

ANNUAL REPORT AND ACCOUNTS 2012-13

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**University Hospital of South Manchester NHS Foundation Trust
Annual Report and Accounts 2012-13.**

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

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01 About the Foundation Trust and Summary of 2012-13

The Board of Directors of the University Hospital of South Manchester NHS Foundation Trust (UHSM) presents this, its seventh formal Annual Report, to its Members, Governors and other stakeholders. The Report describes the organisation – and the Board’s stewardship of it – from April 1, 2012 until March 31, 2013.

UHSM is a major acute teaching hospital trust providing services for adults and children at Wythenshawe Hospital and Withington Community Hospital, and community services that were formerly operated by Manchester Primary Care Trust. We are recognised as a centre of clinical excellence and provide district general hospital services and specialist tertiary services to our local community.

Our fields of specialist expertise - including cardiology and cardiothoracic surgery, heart and lung transplantation, respiratory conditions, burns and plastics, cancer and breast care services – not only service the people of South Manchester, but help patients from across the North West and beyond. We are also recognised in the region and nationally for the quality of our teaching, research and development. Our major research programmes focus on cancer, lung disease, wound management and medical education.

UHSM has 6,400 members of staff, including those employed by our Private Finance Initiative partner South Manchester Healthcare Limited. We also have more than 500 valued volunteers, who give up their free time to help our patients and visitors.

UHSM’s priority is to be a centre of health and wellbeing for patients and the local population, delivering safe, high quality care. We have a good reputation, and this is reflected in the way that more people are choosing its services than ever before. In 2012-13 the Trust treated almost 590,000 patients through the A&E department, or as inpatients or day-cases, or by needing our outpatient services. UHSM wants every patient to experience the best quality of care it can offer, and so continues to value and seek out feedback from patients on their experiences.

As a self-governing Foundation Trust, the Board of Directors has ultimate responsibility for the management of UHSM but is accountable for its stewardship to the Council of Governors and Members. UHSM performance is also scrutinised by the Foundation Trust regulator, Monitor, and the Care Quality Commission (CQC).

UHSM was able to report compliance with almost all of the key regulatory targets throughout 2012-13 and has maintained a strong performance. The ‘Green’ rating from regulator ‘Monitor’ slipped to Amber/Green during in quarters 3 and 4 due to failings against the Accident and Emergency 4 hour waiting target. We have maintained a clear registration with the Care Quality Commission.

Meeting the NHS challenge to do more for less has been difficult to deliver. However, through a programme of transformation, UHSM has seen many improvements in many areas of the hospital and community services. For example, UHSM is pioneering 7 day a week consultant-led services and a culture of total transparency. Theatre improvement work continues and is seeing more patients treated on the same day, helping to avoid unsettling and costly overnight stays. Improvements to elective and emergency pathways are seeing the time patients have to spend

with us reduced, helping them home earlier, which is where the vast majority tell us they would rather be.

UHSM has continued to push forward its 'Green Hospital' agenda. We were acknowledged again as Britain's Greenest Hospital. We continue to reduce our carbon footprint by radical carbon reduction management and staff sustainability programme.

The relentless fight against infection continues. We have had only one case of hospital acquired MRSA during the year against a regulatory target of no more than three. We also reduced the incidence of *C. difficile* infection to 46, against a target of no more than 49.

As a teaching hospital with strong affiliations to the University of Manchester we are proud to report that this year we recruited large numbers of patients into research studies and clinical trials again. UHSM is recognised as a centre of excellence for multidisciplinary research and development, and is proud to be a founding member of MAHSC (Manchester Academic Health Science Centre).

More than 80 per cent of the staff who work at UHSM live in the immediate community we serve, and so building ever stronger links with the community continues to be a priority. The annual Open Day, held in September again attracted more than 2,000 visitors to the Wythenshawe Hospital site and was followed by the Annual Members' Meeting, which attracted positive feedback and lively debate. Governors and volunteers continue to work with the Trust's engagement team to strengthen communications with local schools and organisations to share best practice on infection prevention and sustainability. And last summer the hospital worked with others to deliver the Wythenshawe Games, which was recognised as the only community event of its kind outside the London 2012 Olympic and Paralympic Games with a priority on health and wellbeing.

In the last 12 months we have made a very significant step towards our goal to promote local employment, investment and innovation by working with Manchester City Council and our neighbours at Manchester Airport to further develop our 'MediPark' concept. This ambitious and pioneering project for a major science and research park, will attract new investment and income to the local area.

In the rest of this Report the Board of Directors explain how UHSM has performed during 2012-13 and its wider plans for the next 12 months.



02 Chairman's Statement 2012-13

At UHSM we believe that effective, safe, quality care requires an NHS which operates on every day of the week to the same consistently high standards. Over the past twelve months we have begun to put that belief into action.

Many of our consultants and support teams have altered the way they work to provide services which are consultant-led on each day of the week. The hospital is investing in more consultants to spread this 7-day practice across the Trust. Support staff too have risen to the challenge to ensure that many diagnostic tests can be provided round the clock and that test results are delivered within hours or minutes. Supporting this change is a drive for total transparency on outcomes. Thanks to the work pioneered nationally by Dr Ben Bridgewater, a UHSM Cardiac Surgeon, we have the knowledge and technology to publish outcome data for all consultants. The process has already begun and is a priority. Web site details will include what the patients say about each individual.

The past year has once again seen UHSM and many of our colleagues win major awards. Jacky Edwards, our lead nurse practitioner in Burns was selected as the National Nurse of the Year; UHSM was awarded one of the four national sites for the treatment of patients with severe respiratory symptoms using extra corporeal membrane oxygenation (ECMO); and the Trust became a Level One trauma centre.

Research continues to go from strength to strength with a major breakthrough in the treatment of large, open wounds and more patients in clinical trials than in most other hospitals in the country. Education and the global health links continue to be a source of pride and inspiration with a new Uganda /UK health alliance brokered by UHSM colleagues and hosted at the Trust.

Despite all the good things that have happened, there remain many challenges. There has been a significant rise in the numbers of very sick people presenting at UHSM's A&E Department and requiring admission. We have failed our four-hour target for two consecutive quarters but changes put in place are improving performance. Infection prevention remains a core priority with a concerted effort to change antibiotic-prescribing habits. MRSA has been virtually eliminated but we still have some way to go to reduce *C. difficile* incidence to nil. The biggest challenge for UHSM is financial. Despite a steady increase in income, the Trust's margins continue to erode. These are key areas for concentration over the next twelve months.

Our Chief Executive of the past 4 years, Julian Hartley, has left us to set up and run the new national Health Improvement Agency for the NHS; a big accolade for him and for the Trust. He goes with our thanks and very best wishes.

Our Chief Operating Officer, Karen James, has continued to drive quality and innovation at UHSM in her capacity as acting Chief Executive, in particular by introducing 7-day consultant-led services and brokering the Southern Sector partnership, a joint approach by UHSM and its neighbours to help deliver integrated care to citizens across much of Greater Manchester. It is early days but the signs are promising. A new Chief Executive has been identified, bringing management and commercial skills which few NHS Acute Trusts can boast. Unusually for the

NHS it will mean that UHSM will be led by a former doctor, as CEO, and Karen James, a former nurse, as COO, reinforcing our commitment to a service which is clinician-led.

Our Governors continue to keep us grounded in the needs of our communities. More than half of our original Governors retired this year after serving their full terms. We thank them for their excellent work in helping to ensure that the hospital stays focused on its key task of delivering outstanding care and treatment to patients. Our newly elected Governors have settled in quickly and are already demonstrating a serious commitment to understanding the challenges facing the hospital, the needs of those whom they represent, and the practice of holding non-executive directors to account for the performance of the Board, a new statutory duty they acquired under the Health and Social Care Act 2012.

The Board members, both executives and non-executives, work hard to drive quality and innovation. Our thanks are due to all our colleagues and to the many stakeholders in the wider community who enable us to deliver ever better services. We continue to be mindful of the recommendations of the Francis enquiry, to think and behave in a way that always puts the patient at the heart of what we do and we are striving for UHSM to become a recognised centre for the wellbeing of the community as well as the place of choice for treatment.

A handwritten signature in blue ink, appearing to read 'Felicity Goodey'.

Felicity Goodey, CBE, DL
Chairman



03 Trust Strategy

2012-13 was the fourth year of the delivery of our strategy moving UHSM towards becoming one of the best healthcare organisations in the NHS.

UHSM is no longer simply a centre of healthcare, but as a pioneer of health and well-being, building on a reputation for clinical excellence and working with local partners to improve and develop UHSM's infrastructure. As UHSM enters 2013/14, it is faced with a changing strategic climate. Changes in commissioning came into operation in April 2013 and commissioners are already looking at the strategic configuration of healthcare in Greater Manchester with their 'Healthier Together' review.

For the purposes of this report, UHSM recognises that in 2013/14 UHSM will need to revisit its strategic priorities in light of the discussion and outcome of the 'Healthier Together' programme. A revised strategic vision and objectives which will recognise the changing climate in which UHSM operates is required.

UHSM's overarching objective will continue to be a focus on the delivery of safe, high quality, patient centred services, supported by high calibre teaching and research. UHSM will enable this by delivering on three core areas which run through its strategic planning over the next three years:

- i) Effective Board leadership of UHSM evidenced by maintenance of Monitor and Care Quality Commission risk ratings; meeting all compliance standards and national targets
- ii) Through its people and organisational development strategy, developing and delivering effective people processes which maximise colleague contribution and engagement
- iii) Deliver the financial targets, including an annual 5% efficiency programme and capital development plans.

Particularly important to help UHSM deliver these overall challenges is the shared vision we have with our Southern Sector neighbours to develop a collaborative approach to the strategic configuration of healthcare across East Cheshire, Stockport and South Manchester.

In October 2012, we signed a Memorandum of Understanding with East Cheshire NHS Trust and Stockport NHS Foundation Trust to pursue a number of common objectives, expected to be delivered over the next 3 years and articulated below –

- Deliver an alternative and compelling vision for healthcare in the Southern sector including the full integration of community and acute care
- Meet the challenge of 'Healthier Together' in all domains – stronger together – maintaining high quality community, secondary and tertiary services across the Southern sector.
- Linking into the Academic Health Science Network, Manchester Academic Health Science Centre and Local Education and Training Board to protect Teaching and Associate Teaching status, maximising research activity to the benefits of patients across the southern sector
- Sharing corporate functions to offer mutually beneficial financial efficiencies.

However whilst these Southern Sector goals are bedded into organisations over the next 12 months, UHSM must also maintain its own medium term objectives, which compliment these. These remain to deliver –

i) UHSM as the NHS Quality and Efficiency Leader

UHSM will constantly improve on its current position to become a Quality and Efficiency leader, improving the delivery of frontline patient care through an open culture of engagement with colleagues and partners – ‘The South Manchester Way’. This is built from the absolute priority given within UHSM to the delivery of safe, high quality care, meeting all performance standards and abiding with the regulatory Licence and registration with the Care Quality Commission.

UHSM has reinvigorated its approach to its efficiency programme for 2013/14, by emphasising the wider gain to be delivered through constantly challenging and improving processes. This approach will ensure that UHSM continues to deliver financial stability (with a Financial Risk Rating of 3 in 2013/14). UHSM’s specific objectives for 2013/14 in this area are:

- 1) UHSM will improve against a range of patient, colleague, quality, safety and experience indicators
- 2) UHSM will improve against a range of efficiency metrics
- 3) Deliver on service developments including vascular hybrid theatre, cardiac catheter lab replacement and IM&T investments.

Each of these objectives has specific and measurable targets assigned to it.

ii) UHSM as a networked partner

UHSM recognises that its future security and independence will also rely on a series of networked partnerships with neighbouring organisations and partners who share its values, goals and ambitions. These are highlighted in UHSM’s Southern Sector partnership objectives, but also include other partnership objectives with the commercial sector through the Medi-Park development which we expect to crystallise in a joint venture with Manchester City Council and a private sector partner in 2013/14. UHSM’s specific objectives for 2013/14 in this area are:

- 1) UHSM will work with the Southern Sector alliance to develop a model of sustainable healthcare delivery
- 2) UHSM will continue to deliver integrated care services in collaboration with public sector partners
- 3) UHSM will work with partners to deliver the first phase of MediPark

Each of these objectives has specific and measurable targets assigned to it.

iii) UHSM as an Education and Research and Development (R&D) Leader

UHSM will continue to develop its position as a leading provider of education, training, research and development, particularly by building and protecting its areas of specialist strengths. UHSM’s R&D strategy includes an emphasis on fostering a culture of innovation as it delivers services to patients. This will include encouraging the use of technology to improve processes and procedures – particularly IM&T and the ongoing replacement of equipment with up to date models which offer superior levels of connectivity and assistance to clinical led decision making. At the same time UHSM will ensure that our clinicians are empowered to develop new techniques and harness the benefits of their research. UHSM’s specific objectives for 2013/14 in this area are:

- 1) UHSM will embed and further enhance its learning culture
- 2) UHSM will further develop R&D

Each of these objectives has specific and measurable targets assigned to it. The Board reviews progress against its corporate objectives at the half year and full year stage in a formal Board meeting setting.



04 UHSM's Quality Account 2012-13

Overview

The Quality Account 2012-13 is an annual review of the quality of NHS healthcare services provided by the University Hospital of South Manchester NHS Foundation Trust (UHSM) during 2012-13. It also outlines the key priorities for quality improvement in 2013-14.

The Quality Account comprises four distinct sections. **Section 4.1** includes a brief overview of the Trust, a statement about what quality means to UHSM, signed by the Chief Executive, and highlights some of the Trust's key quality achievements in 2012-13. **Section 4.2** constitutes a review of the Trust's performance against the objectives set in the 2011-12 Quality Account and in relation to key national standards. **Section 4.3** includes the priorities for improving the quality of services in 2013-14 that were agreed by the Board of Directors in consultation with stakeholders. Each priority is sub-divided into specific indicators and initiatives, which have been chosen to address local and national quality challenges. **Section 4.4** includes legislated statements of assurance from the Board of Directors.

A draft version of the Quality Account 2012-13 was shared with our stakeholders in April 2013 as part of the assurance process. The stakeholders are: *South Manchester Clinical Commissioning Group; Healthwatch Manchester; and Manchester City Council's Health and Wellbeing Overview and Scrutiny Committee*. Each organisation was asked to review the draft report and provide a written statement for publication (unedited) in **Appendix One** of this Quality Account. In the case of South Manchester Clinical Commissioning Group this is a statutory requirement. In addition, the Quality Account was shared with the governing council's Patient Experience Committee.

The Statement of Directors' Responsibilities in respect of the Quality Account is published as **Appendix Two** of this report.

The external auditor has provided a Limited Scope Assurance Report on the content of the Quality Account, as required by Monitor, the Independent Regulator of foundation trusts. The auditor also gives a limited assurance opinion on two chosen mandated indicators (*Clostridium difficile*; and emergency re-admissions within 28 days of discharge from hospital). The external auditor's report is included in **Appendix Three**.

Every effort has been made to use clear and understandable language wherever possible during the production of this Quality Account. Given the nature of quality improvement in healthcare, the inclusion of some medical and healthcare terms is unavoidable. Further information about health conditions and treatments is available on the NHS Choices website, at www.nhs.uk

About University Hospital of South Manchester NHS Foundation Trust

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Our fields of specialist expertise - including cardiology and cardiothoracic surgery, heart and lung transplantation, respiratory conditions, burns and plastics, cancer and breast care services - not only serve the people of South Manchester and Trafford, but help patients across the North-West and, in some cases, nationally. We are also recognised in the region and nationally for the quality of our teaching, research and development. Our major research programmes focus on cancer, lung disease, wound management and medical education.

UHSM has approximately 6,500 valued staff, including those employed by our Private Finance Initiative partner South Manchester Healthcare Limited. In 2012-13, UHSM had an income of £430.5m and, through sound financial management, generated a revenue surplus on our income that will be re-invested in our services. More people are choosing UHSM than ever before and, in 2012-13, 588,734 were treated by a combination of Emergency Department, as inpatients, day cases and as outpatients; this represents a 3.8% increase in overall Trust activity.

4.1 Chief Executive's Statement

On behalf of myself, the Board of Directors, the Council of Governors, and colleagues of the University Hospital of South Manchester NHS Foundation Trust, I am pleased to offer you the Quality Account for the year just ended, 2012-13.

Patient care is at the heart of everything we do, and fundamental to this principle is the continued desire to deliver and develop care which is of the highest quality, the safest, and offering the best patient experience. In a year when the NHS has faced many challenges (including the publication of the 'Francis Report'), I believe that this Quality Account provides evidence that the **University Hospital of South Manchester** continues to improve the care it offers to its patients.

We believe we have made, and will demonstrate in this Account, good progress on the goals we set for 2012-13. We are particularly proud of our continued strong performance on infection prevention and our excellent performance in the first year of the National Safety-Thermometer. Whilst we believe we have a very positive story of quality improvement to share with you, we would wish to reassure you that we are fully committed to continuous improvement, and include in our account some of the goals we are pursuing in 2013-14. The Quality Account also describes those goals that we did not achieve and details our plans to address these areas in 2013-14.

I hope you enjoy reading about the progress on quality we are continuing to make here at UHSM, **'Your Hospital'**.

The Board of Directors has reviewed the 2012-13 Quality Account and confirms that it is a true and fair reflection of UHSM's performance. We hope that the Quality Account provides you with evidence of the Trust's commitment to quality and safety.

29th May 2013

Date



Signature

Karen James, Acting Chief Executive, UHSM NHS Foundation Trust

Signed for, and on behalf of the Board of Directors

Key Quality Achievements in 2012-13

Successfully achieved our mortality goal

Consistently met the target for VTE risk assessment



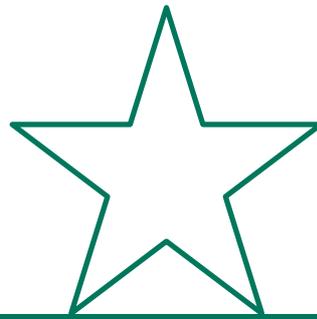
Won a RoSPA Gold Award for safety processes

UHSM did not report any 'Never Events'



Significantly reduced infection rates

Secretary of State for Health, Jeremy Hunt, unveiled the Trust's 'Thank-you Wall' (Britain's biggest thank-you card)



Recruited over 15,400 patients for research



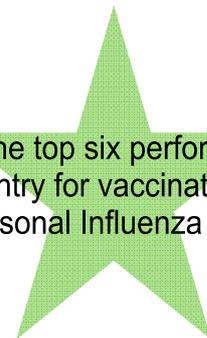
Worked in partnership with the Patients Association to improve complaints-handling

Continued to successfully develop our ECMO service

Burns Nurse Jacky Edwards won Nursing Times' Nurse of the Year' 2012

Introduced Medical Staff Revalidation

One of the top six performing trusts in the country for vaccinating front-line staff (Seasonal Influenza Programme)



4.2 Performance against the Quality Improvement Priorities in 2012-13

In the Quality Account 2011-12, UHSM presented its quality improvement priorities for 2012-13, which were agreed following extensive consultation with key stakeholders. Governors, managers and clinical colleagues were consulted in the development of the priorities for quality improvement in 2012-13. Feedback was received from Governors via the Trust's Patient Experience Committee and Council meetings. Information from patients was gathered from complaints, concerns, and other forms of feedback. UHSM's risk system provided an indication of the issues reported by staff. This consultation facilitated the development of the Trust's Patient Safety, Quality and Patient Experience programmes, which describe a five-year programme of activity.

In this section the Trust's performance in 2012-13 is reviewed compared to the priorities that were published in UHSM's 2011-12 Quality Account. In addition, performance against key national priorities is detailed.

During 2012-13 UHSM has been delivering this programme of work and progress against the priorities has been shared on a monthly-basis with the Board of Directors and published monthly on the Trust's Website. Progress has also been discussed at every Council of Governors' Meeting and, via UHSM's Patient Experience Report, with the governing council's Patient Experience Committee and the Local Involvement Network (LINK).

A summary of the Trust's performance for each of the quality indicators is presented in **Table 4.1**. The time period of the results is April 2012 to March 2013 (referred to as 2012-13), unless otherwise stated in the text.

Table 4.1: Summary of performance against the quality improvement priorities in 2012-13

PATIENT SAFETY	2012-13 Quality goals	2012-13 Results	Achieved?
Reducing mortality	<ul style="list-style-type: none"> achieve a Risk-adjusted Mortality Index (RAMI) of 96 or lower, i.e. a 2% reduction compared to 2011-12 data. 	RAMI of 92, a 6% reduction in inpatient mortality (February 2012 to January 2013)	✓
Reducing rates of infection	<ul style="list-style-type: none"> no more than 3 cases of hospital-acquired MRSA bacteraemia; no more than 49 cases of <i>C. difficile</i>; achieve 'excellent' Patient Environment Action Team (PEAT) scores across Environment, Privacy & Dignity and Nutrition. 	1 case 46 cases 'excellent' across all areas except 'good' for Environment at Dermot Murphy Long-stay Unit	✓ ✓ ✓
Recognising and responding to the signs of critical illness	<ul style="list-style-type: none"> 95% compliance to the minimum standards of Observations and Modified Early Warning Score (MEWS) escalation policies; develop an electronic root-cause analysis tool to be utilised for review of those 2222 calls, which identify areas for improvement; 	average compliance with escalation policies: 93% - minimum standards of observation; and 78% - MEWS root-cause analysis tool developed	✗ ✓

PATIENT SAFETY	2012-13 Quality goals	2012-13 Results	Achieved?
	<ul style="list-style-type: none"> reduce the number of cases where patient care could have been improved prior to cardiac arrest (including planning for 'End-of-Life Care'). 	34% reduction in cases in 2012-13 (23 cases) compared to 2011-12 (35 cases)	✓
Preventing medication errors	<ul style="list-style-type: none"> ensure 75% of patients have their medicines reconciled at discharge and documented in the discharge summary; roll-out new inpatient and outpatient prescription charts to help reduce the risk of medication harms; improve the learning from medication incidents that caused or risked serious patient harm; review and improve systems/ practices to reduce the risks associated with high-risk medicines (in particular 'injectable' medicines and insulin'). 	<p>77.8% (July 2012 to March 2013)</p> <p>new prescription charts are in place</p> <p>quarterly reports circulated to clinical directorates</p> <p>higher-risk injectables prioritised for manufacture and NPSA Insulin Passport Alert completed</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>
Nutrition	<ul style="list-style-type: none"> 95% of patients to receive a nutrition risk assessment within 24 hours. 	66% average score across the Trust (July 2012 to March 2013)	✗
Pain management	<ul style="list-style-type: none"> implement a pain-assessment tool; develop a training strategy to support the implementation of a pain-assessment tool. 	<p>tool implemented</p> <p>training plan in place</p>	<p>✓</p> <p>✓</p>
National Safety-Thermometer incorporating VTE, pressure ulcers, falls and catheter-associated urinary-tract infections	<ul style="list-style-type: none"> commencing in July 2012, assess all inpatients once a month using the Safety-Thermometer Tool and submit to the national database; utilise the Safety-Thermometer to assess and monitor performance of other Greater Manchester CQUIN targets and progress of the wider Patient Safety Programme across all four elements: <ol style="list-style-type: none"> 95% of all patients to be risk assessed, documented according to Trust policy; 95% of all patients requiring further care plans, documented according to Trust policy; undertake root-cause analysis where harm has been identified; monthly monitoring of hospital-acquired harms. 	<p>completed</p> <p>more than 95% of risk assessments were carried out and more than 99% of care plans were completed in Quarter 4 (2012-13)</p> <p>a root-cause analysis is carried out for all harms and learning is reviewed at the monthly validation meeting</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>

PATIENT SAFETY	2012-13 Quality goals	2012-13 Results	Achieved?
Preventing hospital-acquired pressure ulcers (<i>objectives in addition to those included in the National Safety-Thermometer Programme</i>)	<ul style="list-style-type: none"> monthly monitoring of hospital and community-acquired pressure ulcers and feedback on learning; 	all pressure ulcers reported using the hospital incident reporting system	✓
	<ul style="list-style-type: none"> reduce the number of incidences of grade 3 and grade 4 pressure ulcers compared to 2011-12; 	83% reduction in grade 3 and no grade 4 pressure ulcers reported; see note (a) below	✓
	<ul style="list-style-type: none"> monitor feedback from the Transparency Project and impact of changes in practice; 	the national Transparency Project stopped in 2012	N/A
	<ul style="list-style-type: none"> embed reporting processes into the community setting. 	one common system is used to report pressure ulceration	✓
The World Health Organization's (WHO) Surgical Safety Checklist	<ul style="list-style-type: none"> WHO Surgical Safety Checklist to be completed for 100% of UHSM patients treated in theatre and interventional settings; 	there has been no escalation to Executive Panel for failure to complete the Checklist	✓
	<ul style="list-style-type: none"> review of the checking processes, standard operating procedures and the methods for monitoring performance will be undertaken by the Strategic Theatre Group in 2012; 	completed review and re-launch of the Checklist, policy and monitoring arrangements	✓
	<ul style="list-style-type: none"> revise and deliver the programme of education and training for safer checking procedures during 2012; 	all theatre staff have been trained to use the new Safer Surgery Checklist	✓
	<ul style="list-style-type: none"> a root-cause analysis (RCA) investigation to be completed and the learning shared, for any failure of adherence to the Checklist. 	no RCA has been required as no failures of the Checklist have been reported	✓

CLINICAL EFFECTIVENESS	2012-13 Quality goals	2012-13 Results	Achieved?
Advancing Quality Programme	<ul style="list-style-type: none"> acute myocardial infarction (heart attack) (95.0%) 	98.6%	✓
	<ul style="list-style-type: none"> coronary-artery bypass graft (95.0%) 	91.5%	✗
	<ul style="list-style-type: none"> hip & knee replacement (95.0%) 	95.8%	✓
	<ul style="list-style-type: none"> heart failure (81.9%) 	83.1%	✓
	<ul style="list-style-type: none"> community-acquired pneumonia (90.7%) 	86.3%	✗
	<ul style="list-style-type: none"> stroke - CPS (90.0%)/ ACS (50.0%) 	90.0%/ 61.2% (April - September 2012)	✓
Nursing indicators, Clinical Rounds and Essence of Care	<ul style="list-style-type: none"> nursing indicators embedded in all ward areas with agreed tolerances; 	nursing indicators are reported on a monthly basis	✓
	<ul style="list-style-type: none"> data included from the AUKUH Acuity & Dependency Tool to establish areas of concern that require action; 	the tool has supported development of the workforce	✓
	<ul style="list-style-type: none"> outcomes of clinical rounds and 'Intentional Rounding' reported and appropriate actions taken. 	wards have introduced care & communication rounds	✓

CLINICAL EFFECTIVENESS	2012-13 Quality goals	2012-13 Results	Achieved?
Productive Ward/ Theatre	<ul style="list-style-type: none"> monitor programme and changes being made; 	<i>Productive Theatre:</i> weekly monitoring of progress with theatre teams. 6 of the 11 modules completed <i>Productive Ward:</i> the programme has commenced in all ward areas theatre teams have taken ownership of the Programme. Progress reported to Service Improvement Board	✓
	<ul style="list-style-type: none"> monitor effectiveness of Productive Theatre Programme. 		✓
Enhanced Recovery Programme	<ul style="list-style-type: none"> roll-out enhanced recovery to gynaecology, musculoskeletal and upper-gastrointestinal surgery. 	gynaecology and musculoskeletal completed and upper-gastrointestinal underway	✓

<i>Improving the</i> PATIENT EXPERIENCE	2012-13 Quality goals	2012-13 Results	Achieved?
Gaining feedback from patients & responding to patient feedback	<ul style="list-style-type: none"> UHSM to be in the top 20% of trusts in the National Patient Survey results; 	Not applicable see note (b) below	N/A
	<ul style="list-style-type: none"> 90% of complaints responded to within timeframe agreed with patient/complainant; 	94.4%	✓
	<ul style="list-style-type: none"> implement the second year of the 'Patient Care at our Heart, it's Everyone's Responsibility' strategy; at least 96% of patients would recommend UHSM to others. 	the second year of the strategy has been fully implemented 96.1%	✓ ✓
Treating patients with dignity & respect	<ul style="list-style-type: none"> over 95% of respondents saying that they did not share sleeping areas with a patient of the opposite sex in the local Patient Perception Survey; 	99.6%	✓
	<ul style="list-style-type: none"> reduce same-sex accommodation breaches to a minimum and work with clinical teams and commissioners to improve performance; 	165% reduction in clinically unjustified breaches in 2012-13 (33 breaches) compared to 2011-12 (203 breaches) see note (c) below	✓
	<ul style="list-style-type: none"> develop a three-year health-economy strategy for dementia care for South Manchester, working in partnership with the local Clinical Commissioning Group (CCG), community representatives and carers. 	UHSM is working with key stakeholders to progress the Joint Strategic Needs Assessment, which will inform the 3-year strategy	✓

Notes to **Table 4.1**

- (a) In 2012-13, a total of thirteen grade 3 & 4 pressure-ulcer incidents were initially reported to StEIS. Following root-cause analysis investigation, eleven of these incidents were identified as 'unavoidable' and were downgraded as 'not reportable to StEIS'. One incident was classified as 'avoidable' and the remaining incident was identified as an existing pressure ulcer, which was incorrectly reported to StEIS.
- (b) As the Care Quality Commission (CQC) has moved away from the national thresholds previously used, it is not possible to assess UHSM's performance against the 2012-13 quality goal '*UHSM to be in the top 20% of trusts in the National Patient Survey results*'. The response to each survey question is now categorised as being '*worse than*', '*about the same as*' or '*better than*' other NHS organisations. In the 2012 Patient Survey for UHSM, the responses to 18 questions were in the top 20% of trusts compared to 1 question in 2011. Otherwise, responses to remaining questions were 'about the same' as other organisations.
- (c) Same-sex Accommodation breaches occurred, in 2012-13, in critical-care areas (the Acute Intensive Care Unit and the Cardiothoracic Critical Care Unit) when the patient was deemed medically fit to be nursed and managed on the ward.

4.2.1 Review of the Quality Improvement Projects 2012-13

The section that follows details the work undertaken to deliver the results outlined in **Table 4.1**. For each of the 15 focus areas listed in **Table 4.1**, performance against headline measures is assessed alongside the main achievements and further actions identified.

■ Safe ■ Effective ■ Patient Experience

Reducing mortality

Inpatient mortality monitors how many patients die while they are in hospital. Simply counting the numbers of deaths is not a useful way of assessing hospital care. Instead NHS hospitals use a calculation, which takes into account the patient's age, type of illness as well as other factors. This mortality indicator (referred to as the Risk-adjusted Mortality Index, or RAMI) is measured against an index, with a value of 100 suggesting that mortality is 'as expected', a value greater than 100 that mortality is 'higher than expected' and a value less than 100 suggesting that mortality is 'lower than expected'.

Goal: Achieve a Risk-adjusted Mortality Index (RAMI) of 96 or lower, i.e. a 2% reduction compared to the baseline Index of 98 (April 2011 to March 2012)

By When: March 2013

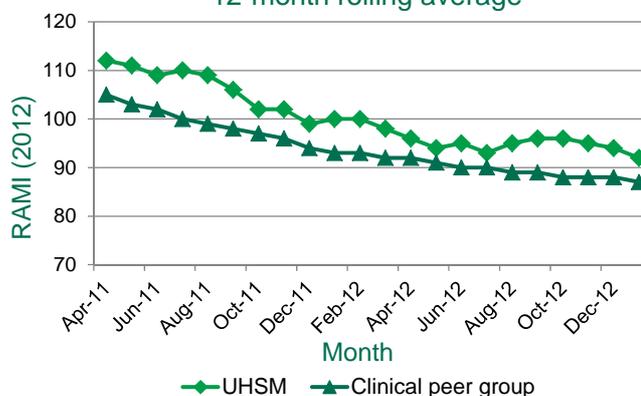
Actual Outcome: **ACHIEVED** - the Trust achieved a 6% reduction in inpatient mortality with a Risk-adjusted Mortality Index (RAMI) of 92 for the twelve-month period February 2012 to January 2013, indicating less mortality than expected.

