
NHS Foundation Trust

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