While the Trust uses RAMI as a measurement of reducing mortality, the Department of Health has developed an experimental measure called the Summary Hospital-level Mortality Indicator (SHMI), and data for this indicator also suggests less mortality than expected. UHSM's latest reported SHMI value is benchmarked against other NHS acute hospital trusts in England on page 32.

Improvements Made

- an independent review of deaths in groups of patients with low-expected mortality was carried out, during the year, by a senior consultant;
- clinicians are now able to review their coded mortality data, before it is submitted to a national database, by following a clinical verification process.

Figure 4.1: Risk-Adjusted Mortality Index (RAMI), 12-month rolling average



Data source: CHKS Risk-adjusted Mortality Tool. This data is not governed by standard national definitions.

Further Planned Improvements

- a full review of how the Trust manages the information and review process for inpatient mortality is planned for 2013-14 with the development of a comprehensive mortality-monitoring framework;
- a series of workshops are planned with clinical teams to agree a process to review the clinical care provided, patient pathways and the data recorded for every death at UHSM.

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Reducing rates of infection

Reducing rates of infections and keeping patients safe remains a high-priority for UHSM. In 2012-13 the Trust continued to reduce its infection rates for *Clostridium difficile* and MRSA bacteraemia. Collaborative working with our Private Finance Initiative (PFI) partners helps to create a clean and well-maintained environment, which meets the requirements of the new system for assessing the quality of the patient environment. PLACE assessments (Patient-led Assessments of the Care Environment) will replace the Patient Environment Action Team (PEAT) inspections from April 2013.

Goals:

- A. No more than 3 cases of hospital-acquired MRSA bacteraemia.
- B. No more than 49 cases of *Clostridium difficile*.
- C. Achieve 'excellent' PEAT scores across Environment, Privacy & Dignity and Nutrition.

By When: March 2013

Actual Outcome:

- A. **ACHIEVED** - 1 hospital-acquired MRSA bacteraemia in 2012-13.
- B. **ACHIEVED** - 46 incidences of hospital-acquired *Clostridium difficile* in 2012-13, which is a 14.8% reduction on 2011-12.
- C. **ACHIEVED** - 'excellent' PEAT scores for all areas across the three domains with the exception of Dermot Murphy Long-stay Unit, which scored 'good' for the Environment.

Table 4.2: Annual infection-prevention performance

Cases	12-13	11-12	10-11
MRSA bacteraemia	1	1	5
<i>C. difficile</i>	46	54	81

*Data source: Department of Health
Manchester Medical Microbiology Partnership at UHSM.
This data is governed by standard national definitions.*

Improvements Made

- UHSM completed all the actions that were put in place to ensure the Trust achieved its infection prevention quality goals;
- implemented the anti-microbial Care Bundle based on the 'Start Smart and Focus' document as well as further initiatives to improve the prescribing and management of antibiotics;
- urinary-catheterisation documentation was revised in response to the National Safety-Thermometer and local CQUIN targets.

Further Planned Improvements

- Food Safety Policy to be developed in response to three incidences of listeria in 2012;
- revision of the Infection Prevention Patient Environmental Audit, incorporating the new PLACE standards;
- rolling programme of updating the Infection Prevention Manual to create new standalone policies, which reflect national evidence-based guidelines.

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Recognising and responding to the signs of critical illness

Preventing patients from deteriorating, and ensuring critically-ill patients are cared for as safely as possible, remains a very important feature of UHSM's Safety Programme. The Trust has established systems and procedures for preventing, monitoring and treating critically-ill patients, which have been audited throughout the year.

- Goal:
- A. 95% compliance to the Minimum Standard of Observation and MEWS (Modified Early Warning Score) escalation policies.
 - B. Develop an electronic root-cause analysis tool to be utilised for review of those 2222 calls, which identify areas for improvement.
 - C. Reduce the number of cases where patient care could have been improved prior to cardiac arrest (including planning for 'End-of-Life Care').

By When: March 2013

- Actual Outcome:
- A. **NOT ACHIEVED** - average compliance of 93% and 78% was achieved for Minimum Standard of Observations and MEWS escalation policies in the two audits carried out during 2012-13 (290 patient notes reviewed). The Critical-care Outreach Team is working with specific wards to ensure that staff are fully conversant with the MEWS escalation procedures.
 - B. **ACHIEVED** - the electronic Root-Cause Analysis Tool, which is being developed in collaboration with the Informatics Team, will be trialled in 2013.
 - C. **ACHIEVED** - there was a year-on-year reduction of 8 cases where some aspects of patient treatment could have been improved prior to cardiac arrest (including planning for 'End-of-Life Care').

Improvements Made

- use of the SBAR (Situation - Background - Assessment - Recommendation) Tool and supporting documentation has been communicated to all wards to support the management and care of deteriorating patients;
- the Minimum Standard of Observation and the MEWS escalation policies were reviewed during 2012-13; Royal College of Physicians guidance regarding oxygen saturation levels was included in the updated policies;
- the Trust has carried out a detailed review of its Do Not Attempt Cardiopulmonary Resuscitation (DNACPR) Policy to ensure that the processes and decision-making takes into account the needs of all patients, their families and carers.

Further Planned Improvements

- utilise the newly-designed Root-cause Analysis Tool for investigating incidents where the deterioration of a patient was not optimally managed in order to learn lessons and improve the way that patients are cared for at UHSM;
- introduce an amended version of the Resuscitation Council UK's Do Not Attempt Cardiopulmonary Resuscitation (DNACPR) form in line with the new policy.

■ Safe ■ Effective ■ Patient Experience

Preventing medication errors

The use of medicines in hospitals can result in serious patient harm. The Trust's goal is to encourage improved reporting of medication incidents by staff, to help develop solutions to high-risk medication problems and change systems and practices to prevent repetitive harms. Prescribing errors, in particular, can result in harm to patients and the aim of 'medicines reconciliation' at discharge is to ensure that all medicines are prescribed correctly and that all intentional changes to medicines are highlighted in the discharge summary for both the GP and patient to understand.

Goal:

- A.** Ensure 75% of patients have their medicines reconciled at discharge and documented in the discharge summary.
- B.** Roll-out new inpatient and outpatient prescription charts to help reduce the risk of medication harms.
- C.** Improve the learning from medication incidents that caused or risked serious patient harm.
- D.** Review and improve systems/ practices to reduce the risks associated with high-risk medicines.

By When: March 2013

Actual Outcome:

- A. ACHIEVED** - 78% of patients audited in 2012-13 had their medicines fully reconciled at the point of discharge (sample size of 200 patients).
- B. ACHIEVED** - inpatient prescription chart rolled-out in July 2012.
- C. ACHIEVED** - new medication incident reports, which provide detailed learning about high-risk medication errors, are circulated on a quarterly basis to all clinical directorates together with a log of actions to prevent a recurrence of errors.
- D. ACHIEVED** - systems/ practices to reduce the risks associated with high-risk medicines such as injectable medicines, anti-coagulation and insulin have been reviewed and improved.

Improvements Made

- in line with National Patient Safety Agency (NPSA) guidance, higher-risk injectable products are now being prioritised for manufacture in the Pharmacy Aseptic Unit;
- the NPSA Insulin Passport Alert has been completed;
- new procedures to ensure that all injectable medicines are fully-labelled when patients come out of the operating theatre have been agreed by the Anaesthetics Directorate.

Further Planned Improvements

- the Trust will take part in the piloting of a major new national Medication Safety-Thermometer to engage nurses, pharmacists and medical staff in improving medication errors and to understand the burden of harm from high-risk medication errors and in particular, the omission of important medicines. The Medication Safety-Thermometer is expected to be used nationally in 2014-15;
- a new outpatient prescription has been designed with a plan to introduce it in May 2013;
- the Patient Safety and Quality Board has agreed to re-introduce additional red warning name-bands for patients with allergies as part of a six-month trial to try to prevent patients from being given medicines, which they are allergic to;
- where available, small numbers of very high-risk medicines, which the Pharmacy Department is unable to technically prepare, will be purchased from commercial sources.

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Nutrition

A significant number of patients admitted to hospital may be malnourished, potentially resulting in delayed recovery, extended hospital stay and increased mortality rates as well as incurring additional hospital costs. It is therefore vital to identify and treat malnutrition at the earliest opportunity. The Malnutrition Universal Screening Tool (MUST) identifies patients who are at risk of malnourishment and provides a specific action plan (according to the level of risk) to ensure the patient is provided with appropriate nutrition.

Goal: 95% of patients to receive nutrition risk assessment within 24 hours of inpatient admission to any ward area.

When: March 2013

Actual Outcome: **NOT ACHIEVED** - use of the MUST assessment was documented in the patient notes in 66% of cases audited between July 2012 and March 2013 (sample size of 254 patients across 32 ward areas).

Improvements Made

- monthly detailed audits of nutritional screening were carried out on every ward during 2012-13, with the exception of maternity and critical care. Additional support was provided to wards, which performed below the 95% threshold in the MUST assessment;
- Nutrition and Hydration Week (18th - 22nd March 2013) was used to launch the revised nutritional-screening documentation to ensure that patients' nutritional needs are met;
- training in nutrition has been provided to all nursing staff on induction and every ward on completion of the nutritional screening documentation;
- the Trust's Dining Companion Programme was expanded during 2012-13.

Further Planned Improvements

- nutrition screening to be incorporated into a UHSM nutrition policy;
- the Trust's revised nutrition-screening documentation to be included in a booklet of risk assessments;
- enlisting the support of, and regularly feeding back, assessment results to matrons, ward managers and practice-based educators;
- maintain the focus on nutrition by collaborating with PLACE assessments and supporting established initiatives such as the nationally-recognised 'red-tray and jug scheme' to support the identification and provision of additional support to patients, such as dining companions.

■ Safe ■ Effective ■ Patient Experience

Pain Management

Feedback from patients, as well as data published in the Patients Association's 'Care Campaign' highlighted the need to improve the assessment and management of pain. It is recognised that good pain management improves patient outcomes allowing for early mobilisation, less respiratory complications and an early discharge from hospital.

Goal:

- A.** Assess the prevalence of pain within UHSM.
- B.** Develop a collaborative strategy between acute, chronic, palliative and community services to address pain management.
- C.** Review and further implement a pain-management tool across the organisation.
- D.** Develop a training strategy for pain management.

By When: March 2013

Actual Outcome:

- A.** In a pain-prevalence study, carried out in May 2012, 26% of patients surveyed were found to be in pain and 54% had no pain (68 patients were surveyed across three wards). The pain status of 20% of the patients was recorded as 'not known'; these were patients who have difficulties communicating as a result of dementia or confusion and were unable to express their pain using the Trust's current pain-assessment tool. This requirement is being addressed by the Trust (see **point C** below).
- B.** Communication links have been established between the acute pain and chronic pain services along with palliative and community services, with agreement to attend quarterly meetings to share knowledge, best practice and discuss patient case studies. This will ensure that patients receive appropriate pain management irrespective of where they are cared for. It will also allow patients to be cared for in their homes rather than being admitted to hospital.
- C.** Although a pain-assessment tool is already in place, the Trust has approved and is piloting a specific tool for people with communication difficulties. Results of the pilot and feedback from nursing staff and carers will determine whether the tool is used throughout the organisation.
- D.** The pain-management training strategy was implemented, informed by feedback from clinical staff and ward nurses with an interest in pain management.

Improvements Made

- agreement on referral pathways between acute, chronic, palliative and community services to ensure that patients receive timely appropriate treatment;
- pain management for people with communication difficulties will improve with the introduction of an appropriate assessment tool. Family members and carers can also use the pain assessment tool to assist clinical staff in ensuring that pain is well-managed.

Further Planned Improvements

- continue to audit and evaluate pain management across the organisation;
- develop an online learning package to support pain-management training.

■ Safe ■ Effective ■ Patient Experience

National Safety-Thermometer incorporating VTE, pressure ulcers, falls and catheter-associated urinary-tract infections

During 2012-13, UHSM began using the National Safety-Thermometer, which is an acknowledged improvement tool for measuring, monitoring and analysing patient harms and harm-free care. The tool focuses on the measurement of four harms: pressure ulcers; falls; catheter-associated urinary-tract infections; and venous thromboembolism (VTE). The measurement includes an assessment for each inpatient of the four harms on a given day each month

- Goal:
- A. Commencing in July 2012, assess all inpatients once a month using the Safety-Thermometer Tool and submit to the national database.
 - B. Utilise the Safety-Thermometer to assess and monitor performance in other Greater Manchester CQUIN targets and progress the wider Patient Safety Programme across all four elements:
 - 95% of all patients to be risk assessed, documented according to Trust policy;
 - 95% of all patients requiring further care plans, documented according to Trust policy;
 - undertake root-cause analysis where harm has been identified; and
 - monthly monitoring of hospital-acquired harms.

The ultimate goal is for 95% of patients to be 'harm-free' in Quarter 4 2012-13.

By When: March 2013

- Actual Outcome:
- A. **ACHIEVED** - the Trust has submitted validated Safety-Thermometer data for all inpatient areas, including two community inpatient areas (Buccleuch Lodge Intermediate Care Unit and Dermot Murphy Long-stay Unit) since July 2012.
 - B. **ACHIEVED** - more than 95% of risk assessments and 99% of care plans were completed in Quarter 4 (2012-13). Root-cause analysis investigations carried out for harms identified with pressure ulcers, falls and catheter-associated urinary-tract infections have been shared with commissioners as part of Commissioning for Quality and Innovation.

Improvements Made

- an electronic tool was developed to capture patient data for all national and local targets pertaining to the Safety-Thermometer;
- a pocket-sized booklet, which helps with interpretation of the Safety-Thermometer definitions, has been issued to ward staff;
- a catheter risk-assessment and catheter care-plan were developed for use across the Trust.

Further Planned Improvements

- begin collecting Safety-Thermometer data in the community setting;
- increased focus required around the catheter assessments, particularly in A&E and operating theatres;
- develop a programme of work with community colleagues to reduce the number of patients who are admitted with a harm.

■ Safe ■ Effective ■ Patient Experience

Preventing Hospital-acquired Pressure Ulcers

Pressure ulcers are areas of damage to the skin and underlying tissue that may be attributable to the quality of care that is provided. Pressure ulcers that have occurred as a result of the care provided are considered avoidable. Pressure ulcers can cause a patient undue pain and discomfort as well as affect their quality of life by reducing their recovery. It is essential that measures are put in place to prevent all avoidable pressure ulceration through assessment, appropriate intervention and re-evaluation of patient needs.

Goal:

- A. Monthly monitoring of hospital-acquired pressure ulcers and feedback on learning.
- B. Reduce the number of incidences of grade 3 and grade 4 pressure ulcers compared to 2011-12.
- C. Monitor feedback from the Transparency Project and impact of changes in practice.
- D. Embed reporting processes into the community setting.

By When: March 2013

Actual Outcome:

- A. **ACHIEVED** - a Root-cause analysis (RCA) investigation is completed for all pressure ulcer grades 2, 3 and 4; grade 4 pressure ulcers are the most severe. There is a process for sharing the learning from RCAs and ensuring that resultant actions are completed to improve nursing practice and patient care.
- B. **ACHIEVED** - 2012-13: grade 3 (1); grade 4 (0);
2011-12: grade 3 (6); grade 4 (0).
See [note \(a\)](#) to [Table 4.1](#) on page 15
- C. **NOT APPLICABLE** - the pilot transparency project in the North of England has yet to commence.
- D. **ACHIEVED** - the process for reporting, investigating and learning from pressure ulcer incidents is the same regardless of the care setting where the incident was reported, i.e. acute or community setting.

Improvements Made

- during 2012-13 the reporting of all newly-acquired and existing pressure ulcers has improved across both the hospital and community settings;
- as part of the National Safety-Thermometer, monthly audits of pressure-ulcer harms that occur at the Trust, are carried out across the acute and two community inpatient settings;
- all grade 2 pressure ulcers are now investigated using the NPSA mini-investigation tool, which supports analysis of the care, interventions made and actions required to prevent further occurrence;
- education is jointly provided to hospital and community staff to ensure joint-working and shared learning.

Further Planned Improvements

- embed the revised pressure-area management policy across the organisation;
- develop a programme of work with community colleagues to reduce the number of patients who are admitted with a harm;
- improve attendance at the pressure-area management training sessions, particularly engaging staff working in the acute-care environment.

■ Safe ■ Effective ■ Patient Experience

The World Health Organization's (WHO) Surgical Safety Checklist

The World Health Organization (WHO) launched the Surgical Safety Checklist in 2008 to improve patient safety with a systemic process of checks to prevent harm before, during and after surgery. The process was re-launched in 2012 and now includes a 'Team Brief' at the start of every list and follows a three-part patient-specific checklist, which confirms: patient identity; correct site and side; patient consent; patient allergies and medical conditions; VTE prevention; surgical team time-out; and instrument counts. The ultimate goal is to improve surgical and procedural outcomes and minimise the risk of incidents occurring in the theatre environment.

- Goal:
- A. WHO Surgical Safety Checklist to be completed for 100% of UHSM patients treated in theatre and interventional settings.
 - B. Review of the checking processes, standard operating procedures and the methods for monitoring performance will be undertaken by the main Strategic Theatre Group in 2012.
 - C. Revise and deliver the programme of education and training relating to safer-checking procedures during 2012.

By When: March 2013

- Actual Outcome:
- A. **ACHIEVED** - no issues of non-compliance have been reported since the re-launch of UHSM's revised Surgical Safety Checklist in September 2012. Compliance with the Checklist is monitored using a monthly qualitative audit and the Hospital Incident Reporting System.
 - B. **ACHIEVED** - UHSM reviewed its Surgical Safety Checklist and processes during 2012 and re-launched the Checklist and Safer Surgery Policy in September 2012. The new process includes a more rigorous escalation procedure to help ensure that safer surgical checks are carried out for each of UHSM's patients.
 - C. **ACHIEVED** - a programme of education and training to support the revised Surgical Safety Checklist was delivered in September 2012.

Improvements Made

- no reported Never Events relating to safer surgery procedures have been declared since the new Checklist was introduced;
- 'Team Brief' was successfully introduced prior to commencement of the theatre list.

Further Planned Improvements

- introduce a de-briefing session at the end of each theatre list for the core theatre team to review any issues that occurred, answer any concerns, discuss specific incidents and identify how to prevent them from happening again;
- introduce a revised Surgical Safety Checklist, which is appropriate for interventional (non-theatre) environments.

■ Safe ■ Effective ■ Patient Experience

The Advancing Quality Programme

Advancing Quality is a quality initiative with the aim of improving the standards of healthcare provided in NHS hospitals across the North West of England and reducing variation in treatment. Clinicians have agreed a number of key things which, if carried out at the same time and in the same way for every patient, will ensure all patients receive the best possible care. For example, if a patient is admitted to hospital suffering from pneumonia, two of the key measures would be to have oxygen levels assessed on arrival and for the patient to receive prescribed antibiotics within six hours of their arrival.

Goal: Reliable care for patients in focus areas evidenced by the Advancing Quality Audit.

By When: March 2013

Actual Outcome: See **Table 4.3**

Progress: **ON SCHEDULE** - indicative performance suggests that the Trust is achieving the required standard in 4 of 6 clinical focus areas; further work is required to achieve success for coronary-artery bypass graft and stroke.

Improvements Made

- **Stroke:** weekly discussions about Stroke Unit performance and monthly feedback to clinicians about opportunities have helped to improve stroke performance;
- **Heart failure:** coding reviews were conducted to address incorrect coding and to help ensure that the correct patients are identified;
- **Hip & knee:** all cases where care can be improved are reviewed by a consultant orthopaedic surgeon with learning points communicated to the responsible surgeons, anaesthetists and ward managers.

Table 4.3: Advancing Quality compliance, April to September 2012 (un-validated)

Clinical focus area	CQUIN target	Compliance
Acute-myocardial infarction	95.0%	98.6%
Coronary-artery bypass graft	95.0%	91.5%
Hip & knee replacement	95.0%	95.8%
Heart failure	75.1%	83.1%
Community-acquired pneumonia	83.4%	86.3%
Stroke - ACS	90.0%	89.9%
Stroke - CPS	50.0%	52.0%

Data source: NHS North West Advancing Quality Programme. This data is governed by standard national definitions

Further Planned Improvements

- **Coronary-artery bypass graft:** all cases where a patient appears to have had changes to their medication are going to be reviewed by pharmacists to ensure that this follows guidelines;
- **Community-acquired pneumonia:** the process for notifying clinicians of the arrival of a patient, who is referred straight to a ward by a GP, will be reviewed in 2013-14. Smoking cessation advice is given to the majority of patients but may not be documented in all cases; the importance of completing documentation is being reinforced to clinical teams;
- **Further measures:** eight new measures will be included in 2013-14 across four focus areas. Processes are in place to improve the following measures: VTE prophylaxis duration on discharge after hip/ knee surgery; surgical check-list documentation for coronary-artery bypass graft outpatients; and referral to cardiac rehabilitation after a heart attack.

■ Safe ■ Effective ■ Patient Experience

Nursing Indicators, Clinical Rounds and Essence of Care

Delivering high standards of care to patients is a fundamental part of care provision at UHSM. The measuring of these standards of care is essential in order to identify issues and to further improve standards. Standards of care are measured in ward areas using identified nursing indicators, which are then monitored and reviewed by senior nurses during monthly clinical ward rounds.

Goal:

- A. Nursing indicators to be embedded in all ward areas with agreed tolerances.
- B. Data included from the AUKUH Acuity & Dependency Tool to establish areas of concern that require action.
- C. Outcomes of clinical rounds and 'Intentional Rounding' reported and appropriate actions taken.

By When: March 2013

Actual Outcome:

- A. **ACHIEVED** - monthly reports showing performance against nursing indicators are in place for all wards.
- B. **ACHIEVED** - acuity information informed the workforce assurance tool for all wards.
- C. **ACHIEVED** - clinical rounds are carried out each month during the day and night and now include unannounced off-site visits to community homes. Care and communication rounds (intentional rounding) have been introduced, for every patient at UHSM. Actions are put in place after each round to improve the quality of patient care.

Improvements Made

- indicator tolerances have been reviewed and additional information about pressure ulcers is included in the suite of nursing indicators;
- all wards can now be benchmarked against each other to give assurance that staffing ratios meet national and local standards and are appropriate to deliver safe and effective care;
- the introduction of care and communication rounds across the wards now means that every patient is seen by a member of the nursing team every one-to-two hours and their needs of pain assessment, positioning, access to basic provisions (call-bell, drink, glasses, etc.) together with personal needs (toileting) are addressed.

Further Planned Improvements

- review current indicators and identify additional nursing indicators to inform wards of their performance and encourage improvement;
- continue to assess and review the ward areas using the Workforce Assurance Tool;
- review the clinical rounds documentation to include the Chief Nursing Officer's Strategy encompassing the six Cs (Care, Compassion, Competence, Communication, Courage and Commitment) and introduce clinical rounds for community services and community practitioners;
- audit the impact of care and communication rounds; initial feedback suggests that the number of times the call-bell is used by patients has reduced, and patients and their families are more involved in decisions about their care planning.

■ Safe ■ Effective ■ Patient Experience

Productive Ward/ Theatre & Enhanced Recovery

The Productive Operating Theatre Programme continues to be implemented within the four main operating-theatre areas. Based on global best-practice, the programme uses learning from industry and introduces new safety protocols to reduce the risk of harm to patients in the operating theatre. Enhanced recovery is an evidence-based approach to elective surgery. It starts at the point of referral and progresses using a personalised pathway, which is designed to ensure that individual needs are assessed, thus enabling patients to recover more quickly from surgery and leave hospital and get back to normal everyday activities sooner. Enhanced recovery ensures that patients are in the optimal condition for surgery and have the best possible clinical management during surgery and post-operatively.

- Goal:
- A. Monitor Productive Ward and Productive Theatre programmes and changes being made - **ACHIEVED**
 - B. Monitor the effectiveness of the Productive Theatre Programme - **ACHIEVED**
 - C. Roll-out enhanced recovery to gynaecology, musculo-skeletal and upper gastro-intestinal (GI) surgery - **ACHIEVED**

By When: March 2013

Improvements Made - Productive Operating Theatre/ Productive Ward programmes

- the project team has successfully completed all of the 'foundation' modules, which include: *knowing how we are doing*; *well-organised theatre*; and *operational status at-a-glance*;
- two of the four theatre blocks are working on the *team-working* module, with the Trust's Organisational Development Team. This is enabling better team-working and a much greater understanding of the roles and responsibilities within the team;
- a sixteen-week improvement project has been completed within the F-Block theatres. The team identified three main areas of improvement to focus on: staffing and skill-mix; list overruns; and equipment issues;
- the project team is reviewing the Admissions Lounge process in order to identify opportunities to provide additional capacity for admission to aid patient flow to theatres;
- the Productive Ward Programme has commenced in all areas of the Trust.

Improvements Made - Enhanced Recovery

- the enhanced recovery after-surgery pathway has been successfully implemented in breast, urology, gynaecology and colorectal specialties. The project team is working with multi-disciplinary colleagues from thoracic surgery; vascular surgery; upper GI surgery; and the fractured neck-of-femur pathway;
- the Thoracic Surgery Team, in partnership with colleagues from the Anaesthetic Team and other support services, has made excellent progress and is currently piloting same-day admission for a small cohort of patients;
- patient-experience feedback has been sought in a variety of different ways across the specialties involved in Phase 1 of the programme; this will continue in Phase 2;
- the average length-of-stay for colorectal patients having bowel resection has reduced from 7.7 days to 7.0 days. Similar reductions in length-of-stay are being realised in other specialties;
- an analysis of surgical procedures is being carried out to identify the specialties where enhanced recovery could have the biggest impact on quality improvements for patients.

■ Safe ■ Effective ■ Patient Experience

Gaining feedback from patients and responding to patient feedback

The five key elements of the 'Patient Care at Our Heart - it's Everyone's Responsibility' strategy incorporate the culture of the organisation, the importance of communication, UHSM colleagues being valued, providing high-quality, safe care and the importance of listening to patients and improving what the Trust does as a result. Year Two of the strategy has focused on communication, patient care and the development of the Trust's staff.

Goal:

- A.** UHSM to be in the top 20% of trusts in the National Patient-Survey.
- B.** 90% of complaints responded to within the time-frame agreed with the patient/ complainant.
- C.** Implement the second year of the 'Patient Care at Our Heart, it's Everyone's Responsibility' strategy.
- D.** At least 96% of patients would recommend UHSM to others.

By When: March 2013

Actual Outcome:

- A.** **NOT APPLICABLE** - the national threshold is no longer used in the National Inpatient Survey; See [note \(c\)](#) to **Table 4.1** on page 15.
- B.** **ACHIEVED** - 94.4% of formal complaints were responded to within the time-frame agreed with the complainant in 2012-13.
- C.** **ACHIEVED** - a customer-care course was introduced for lower-banded staff and the 'Safe and Thyme' and 'Parsley' communication-skills courses continue to be delivered across the Trust.
- D.** **ACHIEVED** - 96.1% of patients would recommend UHSM to others according to local inpatient surveys.

Improvements Made

- in 2012-13, UHSM participated in the national Patients Association project on complaints handling, which independently reviewed the Trust's response to complaints, and gained feedback from the families who have complained, to help improve the way in which the Trust responds to complaints;
- following feedback, the Patient Experience Team has reviewed and updated its information leaflets and comments cards to raise the profile of how patients can provide feedback;
- the Real-time Patient Stories Project, which films patients talking about their own personal experiences with a view to improving services, was made possible by the award of funding from the national Patient Experience Challenge Project. The first filmed patient story was shown at the Board of Directors meeting in March 2013.

Further Planned Improvements

- from April 2013 all patients who are discharged from the Trust or attend the Accident & Emergency Department will be asked a simple question to identify if they would recommend the Trust to their friends and family. The Trust intends to publish these results and use them to inform service improvements;
- improve real-time patient feedback methods using the bedside electronic system to help clinical areas to address problems as they happen;
- continue the Real-time Patient Stories Project to provide video stories, which will be used to inform service improvement.

■ Safe ■ Effective ■ Patient Experience

Treating patients with dignity and respect

Maintaining privacy and dignity for patients is a fundamental element of providing a high standard of care and is a key priority for UHSM. This includes ensuring that each patient is accommodated in the right place at the right time, appropriate to their clinical need. The Trust monitors patients on a daily basis to make sure that there are no mixed-sex accommodation breaches.

Goal:

- A.** Over 95% of respondents saying that they did not share sleeping areas with a patient of the opposite sex in the local Patient-Perception Survey.
- B.** Reduce same-sex accommodation breaches to a minimum and work with clinical teams and commissioners to improve performance.
- C.** Develop a three-year health-economy strategy for dementia care for South Manchester, working in partnership with the local Commissioning Group, community representatives and carers.

By When: March 2013

Actual Outcome:

- A.** **ACHIEVED** - more than 95% of respondents in the Patient-Perception Survey, for each month in 2012-13, did not share sleeping areas with a patient of the opposite sex.
- B.** **ACHIEVED** - 33 clinically-unjustified breaches were reported in 2012-13, which is an 83% reduction compared to 2011-12. There were 26% fewer breaches in the second half of 2012-13 compared to the first half of the year.
- C.** **ON SCHEDULE** - UHSM is working with the South Manchester Clinical Commissioning Group and relevant community and patient groups to develop the Joint Strategic Needs Assessment across South Manchester, which will inform the three-year strategy for dementia care.

Improvements Made

- a Dementia Team and an operational group focusing on dementia have been established to support the development of dementia care and the dementia-care strategy;
- working with colleagues from the community, UHSM has undertaken a number of training and awareness sessions to improve the environment in which patients with dementia are supported.

Further Planned Improvements

- further develop the three-year health economy strategy for dementia care working in partnership with South Manchester Clinical Commissioning Group, community representatives and carers;
- work with the community groups on the provision of a psychiatry liaison service to support dementia care;
- improve the environment to support dementia-friendly wards.

Commissioning for Quality and Innovation (CQUIN)

The Commissioning for Quality and Innovation (CQUIN) payment framework was introduced in 2009 to enable commissioners to reward excellence, by making a proportion of providers' income conditional on achieving local quality-improvement goals. The UHSM scheme for 2012-13 comprised national, regional and local topics with specialist commissioning topics added to the scheme part way through the year. National topics covered performance in the Patient Experience Survey, participation in the National Safety-Thermometer, improvement of VTE risk assessment and the introduction of new initiatives to assess and improve the care of patients with dementia. Regional topics included the Advancing Quality Programme and other schemes to help improve length-of-stay, patient experience and prescribing. Local topics that were agreed with commissioners covered continence care, end-of-life care, the Enhanced Recovery Programme, stroke care and adult and child safeguarding.

There were a number of challenges to achieving this year's CQUIN schemes; with ambitious targets set, based upon performance in previous years. This was evident in the Advancing Quality audit topics, with targets for patients with community-acquired pneumonia and stroke set above 90%. Other challenges related to the introduction of new systems and processes to address the care and treatment of patients with dementia.

To date, the Trust estimates that it will receive approximately 93.6% of the income, which is conditional on achieving the CQUIN goals. UHSM has worked closely with commissioners during the year to develop and influence, at an early stage, the 2013/14 CQUIN schemes. While some topics are to be carried forward, there are also some new additions.

Nationally mandated topics include:

- continue the National Safety-Thermometer, which monitors harm caused by pressure ulcers, falls, venous thromboembolism (VTE) and catheter-associated urinary-tract infections;
- progress against selected topics from the High-impact Interventions initiative;
- develop the Friends & Family Test to help assess patient and staff feedback about the care and treatment provided by UHSM; and
- ensure that all adults are assessed and protected for risk of venous thromboembolism (VTE); the quality standard increases by 5% to 95% in 2013-14.

Greater-Manchester commissioner topics include:

- reduce admissions for patients who may not need to be admitted to hospital;
- review and improve the quality of transfers of care, both within and external to the Trust;
- implement a policy for support and care of homeless patients;
- develop systems to identify and support patients who are at risk of alcohol abuse;
- further develop UHSM's end-of-life care pathways; and
- participate in the Academic Health Science Network.

Local topics include:

- continue the programme to improve staff competence in the management of patients who have had a stroke;
- continue the programme to improve staff competence in the management of continence;
- further develop the Enhanced Recovery Programme;
- implement a project to help listen to and make real-time changes to the experience of families who have a partner or relative who is dying in our care;
- the 'Learning Lessons Once' Project will help to ensure that learning from serious incidents is a key feature of UHSM's safety programme by focusing on key patient safety risks identified following investigation.

4.2.2 Performance against key National Priorities in 2012-13

UHSM reported a single hospital-acquired MRSA bloodstream infection ('bacteraemia') in 2012-13 and achieved a further significant reduction in cases of *Clostridium difficile* (46 cases compared with 54 in 2011-12). The thresholds for next year (2013-14) are challenging, with a threshold of zero MRSA bacteraemia and of 36 cases of *Clostridium difficile*.

During the same period, UHSM achieved the referral-to-treatment targets for both non-admitted and admitted patients and met all the national cancer targets.

The Trust did not meet the emergency 4-hour waiting time in 2012-13 as a consequence of under-performance in quarters 3 and 4 of the year. During 2012-13, the Trust experienced a growth of 3.6% in A&E attendances and an increase in the 'acuity' (complexity) of patients attending A&E, i.e. attendances classified as 'major' increased by 7.3% in 2012-13. These changes led to a significant increase in demand for inpatient beds, particularly in quarters 3 and 4. UHSM, in collaboration with its local health-economy partners, has developed an action plan to address performance, which is designed to return the Trust to compliance by June 2013.

Table 4.4: UHSM performance against key national priorities in 2012-13, and specifically, governance indicators published in Monitor's *Compliance Framework 2012-13*

a) Acute targets - national requirements	2012-13	2011-12	2010-11	Threshold ^(a)
<i>Clostridium difficile</i> year-on-year reduction	46	54	81	49 in 2012-13 64 in 2011-12 148 in 2010-11
MRSA - meeting the MRSA objective	1	1	5	3 in 2012-13 3 in 2011-12 8 in 2010-11
Maximum one month wait for subsequent treatment of all cancers:				
surgery	97.6%	98.5%	99.7%	94.0%
anti-cancer drug treatment	100.0%	99.4%	100.0%	98.0%
Maximum two month wait from referral to treatment for all cancers ^(b) :				
from urgent GP referral to treatment	87.8%	88.4%	88.1%	85.0%
from consultant screening service referral	97.5%	98.0%	97.6%	90.0%
18-week referral-to-treatment maximum wait:				
Non-admitted patients	97.3%	97.3%	98.0%	95.0%
Admitted patients	93.0%	91.4%	92.6%	90.0%
Patients on an incomplete pathway ^(c)	94.9%	N/A	N/A	92.0%
Maximum one month wait from diagnosis to treatment for all cancers	97.6%	98.3%	99.4%	96.0%
Two week wait from referral to date first seen:				
all cancers	96.9%	95.6%	96.7%	93.0%
for symptomatic breast patients (cancer not initially suspected)	96.7%	93.2%	94.9%	93.0%
Maximum waiting time of four hours in A&E from arrival to admission, transfer or discharge	92.3%	95.8%	96.7%	95.0% since Jun-10 98.0% prior to Jun-10
Access to healthcare for people with a learning disability	95.8%	94.7%	91.7%	no threshold published

Notes to Table 4.4:

- (a) threshold for achievement of the national standard.
- (b) reporting of the national 62-day cancer standards is according to the Greater Manchester & Cheshire Cancer Network's (GMCCN) breach re-allocation rules from October 2011. Prior to October 2011, the 62-day cancer standards were reported using the national Cancer Waiting Times (CWT) database.
- (c) the 18-week referral-to-treatment maximum wait for patients on an incomplete pathway was introduced in 2012-13.

4.2.3 National Benchmarking of specific Quality Indicators

UHSM has benchmarked the following quality indicators against the national average for NHS acute trusts, where the data is available, for the last two reporting periods:

- Summary Hospital-level Mortality Indicator (SHMI);
- Patient Reported Outcome Measures (PROMs);
- emergency re-admissions within 28 days of being discharged;
- responsiveness to the personal needs of patients;
- staff recommending the Trust as a provider of care (to their friends or family);
- risk assessment of venous thromboembolism (VTE);
- *C. difficile* infection rate per 100,000 bed days; and
- patient safety incidents that result in severe harm or death.

NHS acute trusts with the lowest and highest values for each indicator are also reported.

DOMAIN 1: PREVENTING PEOPLE FROM DYING PREMATURELY

Summary Hospital-level Mortality Indicator (SHMI)

UHSM's mortality rate (SHMI) of 0.9981 is broadly in-line with expectations for the types of services that the Trust provides. It is noted that over time the rate has steadily progressed from 'below expected' to 'as expected' following quarterly re-basing, and that UHSM's mortality rate is not as good as the average of the peer group; this is recognised by the Board of Directors as a cause for concern. There are many factors influencing the mortality ratio (such as the standard of care, referral pattern, post-discharge care arrangements, etc.) and these are matters, which are currently under investigation.

Table 4.5: Summary Hospital-level Mortality Indicator (SHMI) for the latest two reporting periods

NHS organisation(s)	Oct-11 to Sep-12		Jul-11 to Jun-12	
	SHMI	OD banding ^(a)	SHMI	OD banding ^(a)
UHSM NHS Foundation Trust	0.9981	'as expected' (2)	0.967	'as expected' (2)
NHS acute hospital trusts in England, excluding specialist trusts (142 trusts)	1.000	N/A	1.000	N/A

Note to **Table 4.5:**

^(a) OD banding: '1' where the trust's mortality is 'higher than expected'; '2' where the trust's mortality rate is 'as expected'; and '3' where the trust's mortality rate is 'lower than expected'

Table 4.6: SHMI for the latest reporting period (October 2011 to September 2012); three NHS acute hospital trusts (excluding acute specialist trusts) with the lowest and highest values

	NHS acute hospital trust	Value	OD banding ^(a)
Lowest value	University College London Hospitals NHS FT	0.6849	'lower than expected' (3)
	Whittington Health NHS Trust	0.7128	'lower than expected' (3)
	Imperial College Healthcare NHS Trust	0.7579	'lower than expected' (3)
Highest value	Blackpool Teaching Hospitals NHS FT	1.2107	'higher than expected' (1)
	Aintree University Hospital NHS FT	1.1817	'higher than expected' (1)
	Tameside Hospital NHS FT	1.18	'higher than expected' (1)

Note to **Table 4.6:**

^(a) OD banding: '1' where the trust's mortality is 'higher than expected'; '2' where the trust's mortality rate is 'as expected'; and '3' where the trust's mortality rate is 'lower than expected'

Palliative-care coding at UHSM is below the national peer-rate, i.e. a combined rate of 16.6% compared to 18.9% national average.

UHSM will endeavour to provide safe and high-quality patient care, which will assist the Trust in reducing avoidable mortality. Particularly, the Trust will focus on:

- improving the standard, quality and reliability of patient care;
- ensuring every death is thoroughly reviewed to identify opportunities for improving and learning;
- improving the quality of information and clinician record-keeping; and
- monitoring more directly the performance of Directorates and strengthening accountability for clinical outcomes.

DOMAIN 3: HELPING PEOPLE TO RECOVER FROM EPISODES OF ILL HEALTH OR FOLLOWING INJURY

Patient Reported Outcome Measures (PROMs)

Patient Reported Outcome Measures (PROMs) assess the quality of care delivered to NHS patients from the patient perspective. Currently covering four clinical procedures, PROMs measure a patient’s health-related quality of life after surgical treatment using pre-operative and post-operative surveys. Although pre-operative questionnaires are generally completed at the time of the operation, post-operative questionnaires are not sent out to patients until a significant period after the operation occurs (varicose vein and groin hernia - 3 months; hip and knee replacements - 6 months) to ensure that there is a period of time where the patient can see a change in their condition. Although the latest reporting period available for PROMs is April to September 2012, the number of post-operative questionnaires sent out and returned by the date of publication (mid-February 2013) is below the numbers required to calculate the adjusted average health-gain. For the purposes of this report, the latest two reporting periods are therefore considered to be April 2011 to March 2012 and April 2010 to March 2011.

As seen in **Table 4.7**, the average health-gain adjusted for case-mix is comparable to the national average for all providers of NHS healthcare in England, across all four surgical procedures, in 2011-12. There has been an improvement in the average health-gain for groin hernia and hip replacement procedures between the two reporting periods. The average health gain for knee replacements remained unchanged. UHSM is working closely with a third-party supplier to review the processes for issuing and collecting pre-operative and post-operative PROMs questionnaires to ensure the highest possible participation rate for each procedure. Further detailed work will also be carried out in 2013-14 to benchmark PROMs scores against the best-performing organisations.

Table 4.7: Patient Reported Outcome Measure (PROM) scores for groin hernia surgery, varicose-vein surgery, hip-replacement surgery and knee-replacement surgery, for the latest reporting periods

NHS organisation	Surgical procedure	Average health-gain adjusted for case-mix	
		Apr-11 to Mar-12	Apr-10 to Mar-11
UHSM NHS Foundation Trust	Groin hernia	0.101	0.049
	Hip replacement	0.4	0.402
	Knee replacement	0.304	0.270
	Varicose vein	0.081	data not available
National average (all providers in England)	Groin hernia	0.087	0.085
	Hip replacement	0.416	0.405
	Knee replacement	0.302	0.299
	Varicose vein	0.094	0.091

Emergency Re-admissions within 28 days of being discharged

UHSM's re-admission rate is broadly in-line with expectations for the types of services it provides. The Trust has begun a pilot with the Picker Institute designed to reduce 'avoidable' re-admissions by 'following-up' patients, with a high-risk of re-admission, by telephone. This work will focus on all high-risk groups including those aged under 15. This work is part of a broader programme of work focused on reducing re-admission rates.

Table 4.8: Emergency re-admissions to hospital within 28 days of discharge from hospital: children of ages 0-14 and adults aged 15 years and over, for the latest two reporting periods

NHS organisation(s)	Measure	0-14 years		15 years and over	
		Feb-12 to Jan-13	Feb-11 to Jan-12	Feb-12 to Jan-13	Feb-11 to Jan-12
UHSM NHS Foundation Trust	average	8.2%	8.8%	5.8%	6.2%
National NHS acute trusts, excluding specialist trusts (146 trusts)	average	8.0%	7.9%	6.3%	6.5%
NHS acute teaching hospital trusts (31 trusts)	average range	6.3% 2.1 - 11.7%	6.2% 6.0 - 7.7%	6.2%	6.3%

Table 4.9: Emergency re-admissions to hospital within 28 days of discharge from hospital: children of ages 0-14 and adults aged 15 years and over, for the latest reporting period (February 2012 to January 2013); NHS acute teaching hospital trusts with the lowest and highest rates

Age band	NHS acute hospital trust	Re-admission rate
0-14 years	University College London Hospitals NHS Trust	2.1%
	University Hospital of North Staffordshire NHS Trust	11.7%
15 years and over	University College London Hospitals NHS Trust	2.4%
	Nottingham University Hospitals NHS Trust	8.8%

DOMAIN 4: ENSURING PEOPLE HAVE A POSITIVE EXPERIENCE OF CARE

Responsiveness to the Personal Needs of Patients

Despite the overall reduction in the score for 2011-12, UHSM's average-weighted score is higher than the national average and the Trust's score has improved in 18 questions (overall) in the full National Patient-Survey. The Trust is currently reviewing the survey and an action plan will be developed with the patient governors and UHSM colleagues to address the outcomes.

Table 4.10: Responsiveness to inpatient's personal needs (average weighted-score) for the latest two reporting periods

NHS organisation(s)	2011-12	2010-11
UHSM NHS Foundation Trust	68.2	70.1
NHS acute hospital trusts in England (161 trusts)	67.4	67.3

Note to **Table 4.10:**

Average weighted score of 5 questions relating to responsiveness to inpatients' personal needs (score out of 100), National Patient-Survey Programme

Table 4.11: Responsiveness to inpatient’s personal needs (average weighted-score) for the latest reporting period (2011-12); three NHS acute hospital trusts with the lowest and highest scores

	NHS acute hospital trust	Average Weighted-score
Lowest value	North West London Hospitals NHS Trust	56.5
	Barking, Havering and Redbridge University Hospitals NHS Trust	56.9
	Croydon Health Services NHS Trust	58.6
Highest value	South Devon Healthcare NHS Foundation Trust	73.2
	Derby Hospitals NHS Foundation Trust	72.8
	Poole Hospital NHS Foundation Trust	72.0

Staff Recommending the Trust as a Provider of Care (to their friends or family)

In the latest national NHS Staff Survey 2012, 78% of our staff would recommend UHSM as a provider of care to their family or friends, which is 14% higher than the average for NHS acute trusts in England. The Trust acknowledges that there has been a small (4%) reduction in the response to this question between 2011 and 2012.

Table 4.12: Percentage of staff who would recommend the Trust as a provider of care to their family or friends, for the latest two reporting periods

NHS organisation(s)	National NHS Staff Survey	
	2012	2011
UHSM NHS Foundation Trust	78.72%	83.04%
NHS acute hospital trusts, excluding specialist trusts (142 trusts)	62.73%	60.28%
All NHS trusts in England (161 trusts)	64.51%	65.02%

Note to **Table 4.12:**

% to strongly agree/ agree with the question ‘If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation’, National NHS Staff Survey

Table 4.13: Percentage of staff who would recommend the trust as a provider of care to their family or friends for the latest reporting period (2012); three NHS acute hospital trusts with the lowest and highest scores

	NHS acute hospital trust	Average weighted score
Lowest value	North Cumbria University Hospitals NHS Trust	35.34%
	United Lincolnshire Hospitals NHS Trust	40.46%
	Croydon Health Services NHS Trust	40.90%
Highest value	The Newcastle Upon Tyne Hospitals NHS Foundation Trust	85.68%
	Salford Royal NHS Foundation Trust	84.90%
	Frimley Park Hospital NHS Foundation Trust	83.82%

At UHSM, our values and behaviours are clearly defined and set out in the ‘South Manchester Way’, which describes how we do things at the Trust. The central tenet of the South Manchester Way, which was created by our staff, is ‘patient care is at our heart’. In order to strengthen our values and behaviours this year we have, as part of our People & Organisational Development Plan, been working hard to embed the values in some of our processes. So far we have redesigned our Corporate Induction Programme, recruitment processes and the appraisal system to ensure that we select the right people and they are welcomed into our organisation with knowledge of the South Manchester Way and an understanding that it is a key part of our performance-management system.

In 2013-14 we intend to roll out an employee-engagement programme starting with 'listening events' where all members of staff will have the opportunity to discuss the Francis Report and to explore the results of our staff survey. Feedback from these groups will inform the future development of our People and Organisational Development plans. We will also be redefining the behaviours and attitudes needed by our leaders and managers to further embed the South Manchester Way at UHSM

DOMAIN 5: TREATING AND CARING FOR PEOPLE IN A SAFE ENVIRONMENT AND PROTECTING THEM FROM AVOIDABLE HARM

Risk Assessment of Venous Thromboembolism (VTE)

The Trust achieved the national CQUIN VTE requirement of 90% and above for risk assessment during 2012-13 with performance of 93.6%. As seen in **Table 4.14**, this strong performance compares favourably with the national average. Initiatives to support VTE risk-assessment include a mandatory-training programme with a dedicated e-learning package for clinical teams. UHSM has also developed the process for the identification of Hospital-acquired Thrombosis (HAT) and for investigation of those cases that are identified by developing an on-line root-cause analysis investigation tool. Introduction of the National Safety-Thermometer has also helped to enhance the recording and monitoring of HAT within UHSM. The Trust has a Thrombosis and Thromboprophylaxis Committee, which continues to monitor the Trust performance for VTE risk-assessment and this year has worked with specialty teams to develop specific risk-assessment tools to improve the quality and accuracy of assessment.

The Trust will continue to deliver and monitor the programme of training and education related to VTE. Further work will be undertaken to ensure that each HAT is fully investigated and that learning from these investigations continues to be disseminated across the organisation. The Trust will seek to improve its current systems for capturing and recording VTE risk assessment by the increased use of the electronic whiteboards within wards and departments.

Table 4.14: Percentage of patients who were admitted to hospital and who were risk assessed for venous thromboembolism (VTE), for the latest two reporting periods

NHS organisation(s)	2012-13 ^(a)	2011-12
UHSM NHS Foundation Trust	93.69%	92.25%
NHS acute hospital trusts in England (163 trusts)	93.77%	88.98%

Note to **Table 4.14:**

^(a) At the time of writing, VTE risk-assessment performance for 2012-13 covered quarters 1 to 3 only.

Table 4.15: Percentage of patients who were admitted to hospital and who were risk assessed for venous thromboembolism (VTE), for the latest reporting period (2012-13)*; three NHS acute hospital trusts with the lowest and highest percentages

	NHS acute hospital trust	Percentage of patients risk-assessed ^(a)
Lowest value	Plymouth Hospitals NHS Trust	85.47%
	Royal Berkshire NHS Foundation Trust	85.79%
	Croydon Health Services NHS Trust	87.19%
Highest value	East and North Hertfordshire NHS Trust	99.43%
	University Hospitals Birmingham NHS Foundation Trust	99.17%
	Cambridge University Hospitals NHS Foundation Trust	99.11%

Note to **Table 4.15:**

^(a) At the time of writing, VTE risk-assessment performance for 2012-13 covered quarters 1 to 3 only.

C. difficile Infection rate per 100,000 bed days (patients aged 2 or over)

The Trust has a clear plan to reduce the *Clostridium difficile* infection rate, demonstrating a reduction in the number of hospital-acquired *C. difficile* incidences reported of 69.3% in the last five years and a reduction of 14.8% in the last year. As seen in **Table 4.16**, UHSM's rate of *C. difficile* infections per 100,000 bed days for patients aged two years and over is lower than the national average.

Table 4.16: Rate per 100,000 bed days of cases of *C. difficile* infection that have occurred within the Trust (patients aged 2 or over) for the latest two reporting periods

NHS organisation(s)	2011-12	2010-11
UHSM NHS Foundation Trust	19.6	29.3
NHS acute hospital trusts in England, excluding specialist trusts (148 trusts)	22.0	29.9

UHSM intends to take following actions to improve this rate, and so the quality of its services, by:

- root-cause analysis carried out for all cases reported to facilitate learning;
- review and monitoring of antibiotic prescribing in the hospital and community settings via monthly audits;
- on-going hand-hygiene awareness campaign including the World Health Organization's (WHO) '5 moments' for hand-hygiene;
- monthly infection-prevention audit programme, which includes environmental, hand-hygiene technique and compliance and high-impact interventions; and
- a mandatory-training programme.

Table 4.17: Rate per 100,000 bed days of cases of *C. difficile* infection that have occurred within the Trust (patients aged 2 or over) for the latest reporting period (2011-12); three NHS acute hospital trusts with the lowest and highest rates

	NHS acute hospital trust	<i>C. difficile</i> infection rate per 100,000 bed days
Lowest value	East and North Hertfordshire NHS Trust	4.1
	Homerton University Hospital NHS Foundation Trust	6.9
	Frimley Park Hospital NHS Foundation Trust	7.2
Highest value	Tameside Hospital NHS Foundation Trust	51.6
	Royal Berkshire NHS Foundation Trust	50.9
	Walsall Healthcare NHS Trust	49.7

Patient Safety Incidents that Resulted in Severe Harm or Death

The Trust has continued to review its systems for the identification and investigation of patient safety incidents related to severe harm or death during 2012-13. One of the changes that the Trust has made has been to bring the grading of falls incidents in line with the National Reporting and Learning System (NRLS) requirements. An increased awareness and enhancement of the process for recording and investigation of Hospital-acquired Thrombosis (HAT) has also had an impact. The Trust has considered and reviewed the information provided by the NRLS during the year to evaluate its position against other acute teaching organisations within the North West.

During 2012-13 the Trust undertook a causal-factor analysis of five years of serious-incident data to understand the trends and themes that have impacted on patient safety and to evaluate what impact the patient safety and quality programme has had over this period of time. This analysis will continue during 2013-14. The Trust will continue to work with the NRLS to review its provisional patient safety incident data to ensure that accurate grading of severe harm or death incidents is in place.

Table 4.18(a): Rate of patient safety incidents and the number and percentage of patient safety incidents that resulted in severe harm or death for the reporting period April to September 2012

NHS organisation(s)	Number of incidents occurring	Rate per 100 admissions	Severe harm/ death (number)	% incidents resulting in severe harm/ death
UHSM NHS Foundation Trust	3,467	7.81	35	1.01%
NHS acute trusts in England, excluding specialist trusts (142 trusts)	488,426	N/A	3,390	0.69%

Table 4.18(b): Rate of patient safety incidents and the number and percentage of patient safety incidents that resulted in severe harm or death for the reporting period October 2011 to March 2012

NHS organisation(s)	Number of incidents occurring	Rate per 100 admissions	Severe Harm/ death (number)	% incidents resulting in severe harm/ death
UHSM NHS Foundation Trust	2,747	6.19	13	0.47%
NHS acute trusts in England, excluding specialist trusts (142 trusts)	437,465	N/A	3,440	0.79%

Table 4.19: Rate of patient safety incidents for the latest reporting period (April to September 2012); three NHS acute hospital trusts with the highest and lowest rates

	NHS acute hospital trust	Rate per 100 admissions
Lowest value	Wrightington, Wigan & Leigh NHS Foundation Trust	1.99
	York Teaching Hospital NHS Foundation Trust	2.77
	North West London Hospitals NHS Trust	2.96
Highest value	Northern Devon Healthcare NHS Trust	17.64
	Walsall Hospitals NHS Trust	14.44
	University Hospitals of Morecambe Bay NHS Foundation Trust	13.61

Table 4.20: Percentage of patient safety incidents that resulted in severe harm or death for the latest reporting period (April to September 2012); three NHS acute trusts with the lowest and highest percentages

	NHS acute hospital trust	Number of incidents occurring	Rate per 100 admissions	Severe harm/ death (number)	% of incidents resulting in severe harm/ death
Lowest value	Sherwood Forest Hospitals NHS FT	2,941	7.43	0	0.000%
	St George's Healthcare NHS FT	4,269	8.65	1	0.023%
	East Lancashire Hospitals NHS FT	4,979	7.86	2	0.040%
Highest value	The Whittington Hospitals NHS Trust	843	3.16	30	3.559%
	Croydon Health Services NHS Trust	2,700	7.46	95	3.519%
	Basildon and Thurrock University Hospitals NHS FT	1,223	3.26	32	2.617%

4.3 Priorities and Proposed Initiatives for 2013-14

UHSM's three priorities for 2013-14, patient safety, clinical effectiveness and improving the patient experience and the initiatives chosen to deliver these priorities were established as a result of extensive consultation with patients, Governors, managers and clinical staff.

Priority 1	Patient safety
Priority 2	Clinical effectiveness
Priority 3	<i>Improving the Patient experience</i>

UHSM has discussed its future priorities with NHS Manchester, and in particular the South Manchester Clinical Commissioning Group (CCG), during 2012-13. The proposed 2013-14 priorities have been shared with, and are supported by, the governing council's Patient Experience Committee. The Trust has taken into account the feedback received on the Quality Account from the Manchester City Council's Health and Wellbeing Overview and Scrutiny Committee and Manchester LINK when developing its quality improvement priorities for 2013-14.

Patient Care at Our Heart

Since the introduction of the 'Patient Care at our Heart - it's Everyone's Responsibility' strategy in 2010, the Trust has continued to focus on the five elements, which are considered fundamental to delivering the best experience for service users:

1. **culture** - implementing the principles of the South Manchester Way;
2. **communication** - communicate with UHSM patients in a respectful, polite and informative way, in all written and verbal communication;
3. **colleagues** - the Trust recognises the benefits for patients of staff enjoying, and being challenged, by their work; how the Trust supports, communicates with, and values its staff is, therefore, vital;
4. **care we provide** - when services are developed/ reformed the Trust must ensure that they are designed around patients' needs. The Trust is committed to providing the safest possible care in an excellent environment;
5. **gaining patient feedback** is essential if the Trust is to learn and improve.

A wide range of projects have been introduced to enhance patient care, patient safety and the patient experience as part of this strategy. The Chief Nurse and Heads of Nursing have focused the nursing agenda on the development of the fundamentals of care and compassion. The Chief Nursing Officer's Strategy encompassing the six Cs - **Care, Compassion, Competence, Communication, Courage** and **Commitment** - has been launched within the organisation and work will continue to complement the national proposal.

The Director of Human Resources and Organisational Development will progress the 'culture' and 'colleagues' elements of the strategy with implementation of the People and Organisational Development Strategy. The Patient Experience Team will continue the development and implementation of innovative projects to improve communications and gain patient feedback, ensuring that all the care provided at UHSM has the patient at its heart and evidences a commitment to listen and learn from what patients say.

The Service Transformation Team will work collaboratively with staff to deliver measurable improvements in safety, clinical effectiveness and the patient experience. The results of the National Safety-Thermometer Programme will be used to demonstrate that UHSM places on providing safe, harm-free care to patients.

The South Manchester Way

It is well recognised at UHSM that the organisation's goals can only be achieved through the contribution of colleagues, both individually and collectively. It is this contribution that is fundamental to UHSM's success and, therefore, creating a positive environment within the Trust that maximises individual and collective discretionary effort is vitally important. The way we behave, the way we lead and the way we communicate and engage with our colleagues plays a significant role in creating the right climate. This is why we have invested in working with our colleagues to develop the South Manchester Way and why we place it at the centre of everything we do.

Patient Care is at Our Heart

We Lead, Learn and Inspire

We are Honest and Open

We Strive for Excellence

We are One Talented Team

The South Manchester Way articulates UHSM's determination to put the patient at the heart of the decisions that it makes and the actions that it takes. The South Manchester Way also characterises the behaviours which are required of individuals and teams if placing 'patient care at our heart' is to become the reality.

People & Organisational Development

During 2012-13, the Trust reviewed its current organisational strategy and identified a series of corporate objectives, which are in line with the core value 'Patient Care is at our Heart'. These objectives were developed to focus on ***Patients, People and Partnerships***, to shift the emphasis from cost savings to quality improvement. As one of UHSM's overriding objectives, the People & Organisational Development (POD) strategy was developed and approved by the Board of Directors in May 2012. It was subsequently shared with colleagues across the organisation to obtain feedback.

Providing the Best Care through the Best People will mean developing and/ or revising some of our processes, structures, systems and leadership and management practices, ensuring they are aligned to the organisational climate we are working towards. It therefore follows that the role of the People & Organisational Development Directorate is to support sustainable organisational transformation and achievement of the vision and strategy by ensuring:

- we have the right people, in the right place, at the right time, with the right skills, attitude, behaviours and approach;
- we maintain and embed the South Manchester Way to drive a high-performance culture; and
- we are as cost-effective as possible.

As an organisation, we need:

- confident and capable leaders and managers in place;
- robust, fit-for-purpose processes, policies, procedures, information and systems to enable effective management;
- mechanisms to promote and support a healthy workforce;
- a positive environment, which supports committed and enthusiastic colleagues with the right attitudes and behaviours;
- a well-informed workforce;
- a high-quality, well-trained, flexible workforce;
- effective 24/7 workforce cover;
- high levels of staff satisfaction;

- the energy and creativity of our people to be innovative;
- the highest quality continuous healthcare professional education for our staff, and by our staff, for the benefit of the whole NHS; and
- evidence-based, cutting-edge knowledge transfer and mobilisation for healthcare professionals.

The Quality Improvement Framework 2012-15

The Trust has developed a **Quality Improvement Framework**, which builds on the South Manchester Way and the strategy 'Patient Care at Our Heart - it's Everyone's Responsibility'.

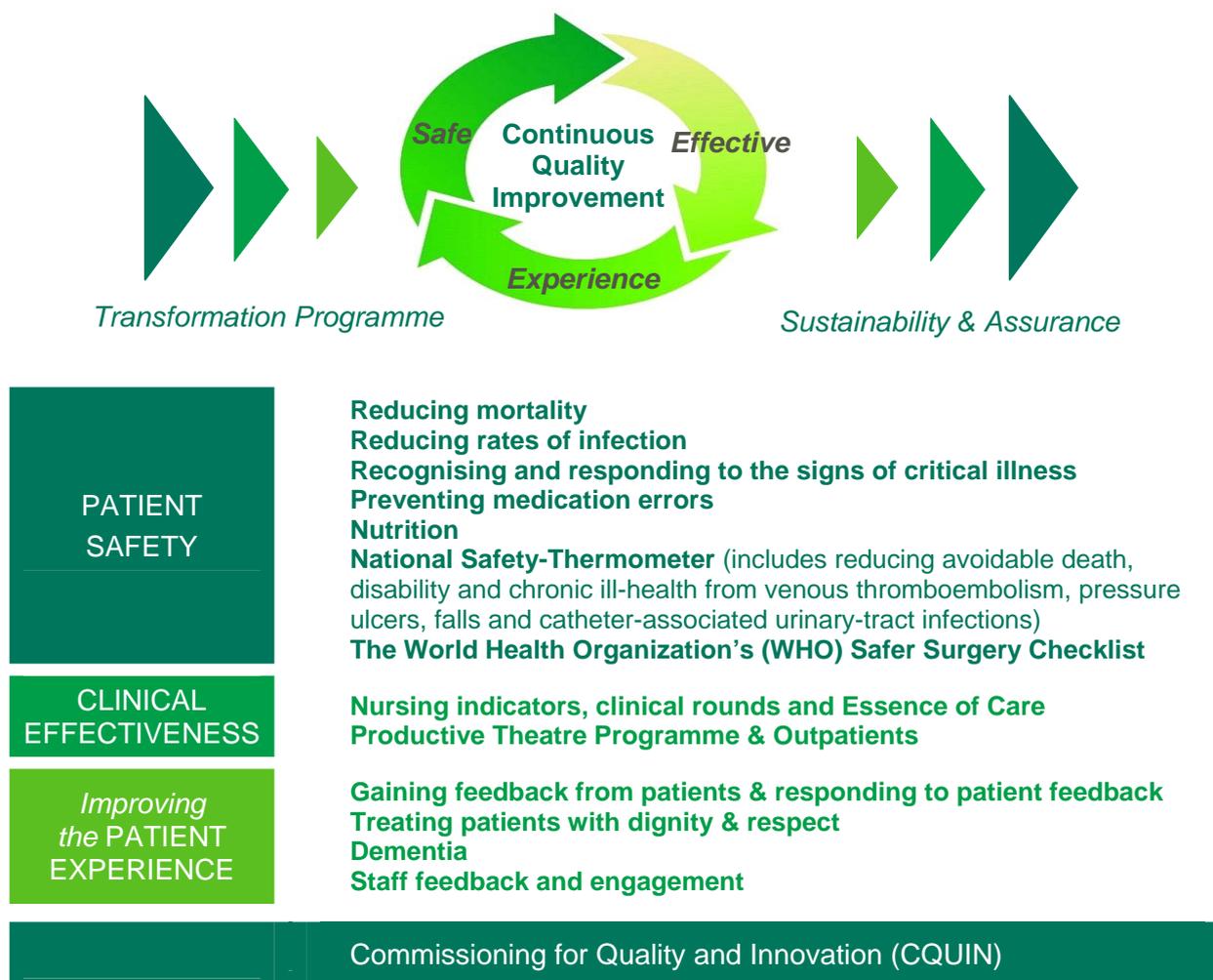
UHSM recognises the need to transform its services if it is to ensure that the vision expressed through the South Manchester Way and the strategy is to come to fruition. A three-year Quality Improvement Framework, which is designed to radically improve the service offered to both patients and staff, was launched in 2012-13. The Trust will work continuously to enhance its services ensuring excellence in delivery, teaching and research.

The Trust's Service Transformation Team will work collaboratively with staff to deliver measurable improvements in **safety, clinical effectiveness** and **patient experience**.

The Trust will deliver the Quality Improvement Framework through a programme of improvement projects, approved by an executive board, aligned to UHSM-core objectives (including those outlined in this section of the Quality Account), which will be patient- and employee-focused. Developing the service-improvement capacity and capabilities of UHSM will be essential in ensuring sustainability and continuous quality improvement. Each year the programme of work will be reviewed, refined and further developed.

The initiatives, chosen to deliver the priorities of **patient safety, clinical effectiveness** and **improving the patient experience** in 2012-13, are outlined in **Figure 4.2**.

Figure 4.2: Summary of quality initiatives to be implemented in 2013-14



The following 2012-13 initiatives are not included as initiatives in 2013-14.

- **pain management** - will be incorporated into the care and communication rounds, which is monitored as part of the *nursing indicators, clinical rounds and Essence of Care* indicator;
- **preventing hospital-acquired pressure ulcers** - will be included as part of the National Safety-Thermometer Programme in 2013-14;
- **Advancing Quality Programme** - will be included within the Commissioning for Quality and Innovation (CQUIN) Framework; and
- **Enhanced Recovery** - will be included within the Commissioning for Quality and Innovation (CQUIN) framework.

The section that follows summarises the 2013-14 initiatives and the rationale for selection.

PATIENT SAFETY

UHSM has chosen seven quality improvement initiatives in 2013-14 from the Patient Safety priority.

UHSM is committed to the highest standards in patient safety and quality and in line with many other trusts, uses **mortality** as a method of measuring success. To better understand mortality, hospitals use a risk-adjusted calculation, which takes into account how ill a patient is, their age

and other factors. UHSM has set a target of reducing risk-adjusted mortality in 2013-14 by 5 index points compared to that observed in 2012-13.

Collaborative work will continue throughout the organisation to reduce **healthcare-associated infections** and to raise awareness around new and emerging infections, surgical-site infections and outbreak management.

Recognising and responding to the signs of critical illness will continue to be a core part of the Patient Safety & Quality Programme in 2013-14. A new focus in the year ahead will be to review, monitor and embed a process to recognise and treat patients who develop sepsis. Severe sepsis is a medical emergency with a mortality of 30-50%; this far exceeds that of other more publicised conditions such as myocardial infarction and stroke. Not only is it a common cause for admission to hospital, its occurrence is one of the more common reasons to deteriorate during a hospital stay.

UHSM is in the process of setting up a sepsis group with the principal aim of raising the profile of sepsis as a medical emergency to clinicians. Furthermore, the Trust will aim to incorporate this message into the training and professional development of nurses. The Trust intends to utilise and further-develop some of the methodology that has driven up the compliance with good antibiotic practice. A rapid-response audit on timely sepsis recognition and use of a sepsis care bundle with individualised feedback is planned.

Medicines reconciliation will remain as part of the quality-improvement priorities in 2013-14. The Trust will take part in the piloting of a new national Medication Safety-Thermometer to engage nurses, pharmacists and medical staff in improving medication errors and to understand the burden of harm from high-risk medication errors and in particular, the omission of important medicines. The uptake of medicines reconciliation within 48 hours of admission will continue to be monitored.

Nutrition is a fundamental element of patient care, which will continue to be audited every month in 2013-14, with feedback to participating wards.

The Trust will continue to collect accurate, validated data and learn from the findings of the National **Safety-Thermometer**, which will be extended to cover the community setting in 2013-14. A process will be developed to reduce the incidence of pressure ulcers in line with the national CQUIN target, including analysis of incidents outside the organisation.

The **World Health Organization's (WHO) Safer Surgery Checklist** will continue to be used in all surgical environments within the Trust, in 2013-14. Compliance with the Checklist will be monitored using monthly qualitative audits and the Hospital Incident Reporting System. One of the key initiatives for 2013-14 will be the introduction of the de-brief element of the Safer Surgery Checklist. Use of de-briefing following all operating theatre lists helps the theatre team to understand what was effective during the theatre list and what areas could be improved.

CLINICAL EFFECTIVENESS

UHSM has chosen two over-arching quality improvement initiatives in 2013-14 from the Clinical Effectiveness priority.

The Trust will continue to focus on **nursing indicators, clinical rounds and Essence of Care** during 2013-14, in conjunction with the introduction of the Chief Nursing Officer's Strategy encompassing the 6 Cs - Care, Compassion, Competence, Communication, Courage and Commitment. The Trust will continue to develop ward indicators in order to measure nursing standards and will continue to monitor the fundamental elements of care with the monthly senior nurse clinical rounds and through the continuation of Care and Compassion Rounds.

UHSM will focus on improving its efficiency in its operating theatres and outpatient departments in 2013-14. The Trust will have completed all elements of the *Productive Theatre Programme*, for all theatres, by March 2014. The Trust's *Outpatient Service Improvement Project* will focus its energies on reducing Outpatient DNAs (patients who do not attend outpatient clinic appointments) and improving the utilisation of outpatient clinics.

Improving the PATIENT EXPERIENCE

UHSM has chosen four over-arching quality improvement initiatives in 2013-14 from the *Improving the Patient Experience* priority.

The Trust will continue to focus on *gaining feedback from patients and responding to patient feedback* with an emphasis on the Friends & Family Test, which begins in April 2013. The results for all trusts will be displayed on the NHS Choices website to enable benchmarking across organisations. The comments received via this test will provide valuable evidence to improve services based on patient and family feedback.

Treating patients with dignity and respect is a major focus of the Trust's commitment to the patient journey. The Trust will continue to work towards eradicating incidences of mixed-sex accommodation without clinical justification.

UHSM recognises that further work is required, with the support of the Dementia Team, to improve the experience of patients with *dementia* and their carers and to progress partnership-working across Greater Manchester.

UHSM appreciates that it is *our staff* who make sure that patients receive the best care possible. Therefore, the Trust recognises the importance of asking them what they think about working here and involving them in identifying what we can do differently to improve their work environment. Every year we conduct a survey of our staff on a wide range of questions and 2013-14 will be no exception. We will also be running a series of focus groups and listening events, throughout the year, to talk to staff about what we could improve and how we might do it.

The quality-improvement initiatives for 2013-14 are detailed in **Table 4.21**, together with the associated goals and methods for monitoring and reviewing progress through the year.

Table 4.21: Summary of quality initiatives to be implemented in 2013-14

PATIENT SAFETY	2013-14 Quality goals	Reviewed/ monitored
Reducing mortality	<ul style="list-style-type: none"> achieve a Risk-adjusted Mortality Index (RAMI) of 87, which is a 5-point reduction from the 2012-13 baseline. 	<ul style="list-style-type: none"> Board of Directors (<i>monthly</i>); Healthcare Governance Committee (<i>monthly</i>); Mortality Review Group (<i>monthly</i>).
Reducing rates of infection	<ul style="list-style-type: none"> zero tolerance of MRSA bacteraemia; no more than 36 cases of <i>C. difficile</i>; achieve 'excellent' PLACE scores for the environment. 	<ul style="list-style-type: none"> Board of Directors (<i>monthly</i>); Infection Prevention Performance meeting (<i>monthly</i>); Infection Prevention & Control Meeting (<i>bi-monthly</i>); PLACE meetings (<i>monthly</i>); Internal PLACE assessment (<i>quarterly</i>); PLACE assessment (<i>annually</i>).
Recognising and responding to the signs of critical illness	<ul style="list-style-type: none"> achieve 95% of cardiac arrests where patient care prior to cardiac arrest was optimal; review, monitor and embed a process to recognise and treat patients who develop sepsis; achieve 75% compliance in the audit of new DNACPR forms. 	<ul style="list-style-type: none"> Board of Directors (<i>quarterly</i>); Healthcare Governance Committee (<i>quarterly</i>); Patient Safety & Quality Board (<i>quarterly</i>); Acute Care Management Group (<i>monthly</i>).
Preventing medication errors	<ul style="list-style-type: none"> meet the CQUIN target to pilot the Medication Safety-Thermometer within the Trust and provide data on patient harms in quarters 3 & 4; 95% of patients should have their medicines reconciled by a pharmacist within 48 hours of admission. 	<ul style="list-style-type: none"> Board of Directors (<i>monthly</i>); Patient Safety & Quality Board (<i>quarterly</i>); Pharmacy Governance Group (<i>monthly</i>).
Nutrition	<ul style="list-style-type: none"> 95% of patients to receive a nutrition risk-assessment within 24 hours of admission. 	<ul style="list-style-type: none"> Nutrition Committee (<i>monthly</i>); PLACE meetings (<i>monthly</i>).
National Safety-Thermometer incorporating VTE, pressure ulcers, falls and catheter-associated urinary-tract infections	<ul style="list-style-type: none"> 95% of patients to be harm-free (hospital-acquired harms); achieve the national CQUIN target for reduction in pressure ulcers; to be in the top 20% of acute trusts for the percentage of hospital-acquired harms. 	<ul style="list-style-type: none"> Board of Directors (<i>monthly</i>); Safety-Thermometer Validation meeting (<i>monthly</i>).

PATIENT SAFETY	2013-14 Quality goals	Reviewed/ monitored
The World Health Organization's (WHO) Surgical Safety Checklist	<ul style="list-style-type: none"> no surgical Never Events; introduce a de-briefing session across 100% of all operating theatre lists. 	<ul style="list-style-type: none"> Board of Directors (<i>monthly</i>); Healthcare Governance Committee (<i>quarterly</i>); Patient Safety & Quality Board (<i>monthly</i>); Theatre Quality, Efficiency and Productivity Group (<i>every 6 weeks</i>).

CLINICAL EFFECTIVENESS	2013-14 Quality goals	Reviewed/ monitored
Nursing indicators, clinical rounds and Essence of Care	<ul style="list-style-type: none"> review the clinical rounds documentation to include the 6 Cs strategy for UHSM; incorporate clinical rounds for community services and community practitioners; audit the impact of care and communication rounds. 	<ul style="list-style-type: none"> Board of Directors (<i>quarterly</i>); Performance meeting (<i>quarterly</i>); Directorate meeting (<i>monthly</i>); Clinical rounds audit process (<i>twice each month</i>); Clinical rounds at night, in the community (<i>monthly</i>).
Productive Theatre Programme and Outpatients	<ul style="list-style-type: none"> deliver the scheduling improvement work stream of the Productive Theatre Programme; increase theatre utilisation to 90%; achieve an overall Did-Not-Attend (DNA) rate of 7.5%; increase the outpatient-utilisation rate to 90%. 	<ul style="list-style-type: none"> Board of Directors (<i>monthly</i>); Service Improvement Board (<i>monthly</i>).

Improving the PATIENT EXPERIENCE	2013-14 Quality goals	Reviewed/ monitored
Gaining feedback from patients and responding to patient feedback	<ul style="list-style-type: none"> at least 90% of complaints responded to within the agreed timescale; implement the third year of the 'Patient Care at our Heart, it's Everyone's Responsibility' strategy; achieve the national CQUIN relating to the Friends and Family Test. 	<ul style="list-style-type: none"> Board of Directors (<i>monthly</i>); Patient Experience Committee (<i>bi-monthly</i>); Healthcare Governance Committee (<i>quarterly</i>); Governing council's Patient Experience Committee (<i>quarterly</i>).
Treating patients with dignity & respect	<ul style="list-style-type: none"> zero Mixed-sex Accommodation breaches. 	<ul style="list-style-type: none"> Board of Directors (<i>monthly</i>); Governing Council's Patient Experience Committee (<i>quarterly</i>); Quality Review Meeting with South Manchester CCG (<i>monthly</i>); Directorate performance meetings (<i>monthly</i>).

<i>Improving the PATIENT EXPERIENCE</i>	2013-14 Quality goals	Reviewed/ monitored
Dementia	<ul style="list-style-type: none"> ● further develop the three-year health-economy strategy for dementia care; ● implement a dementia training strategy; ● improve the hospital environment to support dementia-friendly wards. 	<ul style="list-style-type: none"> ● Healthcare Governance Committee (<i>quarterly</i>); ● Dementia Operational Group (<i>bi-monthly</i>); ● PLACE meetings (<i>monthly</i>).
Staff feedback and engagement	<ul style="list-style-type: none"> ● facilitate focus and listening groups and continue to develop approaches to engage colleagues; ● conduct and analyse the annual staff survey; ● ensure that colleagues understand the vision and direction of the organisation and their contribution to it; ● continue to embed the South Manchester Way to maintain a positive work environment for all and to drive a high-performance culture. 	<ul style="list-style-type: none"> ● Board of Directors (<i>monthly</i>); ● People & Organisational Development Committee (<i>bi-monthly</i>); ● Outcome of focus and listening groups and follow-up into POD Strategy (<i>bi-monthly</i>); ● Performance appraisals (<i>monthly</i>); ● Performance levels (<i>annual</i>); ● NHS Staff Survey (<i>annual</i>).

4.4 Statements of Assurance from the Board of Directors

4.4.1 Review of Services

During 2012-13 UHSM NHS Foundation Trust provided and/ or sub-contracted 73 relevant health services.

UHSM NHS Foundation Trust has reviewed all the data available to them on the quality of care in 73 of these relevant health services.

The income generated by the relevant health services reviewed in 2012-13 represents 100 per cent of the total income generated from the provision of relevant health services by the UHSM NHS Foundation Trust for 2012-13.

UHSM provided the Care Quality Commission (CQC) with a list of its services as part of its registration process in 2010 and subsequently through the integration of community services in South Manchester, in 2012. This list of services was used as the basis for completing the 'review of services' statement above. The Trust acknowledges that the depth of review of its services is varied, but has chosen to define a 'review of the quality of care' as having participated in one or more of the following reviews:

- clinical audit activity;
- cancer peer review;
- review of clinical outcome data (e.g. inpatient mortality, re-admissions, etc.); and
- risk management systems (Hospital Incident Reporting System, Root Cause Analysis, and Serious Untoward Incidents).

A summary of the Trust's review of services for each of its 73 services is presented in **Table 4.22**. Each one of the Trust's 73 services was subject to at least one of the reviews highlighted above. 55 of the services were subject to clinical audit activity and 15 services were subject to Cancer Peer Review in 2012-13. Clinical outcome data was reviewed for 48 of the 73 services using the CHKS benchmarking tools.

In addition a number of the Trust's services were subject to external review, inspection or formal external evaluation during 2012-13, as follows:

- | | |
|---|-----------------|
| (a) Local Supervising Authority for the Statutory Supervision of Midwives | (July 2012) |
| (b) NHS North West Junior Doctors Advisory Team (pre-visit) | (November 2012) |
| (c) CQC inspection - UHSM (Outcomes 1, 4, 7, 13 & 16) | (December 2012) |
| (d) North West Deanery Postgraduate Education Monitoring Visit | (January 2013) |
| (e) CQC inspection - Buccleuch Lodge (Outcomes 1, 4, 7, 13 & 17) | (February 2013) |
| (f) Specialist Commissioners - Collaborative Trauma Centre Review Accreditation | (February 2013) |
| (g) National Cancer Peer Review | (March 2013) |

The dates in parenthesis (unless stated otherwise) refer to the site visit

The Trust also made the following external submissions (service reviews without direct inspection/ evaluation) in 2012-13:

- | | |
|---|-----------------------|
| (h) NHS Manchester Controlled Drugs Occurrence Report 2012 | (submitted quarterly) |
| (i) Independent regulator of foundation trusts, Monitor quarterly returns | (submitted quarterly) |
| (j) MHRA Hospital Blood Compliance Report 01/04/11 to 31/03/12 | (April 2012) |
| (k) The Royal College of Midwives - Workforce Survey | (July 2012) |
| (l) Dr. Foster Hospital Guide 2012 | (August 2012) |
| (m) Dr. Foster Hospital Guide Questionnaire - Chronic & Persistent Pain | (August 2012) |
| (n) Trafford Safeguarding Children's Board | (December 2012) |

A number of Trust-wide external reviews were carried out in 2012-13. These reviews are not considered sufficiently focused to constitute a review of the quality of care for particular services. Nonetheless, they detail reviews which took place in 2012-13 and cover elements of the quality of care across the Trust.

- Internal audits carried out in 2012-13 covered, amongst other items: mortality; complaints; risk management; and the Quality Governance Framework;
- Same-Sex Accommodation - Ward Estates Audit (*April 2012*);
- CQC Audit - Privacy & Dignity and Same-sex Accommodation (*June 2012*);
- Internal PEAT assessments (*June 2012, October 2012 and March 2013*);
- National Inpatient Survey carried out from September 2012 to January 2013 for patients who were inpatients in July 2012;
- Same-sex Accommodation Audit of 2012 Declaration by NHS Manchester (*October 2012*); and
- Same-sex Accommodation - Declaration of Compliance (*March 2013 for 2013-14*).

The dates in parenthesis (unless stated otherwise) refer to the publication date of the report

The Trust will use the list of services, provided to the CQC, as the basis for its review of services in future years thus ensuring that each service area is subject to an annual review of its quality of care.

Table 4.22: Summary of the quality of services review, 2012-13

	Service	Clinical Audit activity	Cancer peer review	Clinical outcome data	Risk management systems
1.	Active Case Management	●			●
2.	Allergy	●			●
3.	Anaesthetics	●		●	●
4.	Anticoagulant service	●		●	●
5.	Aspergillosis	●		●	●
6.	Audiology (non-consultant)				●
7.	Breast Surgery	●	●	●	●
8.	Cardiology	●		●	●
9.	Cardiothoracic Surgery	●		●	●
10.	Chemical Pathology	●			●
11.	Clinical Haematology	●		●	●
12.	Clinical Immunology	●		●	●
13.	Clinical Oncology	●		●	●
14.	Clinical Psychology				●
15.	Community Continence Care	●		●	●
16.	Community Heart Failure Service				●
17.	Community Occupational Therapy				●
18.	Community Podiatry				●
19.	Community Stoma Care				●
20.	Community Tissue Viability Service	●		●	●
21.	Dermatology	●	●	●	●
22.	Diabetic Medicine	●		●	●
23.	Dietetics	●		●	●
24.	District Nursing Service				●
25.	Ear Nose and Throat	●	●	●	●
26.	Endocrinology	●		●	●
27.	Gastroenterology	●		●	●
28.	General Medicine	●		●	●
29.	General Surgery	●	●	●	●
30.	Geriatric Medicine	●		●	●
31.	Gynaecological Oncology	●	●	●	●
32.	Gynaecology	●		●	●

	Service	Clinical Audit activity	Cancer peer review	Clinical outcome data	Risk management systems
33.	Haematology	●	●	●	●
34.	Intermediate Care Service				●
35.	Macmillan Service	●	●		●
36.	Medical Oncology	●	●	●	●
37.	Midwifery	●		●	●
38.	Nephrology	●		●	●
39.	Neurology	●		●	●
40.	Obstetrics	●		●	●
41.	Occupational Therapy	●			●
42.	Oral Surgery	●	●	●	●
43.	Orthodontics	●		●	●
44.	Orthotics	●		●	●
45.	Paediatric Cardiology				●
46.	Paediatric Neurology				●
47.	Paediatric Surgery	●		●	●
48.	Paediatric Urology				●
49.	Paediatrics	●		●	●
50.	Pain Management	●		●	●
51.	Palliative Medicine	●	●	●	●
52.	Pharmacy	●	●	●	●
53.	Physiotherapy	●		●	●
54.	Plastic Surgery (including Burns)	●	●	●	●
55.	Radiology	●		●	●
56.	Respiratory Medicine	●		●	●
57.	Rheumatology	●		●	●
58.	Speech & Language Therapy	●			●
59.	Thoracic Surgery	●	●	●	●
60.	Thyroid	●	●	●	●
61.	Tier 2 Chronic Obstructive Pulmonary Disease				●
62.	Tier 2 Falls	●		●	●
63.	Tier 2 Gynaecology				●
64.	Tier 2 High Risk Foot Clinic				●
65.	Tier 2 Musculoskeletal Conditions Service				●
66.	Tier 2 Pain Clinic				●
67.	Tier 2 Rheumatology				●
68.	Transplantation Surgery	●		●	●
69.	Trauma & Orthopaedics	●		●	●
70.	Urology	●	●	●	●
71.	Vascular Surgery	●		●	●
72.	Voice	●			●
73.	Walk-in Centre				●

4.4.2 Participation in Clinical Audits

During 2012-13, 40 of national audits and 4 national confidential enquiries covered relevant health services that UHSM NHS Foundation Trust provides. During that period UHSM NHS Foundation Trust participated in 100% national clinical audits and 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 UHSM NHS Foundation Trust participated in during 2012-13 are listed in the table that follows.

Table 4.23: The national clinical audit and confidential enquires that the Trust was eligible to participate in during 2012-13

	Name of audit/ focus area
Peri- and Neo-natal	1. Neo-natal intensive and special care (NNAP) 2. Peri-natal mortality (MBRRACE-UK)
Children	3. Paediatric pneumonia (British Thoracic Society) 4. Childhood epilepsy (RCPCH National Childhood Epilepsy Audit) 5. Diabetes (RCPCH National Paediatric Diabetes Audit) 6. Fever (College of Emergency Medicine) 7. Paediatric asthma (British Thoracic Society)
Acute Care	8. Adult community-acquired pneumonia (British Thoracic Society) 9. Adult critical care (ICNARC CMPD) 10. Cardiac arrest (National Cardiac Arrest Audit) 11. Emergency use of oxygen (British Thoracic Society) 12. Non-invasive ventilation - adults (British Thoracic Society) 13. Potential donor audit (NHS Blood and Transplant) 14. Renal colic (CEM)
Long-term Conditions	15. Adult asthma (British Thoracic Society) 16. Bronchiectasis (British Thoracic Society) 17. Chronic pain (National Pain Audit) 18. Diabetes (National Adult Diabetes Audit) 19. Parkinson's disease (National Parkinson's Audit) 20. Ulcerative colitis and Crohn's disease (UK IBD Audit)
Elective Procedures	21. Hip, knee and ankle replacements (National Joint Registry) 22. Elective surgery (National PROMs Programme)
Cardiovascular Disease	23. Acute myocardial infarction and other ACS (MINAP) 24. Adult cardiac surgery audit (ACS) 25. Cardiac arrhythmia (Cardiac Rhythm Management Audit) 26. Carotid interventions (Carotid Intervention Audit) 27. Coronary angioplasty (NICOR Adult Cardiac Interventions Audit) 28. Heart failure (Heart Failure Audit) 29. National Vascular Registry (VSGBI Vascular Surgery Database)
Cancer	30. Bowel cancer (National Bowel Cancer Audit Programme) 31. Head and neck cancer (DAHNO) 32. Lung cancer (National Lung Cancer Audit) 33. Oesophago-gastric cancer (National O-G Cancer Audit)
Trauma	34. Fracture neck of femur (College of Emergency Medicine) 35. Hip fracture (National Hip Fracture Database) 36. Severe trauma (Trauma Audit & Research Network)
Blood and Transplant	37. National comparative audit of blood transfusion programme 38. Intra-thoracic transplantation (NHSBT UK Transplant Registry)
Older People	39. Acute stroke (SINAP)/ SSNAP (January 2013) 40. National audit of dementia (NAD)
National Confidential Enquires	41. Alcohol-related liver disease (NCEPOD) 42. Subarachnoid haemorrhage (NCEPOD) 43. Tracheostomy study (NCEPOD) 44. Asthma deaths (NRAD)

The national clinical audits and national confidential enquiries that UHSM NHS Foundation Trust participated in, and for which data collected was completed during 2012-13, are listed

below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

Table 4.24: Review of Trust participation in relevant national clinical audit and national confidential enquiries in 2012-13

	Name of audit/ focus area	% cases submitted
Peri- and Neo-natal	1. Neo-natal intensive and special care (NNAP)	100%
	2. Peri-natal mortality (MBRRACE-UK)	current*
Children	3. Paediatric pneumonia (British Thoracic Society)	100%
	4. Childhood epilepsy (RCPCH National Childhood Epilepsy Audit)	100%
	5. Diabetes (RCPCH National Paediatric Diabetes Audit)	100%
	6. Fever (College of Emergency Medicine)	100%
	7. Paediatric asthma (British Thoracic Society)	100%
Acute Care	8. Adult community-acquired pneumonia (British Thoracic Society)	100%
	9. Adult critical care (ICNARC CMPD)	100%
	10. Cardiac arrest (National Cardiac Arrest Audit)	100%
	11. Emergency use of oxygen (British Thoracic Society)	100%
	12. Non-invasive ventilation - adults (British Thoracic Society)	100%
	13. Potential donor audit (NHS Blood and Transplant)	100%
	14. Renal colic (CEM)	100%
Long-term conditions	15. Adult asthma (British Thoracic Society)	100%
	16. Bronchiectasis (British Thoracic Society)	100%
	17. Chronic pain (National Pain Audit)	100%
	18. Diabetes (National Adult Diabetes Audit)	100%
	19. Parkinson's disease (National Parkinson's Audit)	100%
	20. Ulcerative colitis and Crohn's disease (UK IBD Audit)	100%
Elective procedures	21. Hip, knee and ankle replacements (National Joint Registry)	100%
	22. Elective surgery (National PROMs Programme)	100%
Cardiovascular Disease	23. Acute myocardial infarction and other ACS (MINAP)	100%
	24. Adult cardiac surgery audit (ACS)	100%
	25. Cardiac arrhythmia (Cardiac Rhythm Management Audit)	100%
	26. Carotid interventions (Carotid Intervention Audit)	100%
	27. Coronary angioplasty (NICOR Adult Cardiac Interventions Audit)	100%
	28. Heart failure (Heart Failure Audit)	100%
	29. National Vascular Registry (VSGBI Vascular Surgery Database)	100%
Cancer	30. Bowel cancer (National Bowel Cancer Audit Programme)	100%
	31. Head and neck cancer (DAHNO)	100%
	32. Lung cancer (National Lung Cancer Audit)	100%
	33. Oesophago-gastric cancer (National O-G Cancer Audit)	100%
Trauma	34. Fracture neck of femur (College of Emergency Medicine)	100%
	35. Hip fracture (National Hip Fracture Database)	100%
	36. Severe trauma (Trauma Audit & Research Network)	100%
Blood and Transplant	37. National comparative audit of blood transfusion programme	100%
	38. Intra-thoracic transplantation (NHSBT UK Transplant Registry)	100%
Older People	39. Acute stroke (SINAP)/ SSNAP (January 2013)	100%
	40. National audit of dementia	100%
National Confidential Enquiries	41. Alcohol-related liver disease (NCEPOD)	100%
	42. Subarachnoid haemorrhage (NCEPOD)	100%
	43. Tracheostomy study (NCEPOD)	100%
	44. Asthma deaths (NRAD)	100%

* The Trust has registered participation in this audit and is committed to 100% data collection, however, the audit project only commenced on 31st March 2013.

*List of acronyms to **Tables 4.23 and 4.24:***

ACS	Acute Coronary Syndrome
CEM	College of Emergency Medicine
CMPD	Case-mix Programme Database
DAHNO	Data for Head and Neck Oncology
ICNARC	Intensive Care National Audit & Research Centre Case Mix Programme Database
MBRRACE	Mothers and Babies Reducing the Risk through Audits and Confidential Enquiries
MINAP	Myocardial Ischaemia National Audit Project
NCEPOD	National Confidential Enquiry into Patient Outcome and Death
NHSBT	NHS Blood and Transplant
NICOR	National Institute for Clinical Outcomes Research
NNAP	National Neonatal Audit Programme
NRAD	National Review of Asthma Deaths
PROMs	Patient Reported Outcome Measures
RCPCH	Royal College of Paediatrics and Child Health
SINAP	Stroke Improvement National Audit Programme
SSNAP	Sentinel Stroke National Audit Programme
UK IBD	United Kingdom Inflammatory Bowel Disease
VSGBI	Vascular Surgeons of Great Britain and Ireland

The reports of 11 national clinical audits were reviewed by the provider in 2012-13 and UHSM NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided. UHSM participates in all applicable national audits, but the following is a sample of some of the projects where comparison of Trust-specific data to national figures was possible and the complete cycle of audit, feedback and improvement has been achieved.

Learning from National Audits

CHILDREN

Fever (College of Emergency Medicine)

Since 2010, there has been continued improvement in most areas when compared nationally, though it has been agreed to deliver plans for improvement including further education of nursing and medical staff on giving advice and documenting it thoroughly. The Emergency Department also has access to the NICE guidance on monitoring feverish children and produces written advice to be given to the carer(s) of children on discharge.

Paediatric Asthma (British Thoracic Society)

UHSM followed the guidelines regarding treatment. To provide better care for patients, it was felt that the Trust needs to:

- consider using steroids earlier and adding the drug Atrovent (an inhaler);
- reduce antibiotic use; and
- give follow-up treatment plans to patients.

Participation in the national audit is on-going and there is an annual review of the impact of any changes resulting from the audit.

Epilepsy 12 (Royal College of Paediatrics and Child Health)

The paediatric epilepsy service at UHSM continues to strive to meet the standard set out by Epilepsy 12, and has achieved most of the standards set out in the previous audit. Plans to improve the services for epileptic children are in place to develop a joint handover clinic with Neurology,

incorporating the use of ECGs and MRIs into patient-care plans and creating a database to track and monitor patients with epilepsy.

CARDIOVASCULAR DISEASE

Acute Myocardial Infarction and other ACS (MINAP)

Percutaneous Coronary Intervention (PCI) is used for the treatment of patients who have had a heart attack. The MINAP Audit looks at the time it takes from a patient's arrival at the hospital to being treated with a PCI (called door-to-balloon time). In the latest audit, 94% of patients were treated within 90 minutes of arrival at the hospital, which is better than the national average of 92%. The Trust did not perform as well with the time it took from the ambulance call to the treatment with PCI (call-to-balloon time). 71% of patients were treated at UHSM within 120 minutes of the call compared to national performance of 83%.

Call-to-balloon time was very much affected by patients not arriving at UHSM directly; the ambulance teams may take a patient to a district general hospital first, where they cannot be treated. This is being addressed at a Network-level to co-ordinate a better response.

CANCER

Bowel Cancer (National Bowel Cancer Audit Programme)

Participation in the National Bowel Cancer Audit is on-going and national results and recommendations are used locally to make sure the Trust is providing good care and continuous service improvement. The plan for service improvement includes a goal of 100% of all bowel cancer patients to be discussed in the Multi-disciplinary Team (MDT) meeting, in line with national recommendations. All measures are reviewed annually as part of cancer peer review and national cancer initiatives.

Oesophago-gastric Cancer (National O-G Cancer Audit)

Recommendations from the national audit have been aligned to best practice at UHSM:

- there are three upper gastrointestinal (Upper GI) consultant surgeons;
- all patients with Upper GI cancer diagnosis, whether it is curable or not, are discussed and presented at the South Manchester Specialist Multi-disciplinary Team (MDT) meeting; there is also regular attendance from the Palliative Care Team (Macmillan);
- patients under the care of the UHSM team have ready and open access to team members and emergency unplanned treatment; and
- outcomes of patients undergoing oesophago-gastric surgery at UHSM are amongst the best in the country.

TRAUMA

Hip Fracture (National Hip Fracture Database)

The management of hip fractures was reviewed with reference to NICE guidelines and compliance has improved significantly. Areas for further improvement in the care of hip-fracture patients were reviewed by a multi-disciplinary team, involving orthopaedic surgeons, trauma co-ordinator, anaesthetics; and Care of the Elderly. The Multi-disciplinary Team will work to improve the care and treatment of hip-fracture patients by updating the care pathway and addressing issues with documentation and timings.

Severe Trauma (Trauma Audit & Research Network)

Review of the processes brought about an increased level of input from the clinical teams (including individual patient review) and an increased level of understanding of the Trust's requirements in relation to major trauma patients. The data submitted in Quarter 3 (2012-13) now demonstrates that the Trust is performing higher than the national average in 7 out of the 12 areas set out by the Trauma Audit and Research Network (TARN).

BLOOD AND TRANSPLANT

National Comparative Audit of Blood Transfusion

The introduction of printed wristbands and the Blood Component Care Plan continues to support best practice. The percentage of patients who wear a form of identification for their transfusion has increased markedly from 72% to 94% since 1995. The Hospital Transfusion Team is addressing this matter as part of their programme of training and education of clinical staff; the focus will be to improve the monitoring and observations and prevent transfusion reactions. They are also working to further update the UHSM Blood Transfusion Policy and the Blood Component Care Plan. UHSM is also running an ID awareness campaign to encourage patients, where possible, to take an active part in the bedside check by stating their full name and data of birth and help ensure correct identification.

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

Implementation of Enhanced Recovery Programme - Breast Care

UHSM's performance for Quarter 3 was 80% against the CQUIN target of 50%. This indicates that many elements of care at UHSM are excellent, including the level and quality of information that is given to patients before, during and after surgery to allow them to play an active role in their own recovery process. As a result of the implementation of new documents to be filed into case notes, breast care nurses have more-clearly documented the information that is given to patients at the Clinical Decision Meeting.

Audit of Screen-Detected Breast Cancers in Women who have had a Previous Assessment

Although the audit demonstrated good assessment practice in the majority of cases, some important learning points emerged:

- increased use of ultrasound at assessment is beneficial, especially for large areas of micro-calcification (tiny abnormal deposit) in the breast. This is now standard practice; and
- there still may be a need to pursue stereotactic core biopsy of the breast if the ultrasound is also normal.

Immediate Breast Reconstructions

The results showed that 39% of the 273 women who had a mastectomy for cancer had an immediate reconstruction. The Trust is well above the national rate of 21%; this is in line with the NICE guidance. It also demonstrated that there is a wide variety of reconstruction options available appropriate to individual patient needs.

Screening Retinopathy of Regional Audit

UHSM achieved 100% compliance in all measures apart from local anaesthesia use during the procedure. As a result the Neonatal Team has revised a new procedure sheet to include the use of medication including local anaesthetic for all babies who are having eye screening by the Ophthalmologist.

Caesarean Sections

Audit has resulted in all documented 'Grade 1' C-sections now being regularly reviewed by a consultant and midwife and individual cases are fed back at regular Labour Ward Forum meetings for training and improvement purposes. Following training, the categorisation of 'Grade 1' C-sections has now become more effective and this has improved communication within the Multi-disciplinary Team.

Re-audit of Surgical blood Ordering Schedule in General Surgery

There was general consensus that the guidelines need revising. Gastrointestinal Surgery will liaise with Haematology and develop new guidelines to ensure best practice, lower cost and reduce inefficiencies with blood reserves.

Medicines Reconciliation

Medicines reconciliation describes the process in which a pharmacist looks at any changes to a patient's regularly-prescribed medications on admission or discharge. This is part of an initiative to reduce medication errors. In an audit during 2012-13, more than 90% of patients had their medicines reconciled within 24 hours of admission.

Advancing Quality Programme - Stroke

The audit data clearly indicates that the national stroke standard from hospital arrival to Stroke Unit bed within 4 hours of arrival continues to be challenging area for the Trust. Bed pressures have impacted on the results especially over the autumn/ winter period. New strategies have been implemented:

- 24-hour stroke specialist support is being provided by nursing staff;
- stroke specialist nurses are able to view all clinical presentations in the Emergency Department due to improved IT resources, enabling early identification of stroke patients;
- education and training for Emergency Department staff on the 4-hour target, Rosier scoring method (to identify stroke) and other clinical assessments; and
- new stroke link nurses identified in the Emergency Department to help improve the quality of care and treatment.

Advancing Quality Programme - Community-acquired Pneumonia

Monthly review has highlighted excellent performance in oxygenation assessment care of 100%. Smoking-cessation results are at 65% and cases are being reviewed by the Respiratory and General Medicine directorate leads. Smoking-cessation advice is to be given to a majority of patients and clinical leads now provide regular feedback to team members and highlight the importance of complete documentation.

Advancing Quality Programme - Heart Failure

Audit has identified that when known heart-failure patients are re-admitted, there is a need for the IT system to identify this client group for the heart failure specialist nurse and this will be progressed during 2013-14.

Advancing Quality Programme - Acute Myocardial Infarction

Audit results indicate that many elements of acute myocardial infarction care at UHSM is excellent. In 2013-14 further aspects of care will be audited and the results shared with clinical teams.

Advancing Quality Programme - Coronary-artery Bypass Graft

Audit results indicate that some of the elements of coronary-artery bypass graft care demonstrate good care; areas for improvement are antibiotic selection and timely discontinuation of antibiotics 48 hours after surgery. Following a review of patients unable to meet this measure, the antibiotic policy was reviewed and updated and audit data is to be shared with clinical teams in 2013-14 to assess best practice.

4.4.3 Participation in Clinical Research

The number of patients receiving relevant health services provided or sub-contracted by UHSM NHS Foundation Trust in 2012-13 that were recruited during that period to participate in research approved by a research ethics committee was 15,411. This figure is based on the Comprehensive Local Research Network (CLRN) records, and data from local researchers. This level of participation in clinical research has meant that UHSM is the fourth highest recruiter to NIHR (National Institute for Health Research) portfolio studies nationally.

The Trust was involved in conducting 401 clinical-research studies in 2012-13. It used national systems to manage the studies in proportion to risk. These studies covered 11 medical specialties and were supported by 177 clinical staff. The average approval time for new studies through the centralised system for obtaining research permissions was 65 days.

Over 95 per cent of the commercial studies were established and managed under national model agreements and 100 per cent of the honorary research contracts issued were through the Research Passport Scheme. In the last year, 367 publications have resulted from the Trust's involvement in NIHR research, helping to improve patient outcomes and experience across the NHS. This level of participation in clinical research demonstrates UHSM's commitment to improving the quality of care it provides to patients as well as making a significant contribution to wider health improvement.

4.4.4 Goals Agreed with Commissioners

A proportion of UHSM NHS Foundation Trust's income in 2012-13 was conditional upon achieving quality improvement and innovation goals agreed between UHSM NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation payment framework. Further details of the agreed goals for 2012-13 and for the following 12-month period are available electronically at:

http://www.monitor-nhsft.gov.uk/sites/all/modules/fckeditor/plugins/ktbrowser/_openTKFile.php?id=3275

A value of £6.828m of UHSM NHS Foundation Trust's income in 2012-13 was conditional on achieving quality improvement and innovation goals agreed between the Trust and any person or body that they entered into a contract, agreement or arrangement with for the provision of NHS services, through the Commissioning for Quality and Innovation payment framework (CQUIN). The Trust received £6.395m in income in 2012-13 for the associated CQUIN payment.

4.4.5 Care Quality Commission Statement

UHSM NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is "*registered to carry out regulated activities at the locations specified.*" UHSM NHS Foundation Trust has the following conditions on registration (listed below), which have been met in full:

1. under Section 12(3) of the Health & Social Care Act, the Care Quality Commission considers that the effective performance of the regulated activity requires names individuals at each location. This condition is met by having in place full-time registered managers accountable to the CQC; and
2. limits on the maximum numbers of service users who can be accommodated at Buccleuch Lodge Intermediate Care Unit (RM214) - a maximum of 14 service users, and Dermott Murphy Long-stay Unit (RM2X2) - a maximum of 22 service users.

The Care Quality Commission has not taken enforcement action against UHSM NHS Foundation Trust during 2012-13.

UHSM NHS Foundation Trust has not participated in any special reviews or investigations by the Care Quality Commission during the reporting period. The Trust was subject to the following unannounced inspections during 2012-13:

- Wythenshawe Hospital (June 2012) in respect of CQC outcomes 1, 5 and 13; and
- Buccleuch Lodge Intermediate Care Unit and Dermott Murphy Long-stay Unit (February 2013) in respect of CQC outcomes 1, 4, 7, 13 and 17.

No concerns were identified during these inspections.

4.4.6 Data Quality

NHS Number and General Medical Practice Code Validity

UHSM NHS Foundation Trust submitted records during 2012-13 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data:

- which included the patient's valid NHS Number was: 99.7% for admitted patient care; 99.9% for outpatient care; and 98.5% for accident and emergency care;
- which included the patient's valid General Practitioner Registration Code was 100% for admitted patient care; 100% for outpatient care; and 100% for accident and emergency care.

Actions to Improve Data Quality

During the course of 2012-13 the Data Quality Steering Group oversaw the delivery of the following actions to improve data quality:

- performance-management tool introduced to monitor and improve coder productivity;
- Clinical-coding Team reorganised to facilitate improved work flow;
- escalation process introduced for the management of data-quality issues;
- role of the Data-Quality Team reviewed to identify core data-quality functions, including a plan to repatriate work back to the operational teams;
- online data-quality scorecard expanded and additional data-quality reports introduced;
- Trust's Data Quality Policy reviewed; and
- 'back-to-basics' training on the Patient-administration System delivered to administrative staff.

Information Governance Toolkit Attainment Levels

UHSM NHS Foundation Trust's Information Governance Assessment Report shows an overall score for 2012-13 of 80% and was graded 'satisfactory'.

Clinical Coding Error Rate

UHSM NHS Foundation Trust was subject to the Payment by Results clinical-coding audit during the reporting period by Capita and the error rates reported in the latest published audit for that period for diagnoses and treatment coding (clinical coding) were as follows:

Table 4.25: Error rates for clinical coding of diagnoses and treatment

Area audited	Error rate, %
Primary diagnosis:	11.4%
Secondary diagnosis:	6.6%
Primary procedure:	7.5%
Secondary procedure:	11.7%

*Data source: External audit carried out by an approved auditor, Capita.
This data is governed by standard national definitions*

The results of this external audit carried out by Capita should not be extrapolated further than the actual sample audited. The specialties of Ear, Nose and Throat (ENT) and Obstetrics were audited by Capita.

Appendix One

Statements from External Stakeholders

Statement from South Manchester Clinical Commissioning Group

UHSM has presented a comprehensive, accessible and detailed report on an ambitious quality and safety programme, which has been built on the success of previous years. We commend UHSM on the achievement of 40 of the 44 quality targets in this year. The commitment of the Trust to engage and involve patients in quality improvement is clearly evident throughout the Account and in particular we would like to commend the organisation's engagement in involving patients in the development of local Commissioning for Quality and Innovation (CQUIN) goals.

An area we would like to highlight and commend is the pilot on complaints the Trust has undertaken in partnership with the National Patients Association. Actively recording the actual experience of the patient when things go wrong and playing these at Board level is very powerful and really speaks to the heart of the Trust's commitment to improving the safety and experience of care for patients.

The Trust is actively responding to the findings from the public inquiry by Robert Francis QC into the failings at Mid-Staffordshire NHS Foundation Trust published in February 2013. UHSM has engaged with staff in relation to this report and has several work streams that are being delivered in response to the Public Inquiry. Alongside this, UHSM is developing a comprehensive action plan to ensure that every area is covered.

As Commissioners we would like to commend the transparency and candour under which UHSM operates. The Trust publishes within its Board papers its internal quality dashboards, which include all the elements set out within this Quality Account. The level of detail on the challenges to the Trust alongside the positive work that is on-going illustrates how seriously the Trust takes its responsibility to be an open, transparent and candid organisation.

Other areas of note at UHSM include the on-going work and commitment to the prevention of infection within the Trust and the achievement of zero Never Events in this past year (Never Events are nationally defined patient safety incidents that due to robust policies and procedures should never happen). The development of the 'South Manchester Way' and the involvement of staff in this process is innovative and a positive progression in the development of a culture of quality within UHSM.

UHSM has struggled with the national target of patients waiting no longer than 4 hours in the Accident and Emergency Department in quarters 3 and 4 of 2012-13. The Trust fully engaged with Commissioners in developing and implementing a comprehensive Trust-wide improvement plan to address this and we have seen on-going improvement in this area.

The Trust continues to strive to better understand and reduce mortality rates and improve recognition and response to critical illness. As a Clinical Commissioning Group we were very pleased to see these areas highlighted as areas for improvement.

CQUINs (Commissioning for Quality and Innovation framework) have been an area of success for UHSM this year with the Trust meeting all of the Greater Manchester and all but one of locally-set CQUIN targets, which they partially met. This engagement of the Trust in quality improvement is to be commended. The Trust has failed to achieve 1 goal; this was a national CQUIN on patient experience and performance on this goal has been poor nationally.

As Commissioners we have worked closely with UHSM over the course of 2012-13, meeting with the Trust regularly to review the organisation's progress in implementing its quality improvement initiatives. As an evolving Clinical Commissioning Group (CCG) we are committed to engaging with the Trust in an inclusive and innovative manner. We are very pleased with the level of engagement from the Trust and the involvement of patients in this process and we feel that we have developed some very dynamic local CQUIN targets this year. These local CQUINs, alongside an increased number and new approach to quality standards, will give us a greater understanding of the quality of care within the Trust and the experience of patients. The Trust has welcomed this new approach and engaged fully with the CCG.

Statement from Healthwatch Manchester

The performance against quality improvement priorities is achieved apart from on two occasions:

- compliance with minimum standards of observations and MEWS; and
- receipt of a nutrition risk assessment.

Healthwatch Manchester would welcome involvement in helping to improve these scores.

Of particular note is the 'improvements made' around nursing indicators and the welcome assurance that staffing ratios meet national and local standards.

The improvements made to patient experience are also areas where Healthwatch Manchester would welcome involvement: your 'Real-time Patient Stories Project' immediately springs to mind as a potential area for collaboration.

We would also like to be kept informed of progress around the Friends and Family Test and its function within CQUIN. The reduction of 4% in staff who would recommend the Trust as a provider of care to family or friends may be an area of concern but is still well above the national average. Close monitoring of this value, until trends become evident, would be a welcome initiative.

Referral-to-treatment values around cancer and the 18-week maximum wait are higher than the threshold with no significant reduction over the past three years. This may be an area of concern on which, again, Healthwatch Manchester would be willing to collaborate with you around improvement.

The introduction of the Quality Improvement Framework 2012-15 is also of particular interest to Healthwatch Manchester and we would welcome being kept apprised of how this develops.

Statement from Manchester City Council's Health and Wellbeing Overview and Scrutiny Committee

Manchester City Council's Health Scrutiny Committee welcomes the opportunity to comment on the University Hospital of South Manchester Foundation Trust Quality Account for 2012-13. Members of the Committee have been given the opportunity to comment and this statement includes a summary of their responses. In general we found the accounts well-presented and easy to follow.

In Part 2 of the Quality Account (QA), you provide a useful summary of how you have performed against your key priorities from last year, and outline your key priorities and targets for the forthcoming year. We welcome the results of how you have performed against your 3 key priorities of Patient Safety, Clinical Effectiveness and Improving the Patient Experience. We are pleased to note that of 44 targets contributing to achieving these priorities, University Hospital of South Manchester (UHSM) has achieved 40 of these.

We note that you have achieved your target regarding mortality rates. The Quality Account says that there has been a positive reduction in the Risk-adjusted Mortality Index (RAMI). However, whilst reference is made to the Department of Health's Summary Hospital-level Mortality Indicator (SHMI) showing mortality rates are less than expected, the figure given in respect of national benchmarking shows the SHMI rate is only slightly better than average. We note that UHSM does recognise that its mortality rate is not as good as the peer-group average. We welcome that UHSM is going to review inpatient mortality over the forthcoming year.

We are concerned about those targets that were not achieved. In particular, we think more work is still required in respect of 'Recognising and responding to the signs of critical illness' and we also note with concern that the targets for achieving a nutrition risk-assessment and coronary-artery bypass graft were not achieved.

We were pleased to note that there has only been one recorded case of MRSA over the previous 12 months. We were also pleased to note that the comments the Health Scrutiny Committee made last year in respect of the need for improvements in surgical safety have been acted upon. We note that UHSM re-launched its revised Surgical Safety Checklist in September 2012, and since then no issues of non-compliance have been reported. In respect of treating patients with dignity and respect we were pleased to note that the same-sex accommodation breaches were kept to a minimum and that you have set a goal for 2013-14 of zero mixed-sex accommodation breaches.

In respect of performance against key national priorities in 2012-13 we note that the Trust did not meet the emergency 4-hour waiting time as a consequence of under-performance in quarters 3 & 4 of the year. The 4-hour maximum waiting-time relates to the time spent in the Accident and Emergency Department (from arrival to admission, transfer or discharge). We note that in June 2010 the national target was reduced to 95% of patients arriving at Accident and Emergency, whereas it had been 98% previously. UHSM's figure over the past year fell to 92.3%, failing to meet the target.

It has been important to highlight areas of some concern where we expect UHSM to improve over the next year. Overall the Quality Account is positive and reflects the successful operation of a complex organisation serving many thousands of patients in an efficient and compassionate manner. This will be increasingly difficult in the national context of financial pressures. UHSM, like all parts of the NHS, will need to demonstrate over the next year an effective response to the Francis Report on the lessons to be learnt for the NHS of the failings at Mid-Staffordshire Hospital.

Appendix Two

Statement of Directors' Responsibilities in respect of the Quality Account

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

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

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

- the content of the Quality Account meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2012-13;
- the content of the Quality Account is not inconsistent with internal and external sources of information including:
 - Board minutes and papers for the period April 2012 to March 2013;
 - papers relating to quality reported to the Board over the period April 2012 to March 2013;
 - feedback from the commissioners dated 29 May 2013;
 - feedback from governors dated 6 March 2013;
 - feedback from local Healthwatch organisations dated 29 May 2013;
 - the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 22 May 2013*;
 - the latest national patient survey dated 16 April 2013;
 - the latest national staff survey dated 28 February 2013;
 - the Head of Internal Audit's annual opinion over the trust's control environment dated 22 May 2013;
 - CQC quality and risk profiles dated September, October, November, December 2012 and February, March 2013.
- the Quality Account presents a balanced picture of the NHS foundation trust's performance over the period covered;
- the performance information reported in the Quality Account is reliable and accurate;
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Account, and these controls are subject to review to confirm that they are working effectively in practice;
- the data underpinning the measures of performance reported in the Quality Account is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review; and the Quality Account has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations) (published at www.monitor-nhsft.gov.uk/annualreportingmanual) as well as the standards to support data quality for the preparation of the Quality Account (available at www.monitor-nhsft.gov.uk/annualreportingmanual)).

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

* *The Complaints Report is contained within Section 4.2 of the Quality Account 2012-13*

By order of the Board

NB: sign and date in any colour ink except black

29th May 2013 Date



Chairman

29th May 2013 Date



Acting Chief Executive

Appendix Three

2012-13 Limited Assurance Report on the Content of the Quality Report and Mandated Performance Indicators

Independent Auditor's Report to the Council of Governors of University Hospital of South Manchester NHS Foundation Trust on the Quality Report

We have been engaged by the Council of Governors of University Hospital of South Manchester NHS Foundation Trust to perform an independent assurance engagement in respect of University Hospital of South Manchester NHS Foundation Trust's Quality Report for the year ended 31 March 2013 (the "Quality Report") and certain performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2013 subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- *Clostridium difficile* (*C. difficile*) infection; and
- Emergency re-admissions within 28 days of discharge from hospital.

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

Respective responsibilities of the Directors and Auditors

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

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

- the Quality Report is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual*;
- the Quality Report is not consistent in all material respects with the sources specified in section 2.1 of *Monitor's Detailed Guidance for External Assurance on Quality Reports 2012-13*; and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the *NHS Foundation Trust Annual Reporting Manual* and the six dimensions of data quality set out in the *Detailed Guidance for External Assurance on Quality Reports*.

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

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

- Board minutes for the period April 2012 to April 2013;
- Papers relating to Quality reported to the Board over the period April 2012 to May 2013;

- Feedback from the Commissioners dated 29 May 2013;
- Feedback from local Healthwatch organisations dated 29 May 2013;
- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, quarters one to four 2012-13;
- The latest national patient survey;
- The latest national staff survey;
- Care Quality Commission quality and risk profiles for 2012-13; and
- The Head of Internal Audit's annual opinion over the Trust's control environment dated 22 May 2013.

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 University Hospital of South Manchester NHS Foundation Trust as a body, to assist the Council of Governors in reporting University Hospital of South Manchester NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2013, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and University Hospital of South Manchester NHS Foundation Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

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

- Evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- Making enquiries of management;
- Testing key management controls;
- Analytical procedures;
- Limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- Comparing the content requirements of the *NHS Foundation Trust Annual Reporting Manual* to the categories reported in the Quality Report; and
- Reading the documents.

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

Limitations

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

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

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

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2013:

- the Quality Report 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 section 2.1 of *Monitor's Detailed Guidance for External Assurance on Quality Reports 2012-13*; and
- the indicators in the Quality Report subject to limited assurance have not been reasonably stated in all material respects in accordance with the *NHS Foundation Trust Annual Reporting Manual*.

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29 May 2013



05 Directors' Report

Business review and management commentary

UHSM is a part of the National Health Service and was established on 1 November 2006 as a Foundation Trust. UHSM's principal activity is to provide goods and services for the purposes of healthcare in England.

UHSM is a complex healthcare organisation offering a wide range of specialist, district general hospital and local community based services. UHSM has major undertakings in research and education, alongside a variety of service specialisms, which attract patients from across the region and nationally. Three quarters of UHSM's patients come from the Public Membership area designated 'Areas 1-5' illustrated in Chapter 6. These areas are in the vicinity of South Manchester and Trafford. The other quarter come from further afield, from right across England and Wales, to access UHSM's highly specialised services.

UHSM contracts with local commissioners of healthcare services in the North West region. These commissioners, known until 31 March 2013 as Primary Care Trusts or 'PCTs' and since 1 April 2013 as Clinical Commissioning Groups or 'CCGs', establish legally binding contracts jointly with UHSM for specified quantities and quality of service. Specialised services are commissioned by national teams within the Department of Health, known as Specialist Commissioners. From 1 April 2013, these commissioners will operate as a part of the new NHS Commissioning Board.

These changes, together with the economic downturn, political uncertainty and forward looking focus of Monitor have warranted the Board to carefully consider possible scenarios for 2013-16. During this period of reduction in growth of NHS funding, there is a particular pressure on providers of acute NHS services, like UHSM, to become more efficient to offset the redistribution by commissioners of income which previously came to acute trusts, but is now being invested in other parts of the NHS.

Demand for NHS services continues to increase as innovations make more treatments possible and life expectancy increases. UHSM is experiencing an increasing demand for acute and specialist services, and there cannot be certainty that commissioners will be able to fund the demand without impacting upon waiting lists. The Board recognises this as a strategic risk.

The Board reviews the major risks to the achievement of UHSM's objectives every month, using a scoring system based on best practice techniques. Scores are calculated using a combination of weightings for the likelihood of a risk materialising and the impact should it do so. The Acting Chief Executive takes specific leadership responsibility for chairing the Risk Management Committee and reporting to the Board monthly on those significant risks which are scored above a threshold.

As described in the introductory sections of this report, the achievement of UHSM's performance targets has been a challenge for the organisation during 2011-12 but one that we have met constantly on a quarterly basis. The Board's very significant focus during the year has been on planning for and implementing changes which will enable the Trust to serve its patients and carers even better.

The risks relating to the achievement of 2013-14 indicators and targets as set down by Monitor and other bodies with an interest in acute sector regulation are recognised by the Board. The significant risks which concerned the Trust during 2012-13 are explained in greater detail within the Annual Governance Statement (see Chapter 7). There the control systems used to reduce the potential harm to UHSM and its patients are explained. For 2013-14 the risks faced by UHSM and its patients remain very similar.

During 2012-13 UHSM's clinical leadership structure has been consolidated. This management structure has provided a new dimension to the shaping and planning of services.

The Board recognises the importance of working with stakeholders and partners in the healthcare economy to redesign services to improve efficiency, and this is a key focus of activity for the coming year. In the acute sector of the NHS there is an increasing need and an increasing will to collaborate with neighbouring providers as well as to compete. UHSM is developing plans to collaborate with local acute providers across a range of services, including pathology services.

Whilst the outlook remains tougher than for a generation, and more so than 12 months ago, the Board is making appropriate plans to secure the future for UHSM and to further improve the way UHSM cares for its patients and their carers. The Board reports elsewhere that in its view UHSM is considered a going concern.

PFI contract relationship

In August 1998 the Trust entered into a Concession Agreement under a Private Finance Initiative (PFI) to construct a new 400-bed Acute and Mental Health development on the Wythenshawe Hospital site. In addition to the provision and servicing of the new PFI development, the Concession Agreement was structured to also include the delivery of all estates and facilities services to the existing residual hospital estate.

UHSM has a contract with the PFI Special Purpose Vehicle (SPV), South Manchester Healthcare Limited (SMHL), which ensures the delivery of all hard and soft estates and facilities services to the Trust's "operational estate" through the management of two contracts with subsidiaries of Sodexo UK & Ireland Ltd.

During 2012, in accordance with the provisions of the PFI Concession Agreement, SMHL concluded the market testing of Hard FM services. A number of potential service providers expressed an interest in providing Hard FM services. After careful and thorough evaluation of tenders received, Sodexo were announced as Preferred Bidder as their tender provided the best offer of service improvement and cost savings which will assist the Trust in the delivery of its cost efficiency and productivity improvement programme.

Information on health and safety and occupational health

UHSM has in place a very clear structure in respect of all matters relating to health and safety management, which discharges the requirement to have in place competent health and safety support, as defined and required in Regulation 7 of the Management of Health and Safety at Work Regulations 1999. The Chief Executive is responsible for UHSM's performance in relation to Health and Safety matters and the Board takes its Health and Safety obligations very seriously. During the year, the Board reviewed health and safety performance every month.

UHSM continues to demonstrate strong compliance in respect of the health and safety. This is based upon having in place an approved Fire and Health and Safety Policy and Strategy and a scheme of delegation is in place amongst directors for health and Safety matters. Health and safety responsibilities are contained within job descriptions.

The Trust embarked upon a new approach in 2011-12, which has continued to measure and monitor health and safety performance culminating in the use across all directorates of a new suite of indicators. Based on practices in the private sector, UHSM uses these to raise the health

and safety agenda amongst all staff by evaluating (i) the number of accidents resulting in lost time from work; (ii) the number of days lost; and (iii) the staff accident rate per 1000 employees.

The figures demonstrate that UHSM's priorities for colleague safety should be (i) minimising injury from moving and handling patients and loads; (ii) preventing physical assaults against colleagues; and (iii) preventing falls on wet, slippery or icy surfaces. The 2012-13 data provide baselines against which UHSM seeks to improve performance in 2013-14.

UHSM's system of health and safety management has included throughout the year the utilisation of unannounced safety inspections, including where necessary the use of protocols to issue local improvement or prohibition notices where safety concerns or breaches are identified. There were no local prohibition notices issued in 2012-13; however, one local improvement notice was issued during 2012-13, and immediately acted upon, to address concerns regarding the Control of Substances Hazardous to Health within a laboratory jointly occupied by UHSM and the University of Manchester.

UHSM has made considerable progress towards the delivery of its health & safety action plan during 2012-13. Performance is summarised in *Figure 5.1*.

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

UHSM is committed to working in partnership with stakeholders within the community it serves. The Board does not assume these good relationships, but acknowledges the need to work at creating and sustaining them. The Board also recognises the importance of engagement and defines, alphabetically, those primary stakeholders pivotal to UHSM as:

Colleagues

The Board believes that the involvement and engagement of staff is important in the future development of the Trust, particularly since almost 70 per cent of those people working at UHSM live in the Trust's immediate catchment area. The programme of cultural change 'The South Manchester Way' is pivotal to the successful transformation of the way UHSM functions, and receives Executive Director focus continually.

Fundraisers

UHSM has on site almost a dozen charities - some new, others long established - which consistently raise funds for equipment and projects in specific areas of the hospital. It is Board policy to actively promote their causes and success within UHSM, and to meet regularly with their leadership to avoid duplication of effort and purpose.

Governors

The 32 UHSM Governors are elected or appointed by the constituents of whom they are representative (public, staff, community). The Board works closely with them to inform the decision-making process on issues which affect UHSM's safety, quality and patient experience agenda. The Board provides a comprehensive range of papers, reports, seminars and visits to ensure Governors and their committees are kept well informed. Governors are encouraged to attend Part 1 Board meetings and they receive a monthly detailed summary of business from the Chairman as well as having informal opportunities to meet with the non-executive directors. Board papers for Part 1 meetings are published on the UHSM website, with some redactions of commercially sensitive content, within 3 weeks of each meeting. More information about the role and activities of Governors is provided within Chapter 5.

Figure 5.1: Health & Safety Performance Summary March 2013

STRIVING FOR EXCELLENCE
Health & Safety Performance Summary: MARCH 2013 (2012/13 YTD)



In-Month Staff Accident Rate between 0.00 and 10.00 per 1000 employees (less than 1% of workforce)
 In-Month Staff Accident Rate between 10.01 and 19.99 per 1000 employees (between 1 and 2% of workforce)
 In-Month Staff Accident Rate greater than or equal to 20.00 per 1000 employees (2% of workforce)
 YTD – Year To Date
 Rate decrease compared to previous month
 Rate = No change compared to previous month
 Rate increase compared to previous month

Developed by
 Paul Moore, July 2011
 (Version 3: May 2012)

Local Involvement Networks ('LINKs') and Healthwatch

UHSM engages regularly with both Trafford and Manchester LINKs. UHSM provides a summary of the monthly Quality Account to each as well as providing the opportunity required by Monitor for LINKs to comment on the annual Quality Account in order that their comments shall be incorporated within this document. On 1 April 2013, LINKs became Healthwatch organisations. UHSM fully expects to continue to engage constructively with Healthwatch organisations.

Local Authorities and their elected representatives

UHSM has forged strong relationships with Manchester City Council and Trafford MBC at senior levels. The UHSM strategy sets out a programme for ensuring that UHSM plays a significant role in helping the social and economic development of its local communities as well as promoting better health and reducing health inequalities. UHSM regularly briefs the elected representatives of local communities.

Media

The Board recognises the importance of local and regional newspapers, radio and TV as a wide-ranging channel to inform all stakeholders of the work undertaken at UHSM. It is Board policy to proactively engage with the media with candour.

Members

UHSM has over 6,000 public members, as well as a similar number of staff members. It is Board policy to ensure its membership is representative of the community it serves, to regularly communicate with them on successes around new treatments and care, and to provide them with information and updates on services. Even more importantly, the Board is committed to listening to the voices of local people and stakeholder organisations so that the plans it makes will more closely deliver services that people need and want. In February 2013 UHSM held a 'Health Matters' event for local people to attend and to raise awareness of their priorities for UHSM to focus on in the coming year. A number of clear representations were made and these are reflected more clearly within the Annual Plan 13-14 as a result of this welcome engagement.

MPs

UHSM keeps MPs representing all of its main catchment areas regularly briefed and consults them on any major changes to services which are planned and which may affect their constituents. During 2013-14 the trust has made particular efforts to ensure that local MPs know about commissioning intentions, including the wider cancer treatment commissioning agenda, so that MPs are well placed to listen to constituent concerns.

Overview and Scrutiny Committees ('O & S') of Manchester and Trafford Councils

UHSM engages regularly with both Trafford and Manchester O & S committees. UHSM provides a summary of the monthly Quality Account to each as well as providing the opportunity required by Monitor for each O & S committee to comment on the annual Quality Account in order that their comments shall be incorporated within this document.

Patients

'Patient Care is at Our Heart' and it is Board policy to seek the views and canvass the opinions of UHSM patients, their families and carers to shape present and future services.

PCTs

UHSM works with local PCTs as well as other community partners to develop an integrated health service which meets the needs of individual patients as well as the needs of the community as a whole. PCTs ceased to exist on 31 March 2013 and many of their functions have been subsumed into Clinical Commissioning Groups ('CCGs'). UHSM has sought to build strong links with CCGs too.

Volunteers

The Board is extremely grateful to the 500 people (many of whom are current or former patients) who give their time to support services and the staff at UHSM. It is Board policy to welcome and reward them by acknowledging the enormous contribution they make.

Untoward incidents resulting in loss of personal data

The Trust has put in place information governance arrangements to protect patient and staff interests which meet with the requirements for a Public Authority. One serious untoward incidents involving data loss has occurred during the year 2012-13. The Office of the Information Commissioner does not require UHSM to inform it about personal data which are not designated as serious untoward incidents. There were 59 such instances during 2012-13.

Further work is continuing to protect patient data from theft and unauthorised disclosure and to reinforce the information governance processes and procedures within the Trust. As part of this initiative, UHSM has updated mandatory staff training content and IG Policies. UHSM staff are aware of the need to report incidents, the learning can then be shared and included in mandatory training and staff communications.

A summary of incidents for the 2012-13 year is provided below.

Table 5.1: Summary of Serious Untoward Incidents Involving personal data as reported to the Information Commissioner's Office in 2012-13

Date of Incident Month	Nature of Incident	Nature of data involved	Number of People affected	Notification Steps
March 2013	A box of archived OT records misplaced by external records storage provider.	Occupation Therapy paper records.	Approx 150	ICO Informed

Table 5.2: Other Personal Data Related Incidents during 2012-13 (not reportable to Information Commissioner's Office)

Summary of Other Personal Data Related Incidents (not reportable to the Information Commissioner)		
Category	Nature of Incident	Total
1	Loss/theft of inadequately protected electronic devices or paper documents from NHS secured premises	2
2	Loss/theft of inadequately protected electronic devices or paper documents from outside NHS secured premises	4
3	Insecure disposal of inadequately protected electronic devices or paper documents	0
4	Unauthorised disclosure	33
5	Other	20

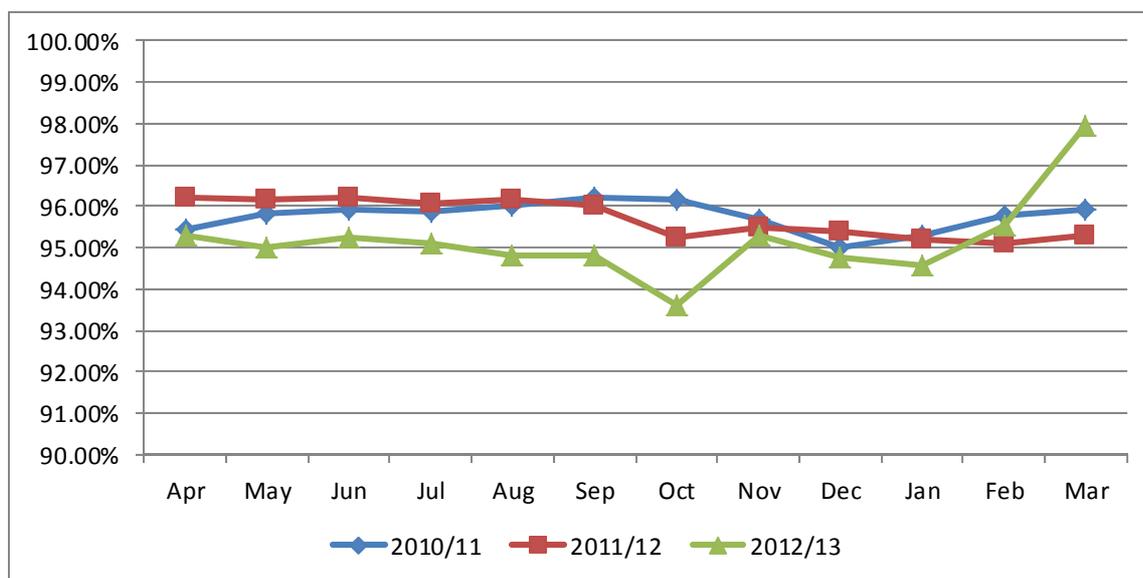
Staff Attendance

Performance for the year was 95.2% which is a slight decrease in performance compared to the rate for 2011-12 which was 95.6%

A Strategic Attendance Management group has been established to focus on making improvements to the Attendance rates. The People and Organisational Development Strategy includes a number of objectives linked to improving the health and wellbeing of our people and therefore it is envisaged that with some dedicated focus and appropriate support we will be able

to supporting colleagues and deliver the levels of attendance required to provide the services patients expect. These figures are illustrated below.

Figure 5.2: Monthly attendance by UHSM staff during 2012-13



Regulatory Ratings

During 2012-13 Monitor’s function was solely to be the Independent Regulator of Foundation Trusts. On April 1, 2013 Monitor acquired a wide range of new powers and functions in line with provisions of the Health and Social Care Act 2012, which had been planned for 2 years. Monitor’s broad range of functions and responsibilities are designed by legislation to protect and promote the interests of patients. Monitor’s own website provides a great deal of information and is easily accessible to the public. <http://www.monitor-nhsft.gov.uk/about-monitor/what-we-do-0>

As a part of its new functions, Monitor continues to regulate Foundation Trusts and publishes its assessments openly. Monitor takes a proportionate, risk based approach to regulation. The assessment of risk by Foundation Trusts and by Monitor was articulated during 2012-13 by the application of two ratings, for financial risk and governance risk respectively.

UHSM has been rated ‘3’ for finance by Monitor throughout 2012-13 and although UHSM planned to be ‘Green’ for governance throughout the year, a failure to meet the A & E four hour target in quarters three and four have meant that UHSM was assessed as ‘Amber/Green’ in relation to governance for those quarters. More detail is provided later in this report about performance. A brief description of Monitor’s regulatory ratings is provided at Chapter 8, Appendix 1.

Table 5.3: UHSM’s risk ratings based on annual plans and quarterly assessments during 2011-13

	Annual Plan 2011-12 ratings declared by UHSM	Annual Plan 2011-12 ratings determined by Monitor	Q1 2011-12	Q2 2011-12	Q3 2011-12	Q4 2011-12
Financial Risk rating	3	3	3	3	3	3
Governance Risk rating	Green	Green	Green	Green	Green	Green

	Annual Plan 2012-13 ratings declared by UHSM	Annual Plan 2012-13 ratings determined by Monitor	Q1 2012-13	Q2 2012-13	Q3 2012-13	Q4 2012-13
Financial Risk rating	3	3	3	3	3	3
Governance Risk rating	Green	Green	Green	Green	Amber/Green	Amber/Green

UHSM's actions have been put in place to assure a swift return to compliant service provision. These have been developed and scrutinised by independent colleagues from the Department of Health's intensive support unit, reviewed and approved by the Board and shared with Monitor.

Principal risks and uncertainties facing UHSM

UHSM has a statutory obligation to describe the principal risks facing the organisation. These are described within the annual governance statement, appearing at chapter 7.3.

Organ donation performance

A review of UHSM's potential audit data from April 2012 to end of March 2013 highlight an excellent referral rate of potential organ donors after brain stem death combined with brain stem death testing rates, family approaches, consent rates and proceeding donation. For this part the Trust is unequivocally compliant with current NICE Guidance (CG135, 2011). UHSM's rate of referrals for potential organ donors after circulatory death has continued to rise too, by 20%.

UHSM is succeeding in increasing numbers of deceased tissue donors, with the most notable change seen in families approached by staff in the Emergency Department. This data reflects the significant national rise in donors and in particular, progress made throughout the North West as one of the larger regions.

UHSM's primary target for the forthcoming year is to continue to improve upon our rising referral rate for potential donors after circulatory death from all critical care areas. Educational strategies will prioritise the importance of sensitive, timely referral of all patients meeting the minimum identification criteria. UHSM will work to ensure that every family is given the opportunity to consider donation as part of equitable high quality end of life care. "If a patient is close to death and their views cannot be determined, you should be prepared to explore with those close to them whether they had expressed any views about organ and tissue donation, if donation is likely to be a possibility" General Medical Council, 2010, (NCEPOD, 2012).

As advised by the UK Donation Ethics Committee, 2011, UHSM will maintain a collaborative team approach between clinical staff and specialist nurses in organ donation to identify potential, suitable donors. They will provide best practice in supporting families to make personal and fully informed choices regarding the decision to proceed with donation. This multi-disciplinary approach will continue throughout the process of donation and extend to family follow up care, as recommended by NHSBT Best practice guidance, 2013 and NICE CG135, 2011.

Progress monitoring will be continuous via local and national Potential Donor Audit. Regular evaluation by key stakeholders will ensure quality improvement and optimise compliance with highlighted national guidance. Deviations from this set standard of care will be subject to a thorough root cause analysis and the findings shared to ensure learning.

Nationally, there is a recognised need to continue raising awareness and promote increased numbers on the Organ Donor Register. There is additional focus on encouraging a supplementary dialogue between families and friends, to make their wishes around donation known, as set out in NHSBT, 2012. UHSM will continue to support local and national projects to target all staff and public demographic groups, with particular attention to highlighted ethnic and minority communities.

5.1 Operational Performance & Service Developments

During the last twelve months the Trust has again consistently delivered the national elective access targets (Referral-to-Treatment and Cancer) despite the increases in demand highlighted in Table 5.4. In addition, the Trust has also focused significant effort on further reducing the incidence of hospital-acquired infection.

Table 5.4: Trust activity for the period 2009-10 to 2012-13

Activity	2009-10	2010-11	2011-12	2012-13
Emergency Department attendances	85,321	86,344	88,062	91,245
Inpatients and day cases	78,736	84,666	84,493	83,205
Outpatients*	367,121	386,395	394,597	414,284
Total	531,178	557,405	567,152	588,734

* includes ward attendance

The Trust experienced a 5 per cent increase in outpatient activity in 2012- 13 when compared to 2011- 12 and a 3.6 per cent increase in Emergency Department attendances. Overall activity (calculated using the categories shown in **Table 5.1**) increased by 3.8% in 2012- 13 from the 2011- 12 position.

Summary of Service Performance 2012- 13

UHSM reported a single hospital-acquired MRSA bloodstream infection ('bacteraemia') in 2012-13 and achieved a further significant reduction in cases of *Clostridium difficile* (46 cases compared with 54 in 2011-12). The thresholds for next year (2013-14) are challenging, with a threshold of zero MRSA bacteraemia and of 36 cases of *Clostridium difficile*.

During the same period, UHSM achieved the referral-to-treatment targets for both non-admitted and admitted patients and met all the national cancer targets.

The Trust did not meet the emergency 4-hour waiting time in 2012-13 as a consequence of under-performance in quarters 3 and 4 of the year. During 2012-13, the Trust experienced a growth of 3.6% in A&E attendances and an increase in the 'acuity' (complexity) of patients attending A&E, i.e. attendances classified as 'major' increased by 7.3% in 2012-13. These changes led to a significant increase in demand for inpatient beds, particularly in quarters 3 and 4. UHSM, in collaboration with its local health-economy partners, has developed an action plan to address performance, which is designed to return the Trust to compliance by June 2013.

Table 5.5: UHSM performance against key national priorities in 2012-13, and specifically, governance indicators published in Monitor's *Compliance Framework 2012-13*

a) Acute targets - national requirements	2012-13	2011-12	2010-11	Threshold ^(a)
<i>Clostridium difficile</i> year-on-year reduction	46	54	81	49 in 2012-13 64 in 2011-12 148 in 2010-11
MRSA - meeting the MRSA objective	1	1	5	3 in 2012-13 3 in 2011-12 8 in 2010-11

Maximum one month wait for subsequent treatment of all cancers:	surgery	97.6%	98.5%	99.7%	94.0%
	anti-cancer drug treatment	100.0%	99.4%	100.0%	98.0%
Maximum two month wait from referral to treatment for all cancers ^(b) :	from urgent GP referral to treatment	87.8%	88.4%	88.1%	85.0%
	from consultant screening service referral	97.5%	98.0%	97.6%	90.0%
18-week referral-to-treatment maximum wait:	Non-admitted patients	97.3%	97.3%	98.0%	95.0%
	Admitted patients	93.0%	91.4%	92.6%	90.0%
	Patients on an incomplete pathway ^(c)	94.9%	N/A	N/A	92.0%
Maximum one month wait from diagnosis to treatment for all cancers		97.6%	98.3%	99.4%	96.0%
Two week wait from referral to date first seen:	all cancers	96.9%	95.6%	96.7%	93.0%
	for symptomatic breast patients (cancer not initially suspected)	96.7%	93.2%	94.9%	93.0%
Maximum waiting time of four hours in A&E from arrival to admission, transfer or discharge		92.3%	95.8%	96.7%	95.0% since Jun-10 98.0% prior to Jun-10
Access to healthcare for people with a learning disability		95.8%	94.7%	91.7%	no threshold published

Notes to **Table 4.4:**

- (a) threshold for achievement of the national standard.
- (b) reporting of the national 62-day cancer standards is according to the Greater Manchester & Cheshire Cancer Network's (GMCCN) breach re-allocation rules from October 2011. Prior to October 2011, the 62-day cancer standards were reported using the national Cancer Waiting Times (CWT) database.
- (c) the 18-week referral-to-treatment maximum wait for patients on an incomplete pathway was introduced in 2012-13.

Healthcare-Acquired Infection

During 2012-13 University Hospital of South Manchester NHS Foundation Trust continued to meet the challenges infection prevention. The Trust reported 1 case of MRSA bacteraemia against a threshold of 3 and 46 incidences of *Clostridium difficile* against a threshold of 49. This represents a 15% reduction in *Clostridium difficile* incidence.

Improvements made:

1. monthly Infection Prevention Performance Meetings have continued which has served to further embed the infection-prevention culture into operational business;
2. the Trust has continued to engage with local GPs and sends notification letters when one of their patients is diagnosed with *Clostridium difficile* in order to improve future patient management regarding antibiotic prescribing thereby promoting patient safety; and
3. monthly SMART audits of antibiotic prescribing are undertaken and actions are developed to resolve any issues identified.

Emergency Access

The Trust failed to achieve the national emergency-access standard in quarters 3 and 4 of 2012-13. The Trust, in collaboration with key stakeholders, has initiated an action plan designed to improve patient flow and performance. The plan includes the actions listed in the section that follows.

1. Rapid Assessment and Treatment (RATs) in the Emergency Department allows for initial assessment of patients by a multi-disciplinary team and the identification of patients likely to require admission and those who, with intervention, will be able to go home.

2. In February 2013, the Wythenshawe Forum Walk-in-Centre moved to the hospital site. The service is now provided within the Emergency Department's Urgent Care Centre. This has increased the capacity to treat patients presenting with minor injuries, reduced waiting times and released capacity in the main Emergency Department.
3. The Acute Medical Consultants now in-reach to the Emergency Department, working alongside the Emergency Department Team, facilitating earlier intervention by a specialist. As well as improving the patient experience, the sessions provide education for the Emergency Department team.
4. The Trust established a Surgical Assessment Unit (SAU) in which specific patients are assessed, stabilised, investigated and treated. The Unit releases capacity in the Emergency Department and alleviates the need for patients to wait.
5. The GP Assessment Unit, which is managed by the Acute Medical Consultants, enables medical patients to have tests and treatment earlier in the pathway.
6. The Trust is to establish an advice line so that GPs can speak to the Acute Medical Consultants for advice about their patients. The GP and consultant will then jointly agree the next steps for the patient, which could be to refer patients into rapid access clinics avoiding the need for attendance in the Emergency Department.

In 2013-14 the Trust will continue to develop ambulatory-care pathways to provide alternatives to admission and minimise length-of-stay. It will also implement its New Model of Care for Medicine, which will deliver a seven-day, consultant-led service, improving out-of-hours and weekend cover and providing greater senior medical presence.

Elective Access

UHSM made a significant number of improvements to the scheduled-care pathway in 2011-12. During 2012-13 much effort has been focused on consolidating and further developing these schemes.

1. The Enhanced Recovery pathway is now in place for breast surgery and will be introduced for thoracic surgery in early 2013-14.
2. The standards required to achieve Trauma Centre status were implemented and maintained with minimal disruption to elective care.
3. The recruitment of additional consultants in the specialties of Trauma and Orthopaedics and Plastic Surgery has facilitated reduced waiting times for patients.
4. An outpatient urology service is now provided on the Wythenshawe site to support improved local access for patients. In addition, some urology treatments that had previously been conducted in day-case theatres are now performed in an outpatient setting.
5. UHSM's Transplant Team has continued to deliver low mortality rates whilst increasing activity levels. Since 2011 UHSM has increased the volume of heart transplants undertaken by 50% and lung transplants by 25%.
6. The number of women choosing to have their maternity care at UHSM has risen such that there were more than 4,600 births at the Trust in 2012-13.
7. The Trust's Paediatric Team has improved access to the Paediatric Observation and Assessment Unit, which has reduced the number of children requiring admission as an inpatient.

Cancer Care

UHSM achieved all the national cancer standards during 2012-13 (quarterly reporting). Some of the developments in cancer care, delivered at UHSM during 2012-13, are detailed below.

1. The Breast Surgery team moved to day-case surgery for wide local excision and ancillary node clearance as the default treatment option. In addition, the team has offered patients the choice of undergoing mastectomy as a day-case treatment.

2. The Trust's Acute Oncology Team was strengthened with the addition of a dedicated Acute Oncology Nurse and Administrator.
3. A weekly, one-stop thyroid/neck- lump clinic has been established, supported by Pathology and Radiology, enabling same-day diagnostic reporting, in line with national best- practice.
4. A number of the Trust's cancer teams (Breast, Gynaecology, Urology, Colorectal, Oncology Pharmacy, Brain and Sarcoma) have maintained compliance of greater than 90% with peer-review standards and are, therefore, considered high-functioning teams by the National Cancer Action Team.
5. UHSM participated in the 2nd Annual National Cancer Patient Survey and improved to a green score (20% highest-scoring trusts nationally) against 18 of the 63 questions.
 - The Colorectal Team scored 100% against 3 of the survey categories:
 - Overall NHS Care: patient's rating of care excellent or good;
 - Hospital Doctors: got understandable answers to important questions all/most of the time; and
 - Hospital Doctors: patients had confidence and trust in all doctors treating them.
 - The Lung, Urology and Breast teams were on or above the national average for 48, 44 and 43 questions respectively.
6. Over the last 12 months UHSM has recruited more cancer patients into clinical trials than any other hospital in Greater Manchester and Cheshire.
7. UHSM participated in a pilot to improve MDT (Multi-disciplinary Team) information sharing for the Neurology-Oncology MDT with Salford. This process has now been rolled out network-wide.
8. The Macmillan Information and Support Centre has delivered improvements in the number and quality of services on offer for patients and families affected by cancer as follows:
 - in the last 18 months the service has helped nearly **6,000** people with face-to-face support;
 - the six- week HOPE course has helped approximately 50 people feel stronger after completing treatment. The course is offered 3 times a year;
 - the psychology/counselling team has helped approximately 350 patients in the last 18 months;
 - the visiting job advisor has helped support approximately 30-40 patients to either return to work, take medical retirement or reduce hours;
 - the team has provided teaching/training to over 450 staff and volunteers in the last 18 months;
 - the service was re-assessed by the team from 'Macmillan Quality Kitemark' and again received top marks; and
 - the Centre's Macmillan Information Assistant worked tirelessly to raise £4,600 in the 'Macmillan Biggest Coffee Morning'.

Estates and Facilities

Facilities Services

2012-13 saw the successful implementation of the new 'Hotel Services Proposal' negotiated with Sodexo as part of the previous year's PFI benchmarking exercise. This has brought about a step-change in operational performance for all soft FM (facilities management) services as well as a £1.2m per annum cost saving to the Trust. UHSM was the first PFI hospital in the UK to negotiate such an improved deal under PFI benchmarking provisions.

Additionally, during 2012, the market testing of PFI-provided Hard FM services was concluded. After careful and thorough evaluation of all tenders received, Sodexo were announced as Preferred Bidder as their tender provided the best offer of service improvement and cost savings, which will assist the Trust in the delivery of its cost efficiency and productivity improvement programmes.

Estates Strategy

During 2012 the Trust moved to the implementation phase of its new Estates Strategy. This will help the Trust meet a range of property and real-estate challenges.

Britain's Greenest Hospital

The Trust's green credentials continue to be improved by the close working relationship between the Estates and Facilities and Communication directorates. In particular, the Trust has been confirmed as Britain's Greenest Hospital for the third year running and has also achieved position number 79 out of 2097 organisations in the CRC (Carbon Reduction Commitment) Participants League Table. This places the hospital best in the North West for carbon reduction and amongst the top organisations in the whole country in both the public and private sectors.

The results achieved from the green initiatives carried out in recent years have also drawn recognition from the Ashden Awards with the Trust winning this prize in 2012. The Trust is currently in the process of developing further schemes and initiatives to further improve energy efficiency and is also looking to establish wider green objectives which the Trust can influence in order to maintain its current class-leading status in this area.

Estates Developments

A number of significant developments to the Trust's estate were made during 2012-13.

- Maximising the use of the estate featured significantly with the creation of a new £950k ultra-clean theatre suite within the Trust's Acute Block.
- UHSM engaged with colleagues at the former Manchester Primary Care Trust to facilitate better utilisation of space within Withington Community Hospital. This resulted in the conversion of non-clinical office space to a purpose designed outpatient facility for the Trust's Dermatology service which was relocated from older accommodation nearby.
- £250k was focused on projects relating to improving fire precautions and repairs to roads and paths around Wythenshawe Hospital. A further £318k was invested to replace patient lifts within the original F-side hospital and work continued on the ward re-refresh program with improvements made on the cardiology day-case unit to the value of £225k. A dedicated urology assessment unit was also formed within the Trust's main outpatients department with over £100k invested in providing a theatre standard procedure room on Ward F1.
- The Trust was able to combine the its green agenda with that of investing in essential maintenance when investing £750k to replace poorly insulated roofing and single-glazed windows with new uPVC double-glazed units. A further £150k has been invested in the installation of LED lighting and the provision of super low-loss transformers to help further reduce the Trust's energy consumption.
- Working with colleagues in undergraduate education, £470k has been invested in the development of a bespoke simulation suite within the Trust's Education and Research Centre. This high-specification development utilises the latest technology to simulate medical and surgical training within the surrounds of a modern-day theatre setting.
- During 2012 works were also completed on the construction of the £2.4m NIHR-grant-funded extension to the Medicines Evaluation Unit and also the £20m upgrade of the Trust's Maternity Unit which provides: a modern midwife-led birth centre; hotel-style delivery rooms with birthing pools; fully refurbished clinics and wards; and an expanded special-care baby unit.

5.2 Financial Standing and Outlook

UHSM is pleased to report a satisfactory financial performance in 2012-13. UHSM has generated net surpluses each year and this continued in 2012-13 with a net surplus of £0.46m before exceptional items, albeit behind planned levels (planned surplus of £1.98m). The reason for this underperformance is mainly due to a shortfall on the delivery of Cost Improvement Plans (CIPs), premium costs of agency staff in key clinical areas, and excess costs on clinical supplies.

As part of Monitor's Compliance Framework the Trust is assessed against a Financial Risk Rating (FRR), which is used to assess financial risk and more specifically to assess the likelihood of a financial breach of UHSM's terms of authorisation. A planned FRR of level 3 was agreed for 2012-13 by the Trust with Monitor, and this has been achieved. The risk rating is on a scale of 1 to 5, with 5 being the strongest rating and 1 being the weakest. The Trust's achievement indicates solid financial performance and confirms the Trust is compliant with its terms of authorisation.

The following section summarises UHSM's key financial performance and how this has supported the development of the organisation.

Income and Expenditure performance (Statement of Comprehensive Income)

In 2012-13, UHSM achieved a net surplus of £0.46m before exceptional items. The achieved surplus equates to 0.1% of UHSM's turnover. This modest surplus secures financial stability and has allowed the Trust to deliver on its planned financial risk rating.

The Trust's financial performance reflects the following key issues:

- creation of additional theatre capacity and completion of key capital investments to
 - improve Outpatients,
 - enhance the Maternity Unit and
 - facilitate increased levels of research at UHSM
- the delivery of £16.9m Cost Improvement Schemes (4.1% of Operating Expenses), met through continuing to look at our efficiencies in length of stay, theatre productivity, and diagnostic and outpatients, continuing to review our workforce across all staffing groups, and improving our productivity through quality initiatives and maximising our income.
- delivering strong performance in respect of the Commissioning for Quality and Innovation (CQUIN) quality targets which is a significant and important income stream for the Trust related to the quality of our patient services.

UHSM's income grew by £43.1m (11.1%) in 2012-13 largely resulting from the Trust beginning to host the National Leadership Academy which provides non-clinical training and development across the NHS. The income it received on behalf of the Academy (and the costs that are expended) are included in the Trust's accounts.

In 2012-13, operational performance with regard to earnings before interest, taxation, depreciation and amortisation (EBITDA) was £19.8m (4.6% of turnover). This was below the previous year (2011-12 when EBITDA was 5.7% of turnover). As the Trust's turnover increased mainly as a result of hosting arrangements, the EBITDA would be expected to be a lower percentage of turnover. The percentage was further reduced as a result of the EBITDA being £2.2m less than plan, reflecting the shortfall on the delivery of Cost Improvement Plans (CIPs), premium costs of agency staff, and excess costs on clinical supplies. **Table 5.6** summarises the 2012-13 Statement of Comprehensive Income performance:

Table 5.6: 2012-13 Summarised Operational Financial Performance

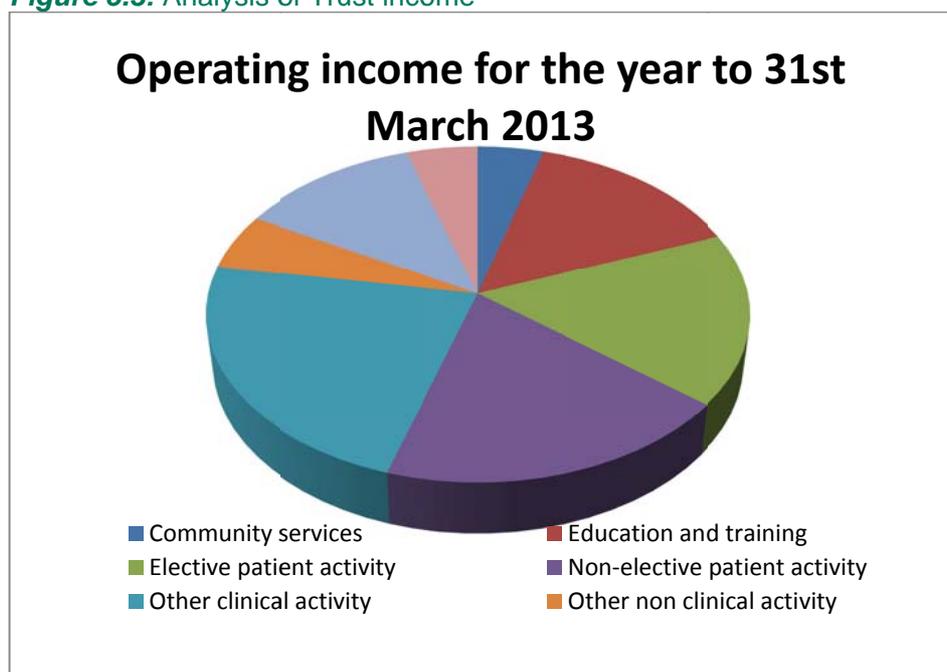
	2012-13 £m
Income	430.54
Operating expenses	<u>(410.73)</u>
EBITDA	19.81
Depreciation	(9.16)
Net interest	(9.36)
Surplus before Dividend	1.29
Public Dividend Payment	(0.83)
Exceptional items(Reversal of Impairment of Fixed Assets, costs of reorganisation)	<u>1.32</u>
Net Surplus after exceptional items	1.78
Deduct exceptional items	(1.32)
Net Surplus before exceptional items	0.46

In 2012-13 pay costs increased by just over 4% whilst non-pay cost increased by 25%. These increases reflect the impact of including hosted services such as the National Leadership Academy, research, training and other modest service developments.

The Trust's third year of savings under its "Fit for Fifteen" efficiency programme has generated savings of £16.9m (4.1% of operating expenses) whilst maintaining the delivery of high quality care. The key areas that were focused on were savings from our PFI partners, continuing reductions in our length of stay, theatre productivity, improved diagnostic and efficient outpatient services. skill mix reviews within our workforce, and drug and procurement savings. New schemes focused on maximising our productivity through quality initiatives and income generation.

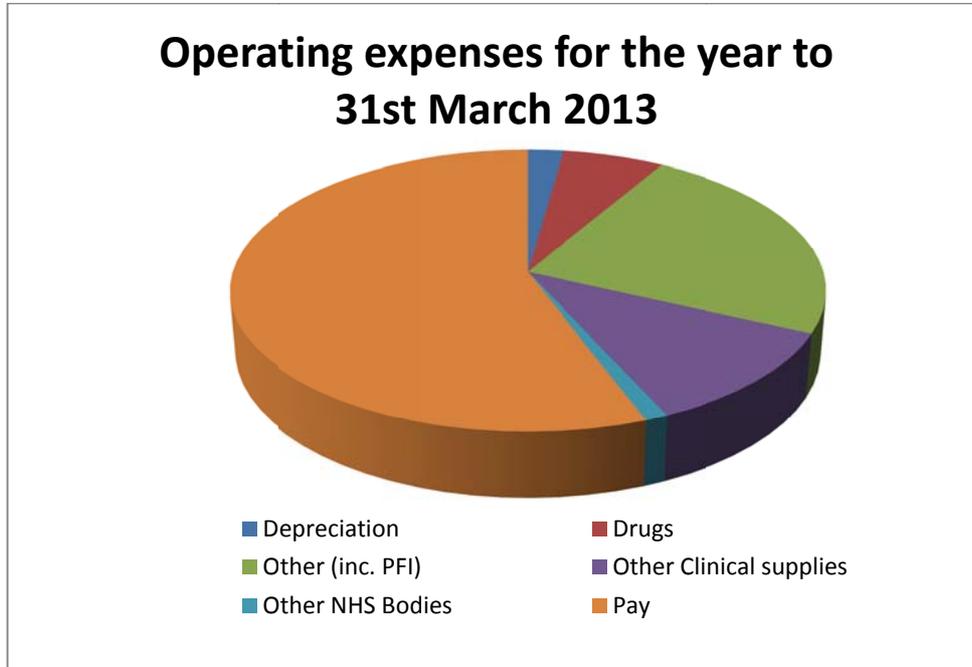
The following pie charts give a breakdown of the sources of income UHSM has generated and where the money has been spent.

Figure 5.3: Analysis of Trust income



As can be seen the largest proportion of UHSM's income is generated from patient related activities, the majority of this is derived from contracts with Primary Care Trusts.

Figure 5.4: Analysis of Trust Expenditure



The largest proportion of UHSM's costs are spent on staff, accounting for 56% of operating expenses (60% in 2011-12) with clinical supplies and services the other material proportion accounting for 11% (12% in 2011-12). Whilst pay and clinical supplies and services costs in 2012-13 have increased from those incurred in 2011-12, the size of these costs relative to the overall operating expenses has decreased as a result of the increase in costs resulting from the hosting arrangement of the National Leadership Academy (shown within 'Other' in figure 5.4).

Management of the Trust's assets

In delivering excellent healthcare the Trust recognises that it must manage its assets effectively including the buildings and equipment required to provide patient care.

Capital Investments

The Trust has a rolling capital programme to maintain and develop its capital infrastructure. In 2012-13 the Trust invested £10.6m of capital expenditure to enhance and expand the asset base.

This included the creation of additional theatre capacity and the completion of significant schemes begun in previous years, including:

- a central research facility
- the redevelopment of Maternity and Neonatal services
- refurbishing the out-patients department
- further investment in Information Technology to support improvements in patient services

In addition the Trust spent over £4m in maintaining and refreshing its building infrastructure to ensure compliance with modern standards.

The following table summarises the expenditure in 2012-13;

Table 5.7: Analysis of capital expenditure

	2012-13
	£m
Creation of additional theatre capacity	0.9
Research Facility	0.3
Maternity development	0.9
Out-Patients refurbishment	0.2
Information Technology	1.8
Estate maintenance	4.1
Medical equipment	2.4
Total	10.6

This programme of capital investment was funded by £0.9m loans; £0.3m government backed Public Dividend Capital (PDC) and the remainder from depreciation and retained surpluses.

UHSM plans to continue to invest in new assets including a simulation suite (enabling doctors to train in a theatre environment) planned for completion in 2013-14, essential maintenance to its sites and replacement of equipment to enable UHSM to deliver a high level of patient care. From the April 1, 2013 UHSM will acquire community properties, including Withington Community Hospital and the residual NHS properties on the site of the former Withington Hospital, from NHS Manchester and will utilise these to further benefit patient care.. These acquisitions will build upon previous investments in infrastructure and support the aim of improving the environment of the Trust's facilities and the patient care that is offered. However, in the context of NHS funding constraints the Trust's forward capital spending plans will be at a more moderate level.

Liquid Assets

At the end of March 2013 the Trust held £66.7m in cash balances. This is an increase on last year's cash and cash equivalents reflecting improved cash management; the impact of the Trust acting as host for a number of services such as the National NHS Leadership Academy.

Key Financial Risks

In delivering this financial position UHSM has successfully managed the following key financial risks:

- the delivery of a challenging efficiency programme totalling £16.9m and achieve a minimum Financial Risk Rating of level 3
- Pressure on income from commissioners due to demand management initiatives, and potential application of contract penalties and the delivery of the Commissioning for Quality and Innovation (CQUIN) targets and associated income.

Careful management of the Trust's finances since our authorisation as a foundation trust provides a solid base for UHSM in developing its financial plans going forward. The financial climate in the NHS is becoming more difficult and there will be tougher financial challenges. The key financial risks as the Trust embarks on the 2013-14 financial year include:

- continuing to deliver the efficiency programme in the order of 5% per annum
- developing relationships with the new Clinical Commissioning Groups which have formally been established in April 2013
- the potential application of contract penalties for non compliance with key performance targets such as readmissions within 30 days of discharge and referral to treatment standards
- managing the liquidity pressure arising from the cash flow phasing of the Trust's PFI contract

These risks are all being actively managed by the Board of Directors.

Forward Look

UHSM and the Board of Directors are engaged with the pressures facing the Trust in the current economic climate. Through prudent financial management and by building on the business improvement processes delivered in 2012-13 the Trust is in a good position to meet the considerable financial and performance challenges ahead of it. The Trust's continued financial priority will be providing the very best quality of patient care whilst at the same time doing all that it can to improve productivity and efficiency.

5.3 UHSM Academy

In 2012-13 the UHSM Academy has continued to expand, develop and enhance its reputation for delivering innovative and high quality education and training in healthcare.

Key achievements delivered, against the eight strategic objectives are:

1. Develop the Academy as a unique entity and a novel market leader in health education

The structure of the Academy has continued to change and develop. The appointment of the Director of HR and OD has been a major influence on this with the development of the new department of People and Organisational Development (POD) which lies outside of The Academy structure.

The consequences of this have been the reallocation of a significant number of Academy staff, from the Learning & Development team, to the new POD team which is aligned to the HR Department. Apart from minor, opportunistic changes, the Academy has been unable to proceed with its planned restructure in 12-13.

During 12-13, the Corporate Induction day has been revitalised, updated and rebranded as "One Great Day." Evaluations and feedback from attendees has consistently rated the new format very highly.

2. Institute robust education governance by having standards and structures in place for education which ensure control and accountability in order to achieve continuous improvement of quality and performance

The education governance structures have been reviewed and amended during 12-13. The further development of EduQate has allowed a platform for display of a suite of metrics for the Academy which can be accessed by the Executive Group at any time. These include metrics about audits of clinical learning environments, student numbers, mentors, mandatory training compliance etc. Changes to trainee doctor induction processes have been further embedded in 12-13 and have led to a significant improvement in the quality and efficiency of this process.

During 12-13, The Academy has been visited/inspected by the North West Deanery, OFSTED, City & Guilds, and Skills For Health North West. All of these have produced very positive evaluations.

A new audit of Key Performance Indicators for North West Practice Education Facilitators (PEFs) by NHS North West was also very positive, showing that UHSM PEFs scored 87% compared to an average northwest score of 77%.

The Department of Medical Illustration has implemented a program called PACSScan which will allow clinical photographs to be viewed electronically using the UHSM PACS system which is currently used for radiological images. This will mean that in future, UHSM will no longer be providing paper copies of patients' clinical photographs for inclusion in their hospital notes.

This will improve the appropriate accessibility to images and improve information governance.

3. Enhance and develop multi professional education to enhance the learning experience of all students and employees ensuring 'one talented team'

Multi-professional events are highlighted and published as part of the quarterly Academy Newsletters. The Practice Education Facilitators have now established themselves as a supporting resource for all non-medical Healthcare Profession students, not just Nursing and Midwifery students. A "Link Community" has been created which brings all of the different professions together to focus on education and training. Work has commenced on a simulation suite which will be a multi-professional facility for the whole Trust and will enable income generation external to the trust. This will become operational in 2013.

From 2011, the Academy took over the hosting of the Work Based Education Facilitators (WBEF) northwest regional network. This is a network of healthcare staff, at many different locations across the northwest, who support approximately 450 Trainee Assistant Practitioners (TAPs) across the region. Due to the success of the hosting of the WBEF Network, in November 2012, the NW Regional Strategic Health Authority (NHSNW) requested that The Academy host a second regional network on their behalf. Consequently, in March 2013, the North West Placement Development (NWPDP) network was brought under the umbrella of UHSM Academy. The NWPDP works with HEIs, NHS Trusts and other organisations to develop and secure sufficient high quality clinical placements for undergraduate student Nurses, Midwives and Allied Health Professions to be allocated to during their training.

Having both of these networks at UHSM Academy will enable development of innovative approaches to improving learning environments for multi-professional students.

4. Impart local, national and global influence through the growth and enhancement of academy-established primary care, schools and developing world activities

The primary care education events continue to be very well attended and the geographic spread of attendees continues to grow. 13 evening and 3 afternoon events for primary care, were hosted by the Academy in 12-13. The Academy has increased the number of "Basic Life Support" and other training sessions it delivers to Primary Care colleagues.

One of the greatest successes for the Academy in 12-13 has been the development and delivery of apprenticeship courses. More than 100 existing UHSM colleagues, in bands 1-4 were recruited onto apprenticeship programmes in Customer Services, Business Administration or Healthcare Support. These apprenticeships were delivered entirely in-house by the Academy Vocational Qualifications team. This meant that the impact on the departments was minimal and programmes were tailored to the needs of the individuals and their departments.

Additional to delivering apprenticeships to UHSM colleagues, the Vocational Qualifications Team, with support from Skills Solutions (GM Chambers of Commerce) and Newall Green Secondary school, have run a pilot for 18 year old Healthcare Apprenticeships from the local community. UHSM ward Nurses have praised their capability and caring attitudes. Depending on funding being available from Skills Solutions, UHSM hopes to recruit another cohort of these "Junior Apprentices" in September 2013.

The second edition of the UHSM Academy Prospectus has been published and is widely available both as an e-version and a printed version.

The Academy is now the host for the new MAHSC Global Health Centre and has been instrumental in the development of the North West Global Health Alliance and the Uganda-UK Healthcare Alliance and now hosts the MAHSC Centre for Health Volunteering.

The Gulu-Man link continues to grow and working with Gulu University and Gulu Regional Hospital in Uganda, it has delivered several education programmes and maintains an almost constant presence in Gulu Regional Hospital to embed best practice within the clinical areas. The Mandatory Training project for Junior doctors is progressing well.

5. Enhance our educational estates and facilities to allow the Academy to deliver state of the art, world class educational activity to its staff and external commissioners

The HQ of the UHSM Academy is located in the Education & Research Centre at Wythenshawe hospital. During 12-13 minor works have taken place to upgrade and improve the toilet facilities. Minor refurbishment work has also taken place to upgrade and modernise the Academy Library including the University of Manchester Wi-Fi coverage being extended to cover the whole of the library area. Some remodelling of office accommodation has been carried out to accommodate the two northwest Networks.

6. Recognise the contribution of our teachers and identify and reward teaching quality

Throughout 12-13, directorate reports have been presented to the Education Governance Committee. These highlight the contribution made by educators, throughout UHSM, to the learning of UHSM staff. Additionally, Communities of Practice have been developed within EduQate for different groups of educators. The Academy Newsletter regularly features a group of educators and highlights the work they do.

7. Capitalise on the business development opportunities that are arising within healthcare education particularly in the area of accredited course delivery, simulation and leadership development

Income has continued to grow including income from assessments, skills bus activity, Sage & Thyme courses and licences, other courses, income to deliver apprenticeships and to host regional services, such as the Work Based Education Facilitators Network and the NW Placement Development Network. The Academy is providing a positive financial contribution to UHSM. The growth in income has also included funding to support the MAHSC Centre For Health Volunteering.

Nineteen new licences, for the delivery of Sage & Thyme courses have been signed by NHS Trusts, Scottish Health Boards, a hospice and a university. Two hundred people have been trained to be SAGE & THYME facilitators across the UK and the new web site was launched at the end of 2012: www.sageandthymetraining.org.uk A new product introduced in Jan 2013 (SAGE & THYME for advance care planning) has been well received.

Postgraduate Medical Education have generated income through externally facing training courses for Doctors.

8. Ensure, with the changes in NHS and Higher Education that UHSM complies with its stakeholder requirements.

12-13 has seen the preparations for major changes in the NHS which have taken place on 1st April 2013. During this time, Health Education England (HEE) was established.

The northwest regional subcommittee (Local Education & Training Board – LETB) of HEE is Health Education North West (HENW) and the Greater Manchester sub-committee of HENW is the Greater Manchester Local Workforce & Education Group (GMLWEG). It is a measure of the Academy's high profile that the Director of UHSM Academy has been invited to be a member of both HENW and the GMLWEG. During 12-13, the Academy has been visited-

inspected by the North West Deanery, OFSTED, City & Guilds, and Skills For Health North West. All of these have produced very positive evaluations.

UHSM has also complied with the requirements of the Learning & Development Agreement with NHS NW. The continuing success of the Primary Care Education programme, the request for The Academy to host an additional NW network and the continued well evaluated education and training programmes are evidence that the requirements of external stakeholders are being met.

The NHS Library Quality Assurance Framework self-assessment was submitted in August 2012 and following verification by the NW Health Care Libraries Unit resulted in the service being 93% confirmed as compliant with the national standards. This is an excellent score.

5.4 Social Responsibility

For the financial year 2012/13, UHSM reviewed its current organisational strategy and identified a series of corporate objectives that remained in line with its vision "Patient Care is at our Heart". These objectives were developed to focus on Patients, People & Partnerships, to shift the emphasis from cost savings to quality improvement. One of the overriding objectives as to "Deliver the best possible care and treatment for patients by developing a People & Organisational Development strategy which will ensure that we have colleagues with the right skills and attitude working in a positive environment (The South Manchester Way)."

It is well recognised at UHSM that our goals can only be achieved through the contribution of our colleagues, both individually and collectively. It is this contribution that is fundamental to organisational success and, therefore, creating a positive environment within the Trust that maximises individual and collective discretionary effort. The way we behave, the way we lead and the way we communicate and engage with our colleagues play a significant role in creating the right climate. This is why UHSM has invested in working with our colleagues to develop the South Manchester Way and why we place it at the centre of everything we do.

The People & Organisational Development (POD) strategy was developed and presented to the Board in May 2012 where it was approved. It was subsequently shared with colleagues across the organisation to obtain feedback.

The Strategy outlines that providing the best patient care through the best people will mean developing and/or revising some of our processes, structures, systems and leadership and management practices, ensuring they are aligned to the organisational climate we are working towards. This premise forms the basis on which the POD strategy was developed.

It therefore follows that the role of the People & Organisational Development Directorate is to support sustainable organisational transformation and achievement of the vision and strategy by:

- Ensuring that we have the right people, in the right place, at the right time, with the right skills, attitude, behaviours and approach.
- Ensuring we maintain and embed The South Manchester Way to drive a high performance culture.
- Ensuring we are as cost effective as possible.

This can be summarised as:

- Increasing the availability of people through effective workforce planning, leading to timely and appropriate recruitment and retention, improving attendance, robust talent & succession management and career development, all of which secures skilled, flexible people for a sustainable seven day organisation.
- Improving the capability of people through effective people management and individual performance appraisal and the provision of appropriate and timely education, learning and development.
- Creating a positive environment which fully engages our people through management and leadership development, organisational development, internal communications and involvement, inclusivity, best practice People & OD policies and effective employee relations.

There are 12 strategic 'people' objectives on which the POD strategy for 2013 -15 is based:

The Twelve Strategic 'People' Objectives:

1. To develop a strategic approach to leadership and management development.
2. To work with our colleagues to support and facilitate sustainable organisational change programmes.
3. To continue to embed The South Manchester Way to maintain a positive work environment for all and to drive a high performance culture
4. To develop further colleague engagement approaches.
5. To ensure our people understand their contribution to corporate objectives through effective performance management.
6. To use best practice approaches to attract and recruit people to work with UHSM.
7. To provide the most effective education, learning & development processes and methods to ensure all our people are safe and competent.
8. To identify talent and provide development opportunities to facilitate succession planning.
9. To maintain comprehensive workforce planning to support organisational requirements.
10. To provide a professional People & Organisational Development (POD) service.
11. To provide a multi-professional undergraduate and postgraduate learning environment to ensure the steady production of the highest quality healthcare professionals for the NHS
12. To recognise, promote and develop UHSM as a National and International leader in healthcare education, leadership development and management training

A series of outcomes and performance indicators, with targets, have been identified to enable the POD team to 'track' progress in achieving these objectives, this will provide the organisation with visibility of progress in achieving the objectives.

Employee Engagement and Involvement

UHSM is committed to creating an environment where every employee feels involved, treated with respect and recognised in order to enable them to play their part in helping UHSM deliver excellent patient care. To this end we are continuing to develop the programme of open communication and engagement with our colleagues putting 'The South Manchester Way' at the centre of our business, transforming our working practices, including implementation of a 7 day workforce and culture.

The Trust has a range of communication mechanisms in place already to ensure that employees receive communication which directly or indirectly affects them. Such information includes, Team Brief, the Daily Bulletin, Staff News and Start of the Week, which is a weekly news briefing undertaken by the Chief Executive.

Following the publication of the Francis Report and the associated recommendations and the results of the Staff Survey, UHSM is embarking on an engagement programme to ensure that all staff has the opportunity to find out more about the results and recommendations and have an opportunity to have their say about what it means to them. 'Our UHSM' will be rolled out during

the spring/summer of 2013. The engagement programme will feature focus groups with all staff and will raise the awareness about our duty of candour and mechanisms for raising concerns.

UHSM meets with its Joint Trade Unions and Local Negotiating Committee for Medical Staff on a regular basis to formally consult on staffing matters and is committed to the principles of partnership working and staff involvement. UHSM recognises the importance of building effective communication, consultation with its Trade Union colleagues and staff representatives. These forums allow colleagues to be informed of issues which are of concern to them or other staff groups within the Trust and to enable them to become involved and informed of Trust performance throughout the year.

Staff Survey

UHSM has again participated in the annual NHS Staff Survey. The response rate was 34% of 5026 staff asked; compared with a response rate of 40% of just 850 staff asked in 2011.

The results showed there has been a significant improvement in the staff engagement results in 2012. UHSM scored above (better than) average for the overall staff engagement indicator. The Trust score was 3.77 compared to 3.64 in the 2011 staff survey. The national average for acute trusts was 3.69.

In summary, the Trust's rating compared to all other NHS Acute Trusts is as follows:

Table 5.8: UHSM'S top five ranking scores

	Trust score 2011	Trust score 2012	National average for acute trusts 2012
Percentage of staff appraised in the last 12 months	89%	92%	84%
Staff recommendation of the trust as a place to work or receive treatment	90%	3.80*	3.57*
Percentage of staff agreeing that their role makes a difference to patients	93%	92%	89%
Percentage of staff able to contribute towards improvements at work	80%	71%	68%
Work pressure felt by staff	-	2.99*	3.08*

* the lower score the better

Table 5.9: UHSM'S bottom five ranking scores

	Trust Score 2011	Trust Score 2012	National average for acute trusts 2012
Percentage of staff witnessing potentially harmful errors, near misses or incidents in the last month	-	38%	34%
Effective team working	3.73*	3.67*	3.72*
Percentage of staff having equality and diversity training in the last 12 months	36%	48%	55%
Percentage of staff experiencing physical violence from staff in the last 12 months	-	3%	3%
Percentage of staff feeling pressure to attend work when feeling unwell	24%	31%	29%

* the lower score the better

The People & Organisational Development Strategy outlines a series of key objectives and deliverables which aims to ensure that our patients remain at the heart of what we do, whilst we engage and empower our staff to transform the culture of the organisation.

Equality and Diversity

As a public authority the Trust has a statutory equality duty under the Equality Act (2010) to:

- have due regard to the need to eliminate discrimination
- advance equality of opportunity
- foster good relations between different people when carrying out their activities

The Trust has in place a Single Equality Scheme. The scheme covers all aspects of diversity not just the statutory requirements of race, disability and gender.

The scheme's action plan is reviewed and monitored to ensure compliance in this particular area of work. An action plan is in place to ensure we meet our statutory obligations and this is monitored by the Equality and Diversity Steering group led by the Director of HR and OD.

The Trust continues to honour its commitments as a *Positive about Disability* employer by ensuring that it continues to ensure good practice standards with regards to its practices with regards to Recruitment and Selection; maintaining people in work who become disabled.

In accordance with the Trust's Single Equality Scheme the Trust undertakes annual monitoring against of black, minority and ethnic (BME) statistics, the details of which are as follows:

Table 5.10: Annual monitoring of BME statistics

	Staff		Staff		Staff		
	31/03/2011	%	31/03/2012	%	31/03/13	%	
Age							
	16-20	16	0.3	11	0.2	18	0.3
	21-30	944	18.8	959	17.6	1025	18.1
	31-40	1264	25.23	1371	25.2	1399	24.8
	41-50	1435	28.6	1578	28.9	1602	28.4
	51-60	1074	21.4	1226	22.5	1275	22.6
	61-70	268	5.4	298	5.5	324	5.7
	70+	8	0.2	6	0.1	7	0.1
Ethnicity							
	White	4168	83.2	4509	82.7	4528	80.1
	Mixed	45	0.9	48	0.9	54	1.0
	Asian or Asian British	380	7.6	364	6.7	360	6.4
	Black or Black British	125	2.5	141	2.6	140	2.5
	Other / Not Stated	291	5.8	388	7.1	569	10.1
Gender							
	Female	4093	81.7	4476	82.1	4639	82.1
	Male	916	18.3	974	17.9	1012	17.9

Disability

2.1% of staff declare themselves to have a disability. It is thought that there is some under reporting. UHSM does not collect or maintain data on sexual orientation or religion.

Recruitment

Information is available for the recruitment of all staff (apart from junior doctors in training posts) from April 2010 to March 2013 and the previous year

Table 5.11: Staff recruitment from April 2010 to March 2013

	Total Number			% BME			% Female			% Disabled		
	10/11	11/12	12/13	10/11	11/12	12/13	10/11	11/12	12/13	10/11	11/12	12/13
Applicants	19068	25970	27466	33	34	34	68	72	71	3.7	3.7	3.9
Shortlisted	4567	5157	5777	23	25	24	77	77	77	4.7	4.6	4.1
Appointed	702	868	775	15	18	15	81	80	79	3.3	3.3	2.8

In relation to the employment of BME staff, these figures do indicate a cause for concern. UHSM recently revised its Recruitment Policy and will be training managers on this in the coming year. This will include Equality and Diversity aspects of recruitment. The percentage appointed does reflect UHSM membership.

The recruitment of people with disabilities is in line with UHSM commitments under the Two Tick symbol, with a higher percentage being short listed than applicants.

Sickness

Since 2010, data was kept of all staff that had received a final warning or had been dismissed under the Trust Attendance Management Policy.

Table 5.12: Sickness incidents dealt with under UHSM Attendance Management Policy

Stage	2010		2011		2012	
	Number	% BME	Number	%BME	Number	%BME
Short term sick: - final Warning	26	8	29	0	24	0
Short term sick - dismissal	2	0	0	0	4	0
Total	28	8	29	0	28	0
Long term sick - redeployed	3	33	0	0	1	0
Long term sick - dismissed	12	0	7	0	11	0

Whilst the figures are small, no adverse impact on BME staff is apparent.

Discipline

Data has been collected on all cases that proceeded to a formal investigation under the Disciplinary Policy

Table 5.13: Formal Investigations under the Disciplinary Policy

Stage	2010		2011		2012	
	Number	% BME	Number	%BME	Number	%BME
Investigated - informal action	9	0	5	80	6	50
No case to answer	2	0	9	22	3	0
Verbal warning	2	0	4	0	1	0
Written warning	14	14	10	10	6	17
Final written warning	4	25	4	25	7	14
Dismissed	3	0	2	50	1	0
Resigned during process	2	0	3	33	1	0
Total	36	11	37	27	25	20

Whilst the figures are small, no adverse impact on BME staff is apparent.

Capability

Data has been collected of all employees who have are stage 1 and above of the Capability Procedure

Table 5.14: Stage 1 and above of the Capability Procedure

Stage	2010		2012	
	Number	% BME	Number	%BME
Stage 2	2	0	0	0
Dismissed	0	0	1	0

In 2011 there were no cases taken to stage 2 of the Capability procedure. The numbers are small and therefore it is difficult to draw any conclusions.

Grievances

Table 5.15: Grievances

Stage	2010		2011		2012	
	Number	% BME	Number	% BME	Number	% BME
Not upheld	3	0	3	0	0	0
Resolved	0	0	2	100	2	0

The numbers are small and therefore it is difficult to draw any conclusions.

Engaging with the local community and stakeholders

The Trust continues to engage with local schools. Colleagues regularly visit schools on an ad-hoc basis and students attend the Trust to explore what careers are available within the NHS.

During 2012, UHSM's Academy was approved as an Accredited Apprenticeship Centre and is now also a Registered Training Provider with The Skills Funding Agency. The number of apprenticeships we have offered to our own UHSM colleagues has rapidly increased. In the summer of 2012, in a recruitment drive, over 100 colleagues were recruited onto apprenticeships in Customer Services, Healthcare Support and Business Administration.

UHSM has also offered apprenticeships to young people in and around the Wythenshawe area. In September 2012 a small group of 18 year olds from the local community commenced a 12-month Apprenticeship programme in Healthcare Support. As this is a unique initiative, a monitoring group was established to review the progress of this pilot. The pilot has been very well evaluated by ward staff and the young apprentices are proving to be a "hit" with patients and staff and are an asset to The Academy and UHSM.

The Skills Bus has continued to deliver training in basic life support, first aid and venepuncture to local GP Practices plus visiting schools in the local area. The bus has also supported several community events such as – the Grater Manchester Run, the Gatley Festival, the Wythenshawe Games, Newall Green School careers event and the UHSM Open Day.

The Academy's influence and involvement in education and training across the North West region continues to grow. The Academy now hosts two North West Networks on behalf of Health Education North West (the North West Local Educations & Training Board). These are the Work Based Education Facilitator (WBEF) Network and from March 2013, the North West Placement Development (NRPD) Network. The WBEF network supports trainees across the North West who are training to become multi-professional Assistant Practitioners. The NRPD network works with Universities and healthcare organisations across the northwest to provide clinical placements

in hospitals for university students studying for their Nursing or Allied Health Professions (e.g. Radiography, Physiotherapy, Dietetics etc) degrees.

The Global Health activity of the Academy continues to go from strength to strength. In addition to consolidation and enhancement of capacity building activity within the Gulu-Man link, the Academy is leading the development of a Global Health Volunteering Centre for Manchester Academic Health Science Centre and Greater Manchester as well as a new Uganda-UK Alliance between the Ugandan Government and Governmental and Non-Governmental Aid Organisations based in the UK.

UHSM's very successful and well evaluated Primary Care education programme is aimed at and well received by local GPs. There are increasing numbers of attendees to the monthly events. These events are determined by local GPs, to ensure they address their education needs. They are usually focussed on specific patient pathways/disease groups and are attended by the appropriate UHSM Consultants and their teams.

NHS Constitution

The UHSM Board endorses the principles and values of the NHS Constitution. Annually the Board formally considers UHSM's own position against the principles of the NHS Constitution. UHSM's South Manchester Way ethos has been developed whilst being mindful of the responsibilities of colleagues and patients as set out within the NHS Constitution.



5.5 Sustainability Report

In accordance with the Climate Change Act 2008, as amended 2009, carbon emissions for the budgetary period including the year 2020 must be such that the annual equivalent of the carbon budget for the period is at least 34% lower than the 1990 baseline.

In addition, carbon emissions for the budgetary period including the year 2050, must be such that the annual equivalent of the carbon budget for the period is lower than the 1990 baseline by at least 80%.

UHSM recognises many reasons to maintain its strong commitment to reduce directly generated and consequential carbon emissions which include:

- Extreme weather events are becoming more common;
- The 10 warmest years on record have occurred since 1990;
- Warming of the climate system is unequivocal: 11 of the last 12 years rank among the 12 warmest years since records began in 1850;
- Most of the observed temperature increase is very likely to be due to the observed rise in greenhouse gas concentrations; and
- The projected global temperature increase over the next 50 – 100 years is likely to be in the range of 2 – 4.5°C, with a best estimate of about 3°C.

The overall sustainability strategy

UHSM has long since accepted the need to reduce its own carbon emissions. In March 2008, the then Board of Directors approved an ambitious Carbon Management Implementation Plan (CMIP) which put in place a robust strategy, developed in collaboration with the Carbon Trust, to significantly reduce carbon emissions associated with UHSM's consumption of energy.

The delivery of the CMIP has been broadly successful and, since March 2008, initial figures highlighted UHSM reduced its energy consumption from its original baseline by approximately 26%. More recent independently compiled figures indicate the current associated carbon reduction will exceed well over 30%.

As the original CMIP has been completed, the Board has acknowledged the need to implement and drive forward a wider Sustainability Strategy which adopts a similar approach to the delivery of the original CMIP to other areas of UHSM's activity that generate carbon emissions. Specifically, the following areas will be targeted:

- Energy and Carbon Management
- Procurement and Food
- Low Carbon Travel, Transport and Access
- Water Use and Waste
- Waste Minimisation and Recycling
- Designing and Maintaining the Build Environment
- Organisational and Workforce Awareness and Development

- The Role of Partners, Stakeholders and Networks
- Governance and Assurance

Carbon and Energy Reduction

Further to the approval of the CMIP in 2008, initial energy consumption reduction targets were set at 15% by 2010 and a further 5% by 2012. Key performance indicators (KPIs) were established to robustly monitor progress against an initial energy consumption baseline of 2006-07. Energy consumption levels initially evidenced an actual 26% reduction against 2006-07 base position (excluding new developments). Consequently, during 2009-10 the carbon emissions emitted associated with the use of fossil fuel reduced by some 2700 tonnes. The introduction of Biomass technology within UHSM's main energy centre offers a potential reduction in carbon emissions by a further 21% which is reflected in UHSM's 2011-12 and 2012-13 fossil fuel consumption and carbon emissions.

UHSM is proud to be one of the first NHS Trusts to be awarded and maintain the Carbon Trust Standard by the Carbon Trust. We are equally proud of winning the Sustainability category of the Guardian Public Sector Awards, as well as securing and being declared the outright Overall Winner of the awards. UHSM also ranked 79th out of 2097 organisations on the Governments Carbon Reduction Commitment (CRC) league table. This is the 3rd highest position occupied by an NHS Foundation Trust.

Future priorities and targets

Sustainability is central to the Trust's operations. The Trust is officially recognised as "Britain's Greenest Hospital" and has won many national awards in recognition of this over the previous 3 years. The Trust has a continued responsibility to:

- Ensure that all aspects of the Trust operations are managed sustainably, and that environmental considerations are at the heart of the way the Trust is run.
- Continue to reduce the Trust's carbon footprint and make our performance the best in the NHS.

The Board has approved an Environmental Policy and the Carbon Management Implementation Plan. Coupled with the commitment to introduce a wider sustainability strategy provides visible evidence of the Trust's commitment to tackle its own environmental impacts and adapt to the broader effects of climate change.

However, good management information on sustainability issues remains crucial. A major technical and resource challenge is how to measure the Trust's total carbon emissions associated with indirect supply chain inputs and goods and services consumed by the Trust. The Trust does not have a full picture of its extended carbon footprint and this requires addressing. To secure such a picture will enable the Trust to draw up carbon reduction plans for all carbon generating activities and not just our own direct energy consumption.

The Trust will achieve this Strategic Objective to improve sustainability by:

- Ensuring that all business cases include a sustainability assessment;
- Concentrating efforts to reduce carbon emissions in those areas with the largest carbon footprints;
- Demonstrating visible leadership on reducing carbon;

- Mainstreaming sustainability into all Trust policy and operational decisions;
- Ensuring all new buildings meet BREEAM Excellent or Very Good standards so far as is practicable ('BREEAM' – a leading design assessment method for sustainable buildings);
- Including Climate Change resilience as an explicit factor in decision making for new affordable capital investments;
- Asking all services to highlight, within their operational risk management systems, any major vulnerabilities to extreme weather impacts; and
- Publishing climate impact summaries internally throughout the Trust.

A key priority for UHSM is to deliver its wider Sustainability Strategy. Despite the considerable progress made to date, the Foundation Trust now needs to build upon recent successes and consider in a more structured way the additional steps now needing to be taken to deliver an organisation-wide programme of sustainability and improvement.

UHSM is aiming to produce an overarching Green Sustainability Strategy, which addresses the core areas identified above. In support of this, it is proposed that a specific CMIP be produced for each of those areas, these then forming the basis of the FT's Green Sustainability Strategy.

Future Direction - Effectiveness of schemes, targets and benchmarks

The development of specific CMIPs will help establish a programme to reduce consumption and carbon emissions.

In respect of energy consumption, and in accordance with the Health Technical Memorandum (HTM) 07-02 enCO₂de 'Making Energy Work in Healthcare', UHSM will benchmark using GJ/100m³ targets detailed within the HTM.

Adaptation Reporting

UHSM has undertaken risk assessments and developed an Adaptation Plan to support its emergency preparedness and civil contingency requirements, as based on the UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

Assurance Process

UHSM are in the process of commissioning and reviewing systems and processes currently in place to collect and manage data used to calculate energy consumption and associated carbon emissions.

Summary of consumption performance

See Table 5.16 for consumption details.

Table 5.16: Summary of Sustainability Performance 2010-13

Area		Non Financial data (applicable metric)		Non Financial data (applicable metric)		Non Financial data (applicable metric)		Type	Tonne CO ₂ (K)	Tonne CO ₂ (K)	Financial data (£K)			
		2010-11	Unit	2011-12	Unit	2012-13	Unit				2011-12	2012-13	2010-11	2011-12
Greenhouse Gas Emissions	Electricity	20,248,109	kWh	20,248,109	kWh	21,949,222	kWh	Scope 2	11.1	11.9	1,704	1,990	2,221	
	Gas	30,185,808	kWh	31,185,508	kWh	30,946,687	kWh	Scope 1	5.8	5.7	918	859	1,036	
	Oil	-	kWh	175,672	kWh	-	kWh	Scope 1	0.05	0	0	14	-	
	Diesel	270,425	Litres	421,975	Litres	-	kWh	Scope 1	0.1	0	33	46	-	
	Biomass	6,188,267	kWh	10,266,901	kWh	12,812,010	kWh	Scope 1	0.3	0.3	164	208	231	
	Business Mileage	566.675	Miles	347,044	Miles	808,733	Miles	Scope 3	0.1	0.2	305	-	373	
Waste Minimisation and Management	Absolute value for total amount of waste produced	1,659	Tonnes	1,859	Tonnes	1859	Tonnes				455	502	529	
	Methods of Disposal													
	High Temp	935	Tonnes	983	Tonnes	1053	Tonnes	(a)			351	404	424	
	Non Burn Treatment	0	Tonnes	0	Tonnes	626	Tonnes	(d)			0	0	93	
	Landfill	720	Tonnes	876	Tonnes	180	Tonnes	(b)			102	98	26	
WEEE	4	Tonnes	No data	Tonnes	No data	Tonnes	(b)			1	-	-		
Finite Resources	Water	161,821	M3	174,027	M3	189,240	M3				467	500	570	

Note: Data for recycled waste is unavailable

5.6 Board of Directors; how we work and remuneration report

The board of directors comprises six independent non-executive directors, including the Chairman and five executive directors, including the Chief Executive. The board is of a unitary nature. Each director has a shared and equal responsibility for the corporate affairs of UHSM in strategic terms and for promoting the success of UHSM.

How the board operates

The board meets monthly and considers items under three themes:

- Strategy Implementation: including significant risks, current affairs and operational performance
- Strategy development: including policy formulation and decision making
- Regulatory and compliance matters

The board takes strategic decisions and monitors the operational performance of UHSM, holding the executive directors to account for the Trust's performance. The board also regularly meets informally, to develop strategy and to consider specific issues in depth. Twice each year the board also meets informally with the Council of Governors. Directors are routinely invited to attend formal meetings of the Council of Governors on a quarterly basis. Their attendance is set out later within **Section 5.6**.

The Chairman writes to the Council monthly, with a summary of the decisions taken and items discussed by the board. New opportunities are being sought for the Governors to meet with two non-executive directors (the Chairman and any one of the other non-executive directors by rotation) every other month because Governors need and benefit from informal opportunities to get to know non-executive directors, learn about their concerns and to better hold them to account via formal process too.

During the year under review, nominated staff side representatives (recognised trade unions) and Governors were invited and encouraged to observe the monthly board meeting. UHSM refers to these 'public' meetings as 'Part 1'. Small numbers of staff observed too on an ad hoc basis. The board found the feedback received after meetings from the observers very constructive and is now actively seeking to encourage senior members of staff to make observation of the board in a formal meeting a priority, as it helps to inform understanding between the board and management. In line with the Health and Social Care Act 2012 the board anticipates that small numbers of the general public, staff and UHSM's public members will also wish to observe Part 1 meetings from this year.

The Health and Social Care Act 2012 provides for the Constitution of UHSM to exclude members of the public from observing board meetings for special reasons. UHSM refers to these board meetings as 'Part 2'. UHSM intends for its directors to continue to meet regularly in 'Part 2' meetings. The reasons include the discussion of personal information; the discussion of confidential information; the discussion of information provided by third parties under professional privilege and the discussion of information that is commercially sensitive. The board expects its neighbouring hospitals to approach their openness, transparency and candour obligations similarly, but will continue to look to develop best practice early and where possible, to lead best practice.

UHSM's constitution has been the subject of review by the board and the Council over recent months and is expected to be approved in a form reflecting minor statutory requirements in summer 2013. Whereas in the past constitutional amendments required the approval of both the Council and the board before ratification by Monitor, from 1 April 2013, Monitor's ratification step is no longer required.

Governors are encouraged to observe at least one board meeting during their first term of office. The agendas for Part 1 and Part 2 board meetings are now sent to Governors before the board

meeting. The papers for the monthly Part 1 board meeting and the approved minutes of the previous meeting are published on the Trust's website within three weeks of the meeting (<http://www.uhsm.nhs.uk/AboutUs/Pages/board.aspx>).

There is a clear division of responsibilities between the Chairman and the Chief Executive. The Chairman ensures the board has a strategy which delivers a service which meets and exceeds the expectations of its served communities and an Executive Team with the ability to execute the strategy. The Chairman facilitates the contribution of the non-executive directors and their constructive relationships with the executives. The Chairman also leads the Council of Governors and facilitates its effective working. The effectiveness of both the board and the Council and the relationships between the board and Council are the subject of annual review. During 2012-13 the board retained one of the major consultancies, Deloitte LLP, to review board governance, in line with best practice. The results were positive and were shared with the Council of Governors, members of which had also had an opportunity to contribute perceptions to the review.

The Chief Executive is responsible, with the Executive Team for developing strategic options for the board to consider and evaluate. Having determined which options to pursue, the board directs the Chief Executive to lead the Executive Team in executing the strategy; delivering key targets; managing allocated resources, and effective management decision making. The differing and complementary nature of the roles of the Chairman and Chief Executive are set out in a Memorandum approved by the board, and signed by both parties.

The board has approved a formal Scheme of Delegation of authority and responsibility. Within this scheme there is a schedule of Matters Reserved for the board. This scheme forms an important part of the UHSM's system of internal controls. It is set out in the UHSM Governance Manual which is available on the UHSM website: <http://www.uhsm.nhs.uk/AboutUs/Pages/Corporate.aspx>

On a day to day basis the Chief Executive is responsible for the effective running of the hospital, across all of its locations. Specific responsibilities are delegated by the Chief Executive to executive directors comprising the Director of Finance, who is also the Deputy Chief Executive; the Chief Operating Officer; the Medical Director; and the Chief Nurse. In addition, the Director of Human Resources and Organisation Development and three additional senior managers; the Chief Risk Officer, Director of Communications and Foundation Trust Secretary report directly to the Chief Executive.

Board effectiveness, independence and evaluation

In 2012-13 the board undertook its annual review of board governance. External consultants had been retained to inform earlier reviews in 2009-10 and also 2010-11. In each case a different lead practitioner was engaged to ensure independence was maintained.

The methodology used in 2012-13 involved a range of tools, including responses to positive statements populated in an online survey tool; one to one interviews with practitioners; feedback from a focus group of Governors; reviews of paperwork prepared for committees on which directors sit, and observation of behaviours, values and constructive challenge at a board meeting.

Separately, all directors were also subject to individual appraisal. In the case of the Chief Executive the appraisal was led by the Chairman; for the executive directors by the Chief Executive; for the non-executive directors by the Chairman and for the Chairman by the Senior Independent Director. All members of the Council of Governors had the opportunity to contribute to the Chairman's evaluation.

The results of the respective evaluations were shared with each director. The results of the Chairman's appraisal were also shared with the Remuneration Committee. The Chairman wrote to the members of the Chairs Advisory Committee of the Council of Governors confirming the

outcome of the evaluations of the whole board and also of the non-executive directors. The Senior Independent Director also wrote to the Council confirming the outcome of the evaluation of the Chairman. All of the 2012-13 evaluations of the board, its committees, individual directors and of the Council were deemed to be positive and to confirm good practice and performance.

This evaluation exercise undertaken by the board to evaluate its collective performance and that of its committees showed that good progress had been made but that there remained further opportunity to continue to raise the collective performance of the board.

In accordance with the Code of Governance (provision A.3.1), UHSM non-executive directors are invited to consider whether they regard themselves to be independent in character and judgment, based on a number of criteria suggested by Monitor. Having made declarations effective at the end of the year under review, the Chief Executive and Chair of the Audit Committee reviewed the declarations made. The declaration of the Chair of the Audit Committee has been reviewed by the Chairman and Chief Executive and the outcome was reported to the board. The board then considered the status of each non-executive director in turn at its March 2013 meeting.

The consensus of the board was that all six of UHSM's non-executive directors are independent in character and judgement. This includes the Chairman, although Monitor stipulates that the test of independence does not apply to the Chairman except on appointment. All directors have made entries into the Register of Interests which is provided later within this report. The board is aware of the significant other activities of the Chairman and is content that she continues to have the time to fulfil her duties at UHSM.

The Governance Manual includes terms of reference for all board and Council committees.

Non-executive director appointments

During the year, the Council separately considered the case for the re-appointment of three non-executive Directors. Roger Barlow, Lorraine Clinton and Graham Boulnois were each reappointed for a second term of three years. Details of the tenure of all non-executive directors are provided below.

The removal from office of a non-executive director is a decision reserved for the Council of Governors and requires the approval of three quarters of the of the members of the Council of Governors. At the end of the 2012-13 year the Council comprises 32 Governors. A resolution for removal would require the approval of 24 Governors to be carried. No such resolution has been proposed or moved during the year.

The terms of office of the non-executive Directors are set out below. Since the end of the year under review, Philip Smyth has been re-appointed by the Council of Governors for a third term. This appointment was the subject of particularly rigorous review by the Council, in line with the Code of Governance. The board supports Philip Smyth's re-appointment wholeheartedly and recognises the continued expertise and commitment that he brings to it.

Table 5.17: Terms of office of non-executive Directors as at 31 March 2013

non-executive director	Appointed	Re-appointed	Expiry of Current Term
Roger Barlow * (Audit Chair)	01.11.09	1.11.12	31.10.15
Prof Graham Boulnois	01.01.10	1.1.13	31.12.15
Lorraine Clinton	01.01.10	1.1.13	31.12.15
Felicity Goodey (Chairman)	01.01.08	01.01.11	31.12.13
Prof Martin Gibson	15.11.10	-	31.10.13
Philip Smyth**	12.07.07	12.07.10 & 1.7.13	30.06.16

* *appointed Senior Independent Director 26.1.10*

** *appointed Trust Deputy Chairman 26.1.10*

Executive director appointments

In September 2012 the Chief Executive Julian Hartley was seconded for a six month period to the Department of Health, to lead the development of a new health initiative. The non-executive directors asked Karen James, the Chief Operating Officer, to act up as the Chief Executive during this period. Julian Hartley's secondment has led to a substantive position being confirmed at the Department of Health, and as a result a search for a new Chief Executive was instigated in January 2013.

The Nominations Committee comprising all six non-executive directors appointed Odgers Berndtson to lead the search which resulted in a short list of able candidates being identified. Selection processes were run during March 2013 leading to the identification of a preferred candidate, who was nominated for appointment by the non-executive directors, and whose appointment was ratified by the Council of Governors on April 18, 2013.

Dr Attila Vegh will join UHSM on September 1, 2013 from Cambridgeshire and Peterborough Foundation Trust. The board looks forward to working with him. He will bring a range of complementary skills to his new role, including private sector consultancy, international healthcare system experience and his own clinical background. Karen James will return to her substantive role as Chief Operating Officer on that date.

Jayne Wood acted up as Director of Operations from September 1, 2012 until January 14, 2013 when Adrian Griffiths joined UHSM as Interim Director of Operations, pending the appointment to the Chief Executive position.

A profile of current board members is provided later within this chapter. In accordance with Monitor's Code of Governance for NHS Foundation Trusts, the terms of office for Executive Directors are:

Table 5.18: Terms of office of Executive Directors as at 31 March 2013

Executive	Director Position	Appointed	Notice Period
Mandy Bailey	Chief Nurse	01.01.07	6 months
Nora Ann Heery	Finance Director & Deputy Chief Executive	06.03.06	6 months
Karen James	Acting Chief Executive	15.06.09	6 months
Brendan Ryan	Medical Director	01.01.00	6 months
Adrian Griffiths	Interim Director of Operations	14.1.13	Fixed term

board balance, completeness and appropriateness of membership

The board is aware of importance of considering the skills, experience and attitudes of individual directors and of the board collectively in determining the appropriate person specification to fill any vacancy arising, and as a part in constantly raising board performance.

UHSM's non-executive Directors bring a wide range of experience, from the private and public sectors. Their skills and experiences are set out in more detail in later in this chapter.

The Council of Governors has a consensus view that the new non-executive directors joining the board in 2009-10 have made a material difference to the breadth and depth of the skills and experience of the board, which has resulted in raising board effectiveness. The board is of the view that it is well placed to develop and lead a successful organisation during 2013-14 and beyond.

Engagement with the Council of Governors

Members of the board are invited to and regularly attend meetings with Governors. These include quarterly formal meetings of the Council of Governors. The Chairman meets the chairs of Council of Governors' committees each quarter to discuss the agenda for the Council in consultation with them. Attendance by directors at both board meetings and Council meetings is shown in Table 5.19. The Chairman also meets governors informally on a bi-monthly basis and the other non-executive directors are using these opportunities to build informal relationships with Governors.

The board recognises the value and importance of engaging with Governors in order that the Governors may properly fulfil their role as a conduit between the board and UHSM's stakeholders. Governors increasingly understand their non statutory role in listening to the views of stakeholders and reflecting them to the board, and vice versa.

The board of Directors is responsible for the effective running of the organisation, whilst the Council of Governors holds the non-executive directors to account for the performance of the board. The Council does not delegate any its statutory decision making to its committees or individual Governors, since its conventions provide for committees to undertake advisory work only, with all Council decisions requiring ratification in a general meeting.

Governors have continued to take up the opportunity to attend Part 1 board meetings. Feedback provided by Governors after their attendance has been very positive, with all Governors finding the experience complementing their induction and ongoing development.

The Council and the board have shared feedback collated from amongst Members and are satisfied that priorities identified by UHSM's stakeholders are reflected in operational plans where possible.

The Chairman writes to all Governors regularly providing a précis of board activity and news, keeping Governors informed. Governors also receive all press release information. On a weekly basis, the Foundation Trust Office, which is the source of support and communication for Governors on a day to day basis, provides a summary of all relevant diary, committee and event information to Governors by email, or if preferred by post.

The board and Council have agreed on a formalised induction for new Governors, which has been the basis of introducing the large number of new Governors to UHSM during the 2012-13 year. Existing Governors as well as non-executive directors have been involved in developing the content of the Induction and have used these sessions as opportunities for building effective relationships with Governors. Both second term and first term Governors have been encouraged to participate in the 201213 Induction Programme. As in 2011-12, UHSM collaborated with Salford Royal Hospitals NHS FT to deliver a generic induction for Governors from North West Foundation Trusts. Three events have been run so far, with encouraging feedback.

Table 5.19 Attendance 2012-13 at board and Council meetings

	Board attendance 2012-13												Council attendance 2012-13			
	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	Sept	Nov	Feb
Roger Barlow	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	A	A
Graham Boulnois	Y	A	A	Y	A	A	Y	Y	Y	A	Y	Y	Y	A	Y	A
Lorraine Clinton	Y	Y	Y	Y	A	Y	Y	Y	Y	Y	Y	A	Y	Y	Y	Y
Martin Gibson	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	A	Y	A
Felicity Goodey	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	A	Y	Y
Philip Smyth	Y	Y	A	Y	A	Y	Y	Y	Y	A	Y	Y	Y	Y	A	A
Mandy Bailey	Y	Y	Y	A	Y	Y	Y	Y	Y	Y	Y	Y	A	A	Y	A
Julian Hartley	Y	Y	Y	Y	Y	Y	-	-	-	-	-	-	Y	-	-	-
Nora Ann Heery	Y	Y	Y	Y	A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Karen James	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	A	Y	Y	A
Brendan Ryan	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	A	Y	Y
Jane Wood	-	-	-	-	-	-	Y	Y	Y	-	-	-	-	Y	Y	-
Adrian Griffiths	-	-	-	-	-	-	-	-	-	Y	Y	Y	-	-	-	Y
Key																
A denotes absent;																
Y denotes present;																
-denotes not in post																

Committees

The UHSM board has three statutory committees; the Audit Committee, Remuneration Committee and Appointments Committee. Attendance by non-executive directors at each is shown in the table below.

Table 5.20: Attendance by board Committee Members during 2012-13

	Audit Committee					%	Appointment Committee		Remuneration Committee					Overall	
	May	July	Oct	Dec	Jan			%	June	July	Aug	Sept	Jan		%
Roger Barlow	Y	Y	Y	Y	Y	100	Y	100	Y	Y	Y	Y	Y	100	100
Graham Boulnois **	-	-	-	-	-		A	0	A	Y	A	A	A	20	N/A
Lorraine Clinton	A	A	Y	Y	Y	60	Y	100	Y	Y	A	Y	Y	80	72
Martin Gibson	-	-	-	-	-		Y	100	Y	A	Y	A	Y	60	66
Felicity Goodey	-	-	-	-	-		Y	100	Y	Y	Y	A	Y	80	84
Philip Smyth	Y	Y	Y	Y	A	80	Y	100	Y	Y	A	Y	Y	80	84

Key

A denotes absent;

Y denotes present;

-denotes not in post

** Professor Boulnois was absent for several months due to illness.

There are two other senior committees which are not statutory committees of the board and which do not have a membership restricted to directors. The Healthcare Governance Committee and the Risk Management Committee are chaired by the Medical Director and Chief Executive respectively. Both committees work closely with the Audit Committee but also report directly to the board by way of exception reports and sharing of meeting minutes. The chairs of all three committees meet regularly with the Director of Risk and Governance and FT Secretary to assure there is a triangulation of governance.

These arrangements ensure that committees do not duplicate activity and their efforts are coordinated. Since March 2010 the Terms of Reference of the senior committees within UHSM, including those of the board and the Council have been collated with the UHSM Governance Manual, which is available to all staff and readers of the UHSM website.

These governance arrangements reflect a full implementation of independent advice received during in the 2009-10 year from KPMG LLP and Deloitte LLP on board governance and effectiveness.

Audit Committee

The Audit Committee comprises three independent non-executive directors. It is chaired by Roger Barlow, a former senior audit partner at KPMG, for whom brief biographical details are provided in later in this chapter. The other members of the committee are Lorraine Clinton and Philip Smyth. Periodically, the Audit Chairman may invite other non-executive directors to attend a specific meeting or item.

The priorities for the Audit Committee are to review management systems and controls and to scrutinise on behalf of the board all assurances that the objectives of UHSM will be met.

The Audit Committee triangulates its work with that of the Healthcare Governance Committee and the Risk Management Committee. This system is designed to ensure that the Trust has a rigorous and seamless system of scrutiny across all aspects of the Trust's activities.

Senior colleagues are invited to speak to the Audit Committee to enable members to enquire in more detail into what assurances are available to evidence that actions have been put in place to address specific issues which might jeopardise the system of internal control and therefore put the Trust at risk of breaching its terms of authorisation or other failures to achieve its corporate objectives.

The Director of Finance, together with external and internal auditors are usually in attendance at meetings of the Audit Committee. Executive Directors and other managers are required to attend for specific items, as is the Local Counter Fraud Specialist. The committee takes a risk based approach to its work, reviewing progress against an annual plan and reflecting the board's Assurance Framework.

The committee undertook an annual review of its effectiveness during the year.

In 2011, the Trust tendered the internal audit service. KPMG LLP were awarded the contract for internal audit and the supply of specialist local counter fraud service for the period 2011-14. The system of internal control in operation at UHSM during 2012-13 reflects the involvement of KPMG as internal auditor. A wide range of internal stakeholders together with the members of the Audit Committee were involved in a workshop which led to the formation of the internal audit plan for the year. This was repeated in late 2012-13 for the forthcoming year.

The Committee continuously reviews the structure and effectiveness of the Trust's internal controls and risk management arrangements. It also monitors progress against recommendations of reports from independent sources, particularly those provided quarterly by the internal auditor. Such reports summarise progress against the internal audit plan and the outcomes from all internal audit reports, to ensure that any remedial action has been completed or is being taken by management in areas where weaknesses have been identified. The committee discusses the proposed introduction of and changes to accounting policies; any requirement for restatement of the accounts, such as the introduction of financial reporting to International Financial Reporting Standard conventions or the proposed consolidation of charity accounts within ultimate parent accounts. The Committee also ensures that there is an awareness of the ongoing work of the Internal Audit team by the External Auditor, and vice versa.

During the 2011-12 year the Audit Commission made UHSM aware that on account of it being HM Government policy to abolish the health practice of the Audit Commission, that it would be unable to supply services to UHSM beyond the scope of the audit of the 2011-12 accounts. UHSM tendered the service and an appointment was made by the Council of Governors of Grant Thornton LLP in September 2012 for a three year term covering the accounts for the financial years 2012-13 to 2014-15.

The board records its gratitude to the Audit Commission for the provision of an effective audit service over recent years, and to the current Audit Engagement Lead and Manager for ensuring standards are maintained during a period of uncertainty for the Audit Commission.

The board maintains a policy on the engagement of the external auditor for the provision of non-audit services, which was approved by the Council of Governors. The effect of the policy is that were the Executive Team minded to retain the external auditor for the supply of non-audit services with a value of more than one third of the annual audit fee, the express approval of the Council of Governors would need to be sought and obtained. There have been no further commissions of the external auditor for non-audit services other than those stated in this report. It is the policy of the board not to commission non-audit work from the external auditor except in exceptional circumstances.

Monitor has required Foundation Trust auditors to provide additional audit services in relation to the Quality Account. The fee for this work in 2012-13 was an additional £7,000 plus VAT. The fee for the statutory audit was £39,400 plus VAT (2010-11: £41,300 plus VAT).

All of these arrangements are designed, and in the board's view ensure, that auditor objectivity and independence is safeguarded.

Appointments Committee

The Appointments Committee comprises all independent non-executive directors including the Trust Chairman, who chairs the committee. The committee is responsible for reviewing the size and structure of the board, considering succession planning and in conjunction with the Chief Executive, preparing a description of the role and capabilities required for the appointment of an Executive or non-executive Director. The committee met once during the year, in relation to the appointment of a new Chief Executive.

Healthcare Governance Committee

The Executive Medical Director chairs the committee which has the responsibility for ensuring that an effective system of clinical governance is embedded across UHSM. The Clinical Directors attend the committee which has a membership including two non-executive directors. The committee undertook a review of its own effectiveness at the end of the 12-13 year which led to further consideration of how its work could be built upon, and to which the internal auditor contributed..

The Healthcare Governance Committee is chaired by the Medical Director and has two independent non-executive members, both of whom are distinguished medical scientists.

Risk Management Committee

The Risk Management Committee is chaired by the Chief Executive. The terms of reference for the committee are clearly established to be the promotion of patient and staff safety through effective control systems, and to oversee the risk management activity across UHSM. Membership is restricted to the executive directors, Director of HR & OD and the Director of Risk and Governance. The Internal Auditor and a number of senior managers are regularly in attendance. Its relationship with the Audit Committee and the Healthcare Governance Committee are detailed above. The committee undertook a review of its own effectiveness at the end of the 2012-13 year.

The FT Secretary also attends all of these committees to ensure seamless working.

Compliance and Regulation

UHSM has not remained compliant with all key national targets throughout the year. In three quarters during the year, UHSM failed to meet one target.

In quarter two, UHSM failed to remain below the trajectory for achieving no more than 29 hospital acquired *Clostridium difficile* infections. However, by the end of the year, UHSM had become compliant, having reduced infections to 46 for the full year, against a target of no more than 49.

In both quarter three and four, UHSM failed to meet the Accident and Emergency four hour waiting time target. An improvement team has developed a robust action plan, with support from the Intensive Support Team from the Department of Health and UHSM expects to hit the quarter one target for the period April – June 2013.

UHSM has been registered with the Care Quality Commission with no compliance restrictions during the year. A total of five reports has been issued by CQC regarding UHSM's services during the year and no substantive issues have been raised.

Remuneration Report

This report provides information on those persons in senior positions having authority or responsibility for directing or controlling UHSM's major activities. This includes all Executive and non-executive Directors only. No other persons meet the definition of a person discharging managerial responsibility ('PDMR'). Financial data can be found at Note 7.1 and 7.2 to the accounts.

Remuneration of non-executive directors

In accordance with the National Health Service Act 2006 and UHSM's Constitution, the Council of Governors determines the terms and conditions of the Chairman and the other five non-executive directors. The Council of Governors has established a Remuneration Committee to consider the remuneration levels for non-executive directors. The committee is comprised solely of Governors. The FT Secretary is in attendance at its meetings.

During the early part of the year under review, the members of the committee were Peter Turnbull (Chair), Chris Laithwaite, Michael Connolly, Steve Cook, Gill Reddick and Paul O'Neill. Five of these members of the committee ceased to be Governors later in the year when their second term of three years as Governors elapsed. The committee has been reformed with new members, including Peter Turnbull.

The Committee takes into consideration any relevant guidance or direction supplied by the Department of Health or any other relevant body and may seek, where appropriate, external advice for benchmarking purposes. During the year under review, the members of the committee chose not to retain external remuneration consultants to provide independent advice. The committee did acquire comparable data from amongst the network of Foundation Trusts regionally and nationally.

The committee's recommendation to the Council of Governors in April 2012 for 2012-13 was developed having met on one occasion. The recommendation was that existing levels of non-executive remuneration should be maintained at current levels. The Council accepted this recommendation.

Non-executive Directors' terms and conditions are set out in letters of appointment, the main headers being a three year term of office; remuneration, time commitment, duties, declarations of interest and independence. The terms and conditions of appointment of non-executive directors are available on request from the Foundation Trust Office 0161 291 2357 or foundationtrustoffice@uhsm.nhs.uk

The remuneration of non-executive directors is not pensionable; non-executive directors' terms and conditions do not include holiday accrual. UHSM did not operate a performance related remuneration scheme during the year.

Remuneration of executive directors

The board has established a Remuneration Committee which comprises the UHSM Chairman and all independent non-executive Directors. The Constitution stipulates that the board appoints the committee chair, and that it shall not be the chairman. The chair of the committee during the year was Philip Smyth.

During the year under review, all of the non-executive Directors of UHSM were considered by the board to be independent in character and judgement and were therefore members of the committee. Further details about attendance at committee meetings are provided earlier within this chapter.

The committee is responsible for determining the terms and conditions of employment of all Executive Directors, including the Chief Executive; for assessing the performance of the Chief Executive and the Executive Directors and ensuring that their objectives are assessed at six

monthly intervals. It is the policy of the committee to remunerate Executive Directors at a level affordable to UHSM and in order to attract the talent required to deliver the organisational objectives.

During 2012-13 the performance of the Executive Directors was assessed by way of formal appraisals, which included reviews of individual performance against personal objectives, feedback from board colleagues on behaviours and style and contribution to the board as a whole, as well as progress against personal development plans.

The committee also considered succession planning arrangements, which were implemented in October 2012 when the Chief Executive Julian Hartley was seconded to the Department of Health for a six month period. Karen James was appointed Acting Chief Executive for six months and Jayne Wood Acting Director of Operations for three months. Adrian Griffiths was appointed in January 2013 as interim Director of Operations. Julian Hartley's secondment became permanent in early 2013 and an exercise was initiated to appoint a new Chief Executive. Karen James and Adrian Griffiths' appointments are holding over until the new appointee, Dr Attila Vegh starts at UHSM in September 2013.

The Committee takes into consideration any relevant guidance or direction supplied by the Department of Health or any other relevant body and may seek, where appropriate, external advice for benchmarking purposes. During the year under review, the members of the committee did not retain external remuneration consultants to provide independent advice. For the 2012-13 year, the committee determined that in the light of the financial downturn, and noting the restraint on pay progression within the NHS and amongst staff on Agenda for Change and the wider public sector generally, the Executive Directors remuneration would be maintained at existing levels and not be subject to increases for the cost of living or performance achievements. As a result, executive remuneration in 2012-13 was the same as 2011-12.

Notwithstanding this decision, the committee commended the excellent work by, and team working amongst the Executive Directors. Executive Directors received no performance related element of remuneration.

The executive directors are employed on contracts which do not state a specific term. The contracts are subject to six months' notice of termination by either party, and do not provide for termination payments. Pension arrangements for the Chief Executive and all Executive Directors are in accordance with the NHS Pension Scheme. The accounting policies for pensions and other relevant benefits are set out in the notes to the accounts. Details of the remuneration of senior employees can be found in Note 7 to the accounts.

For the purposes of this remuneration report, it is only those directors who are formally appointed as members of the board of directors who are considered as 'senior managers'.

The board is required to make a disclosure of the median remuneration of UHSM's staff and the ratio between this and the mid-point of the banded remuneration of the highest paid director.

Median Salary

	2012/13	2013/14
Median remuneration	£28,667	£28,470
Ratio between median remuneration and mid-point of the banded remuneration of the highest paid director	6.3	6.4

Expenses

Total expenses of £3,643 were paid amongst the directors of the Trust and a total of £83 amongst governors of the Trust in 2012/13. All expense payments relate to the reimbursement of travel costs.

Off payroll

The Trust currently has engagements with 6 individuals who work through intermediary personal service companies. In line with recent Department of Health guidance, the Trust is now seeking assurance from each of these individuals that they are fully compliant with HMRC IR35 tax requirements.



Karen James
Acting Chief Executive

29 May 2013

5.7 Board of Directors:

Biographical details and register of interests for those persons discharging management responsibility for the affairs of UHSM and who were in post at the year end.

Mandy Bailey RGN, RSCN Chief Nurse

Appointed January 2007

Mandy has held a variety of clinical and managerial roles in Acute Hospitals, most recently at Leeds Teaching Hospitals NHS Trust. She is a registered general and children's nurse. Mandy provides professional and clinical nursing leadership and is responsible for the delivery of the infection control and patient experience agendas.

Roger Barlow BA, FCA, Independent Non Executive Director, Chair of Audit Committee and Senior Independent Director

Appointed November 2009 and reappointed November 2012

Roger, from Hale, is Chairman of the Marsden Building Society and Chairman of Impact Holdings (UK) plc. He is a former partner at KPMG and has held several directorships in both public and private companies.

Married with two grown up children, he studied Economics at Durham University and is a Chartered Accountant.

Professor Graham Boulnois BSc, PhD Independent Non Executive Director

Appointed January 2010 and reappointed January 2013

Graham has board level and operational leadership roles in global businesses, and brings a combination of scientific (medical research), business (pharmaceuticals) and financial (venture capital) experience to UHSM. He built one of the largest infectious disease research teams in the UK, the work of which has led to him publish more than 100 scientific publications. He has been on numerous national (eg The Advisory Panel on Dangerous Pathogens) and international World Health Organisation Vaccine Committee) panels.

Lorraine Clinton Independent Non Executive Director

Appointed January 2010 and reappointed January 2013

Lorraine has experience of UK & European blue-chip executive board roles, combined with multi-industry, public & private non-executive director experience. She has won two national awards, and was the youngest (and first female) appointment to the Pilkington Glass Management Cadre.

Her non-executive roles have included work for the Northern Irish Assembly, the Agriculture & Horticulture Development Board, the North West Industry Development Board and Trafford Park Development Corporation.

Felicity Goodey CBE DL
Chairman of UHSM; Chair of Nomination Committee
Appointed January 2008 and reappointed January 2011

Felicity is a businesswoman and a former senior BBC journalist and presenter with a passion for regeneration. During 28 years broadcasting for the BBC she won national awards for her reporting, and regularly presented national and regional news and current affairs programmes. She gave up broadcasting to become one of the first directors of the Northwest Development Agency. She led the team which won the competition to secure the relocation of much of the BBC from London to the North of England leading to the creation of MediaCityUK. She is also a member of the Regional Growth Fund panel advising ministers on regional development.

She established and chaired the largest urban regeneration company in the UK, Central Salford URC Ltd, which delivered £2 billion of private sector-led development beginning the transformation of the city of Salford and making a major contribution to the expansion of the corporate heart of Manchester. For many years she chaired Northwest Tourism helping to create an industry worth more than £14 billion to the region. She led the team which created The Lowry, Britain's national millennium project for the arts, an international theatre and gallery complex which attracted to the area more than £450 million of private sector investment and helped create 5,700 new jobs.

She was a founder director of the Unique Group, a communications and broadcast media production company. Past appointments include senior non-executive director of Nord Anglia Plc, President of the Manchester Chamber of Commerce and Industry and a director of the 2002 Commonwealth Games.

She was awarded the CBE for her services to regeneration; has a number of honorary degrees and is an honorary fellow of the RIBA, the Royal Institute of British Architecture. She is a Deputy Lieutenant of Greater Manchester, Hon. Colonel of 207 Manchester Field Hospital and President of the Cheshire Wildlife Trust. Educated at state grammar schools and Oxford University, she is married with two sons.

Professor Martin Gibson BSc PhD
Independent Non Executive Director
Appointed November 2010

Martin is a Consultant Physician in Diabetes & Endocrinology, and is the Director of Greater Manchester Comprehensive Local Research Network and the Clinical Lead for the Northwest Diabetes Local Research Network. Married with 2 grown up children, he studied a Biochemistry degree and completed a PhD in Biochemistry at the University of Liverpool before going on to study Medicine.

Professor Gibson says he decided to join UHSM because of the Trust's excellent record in patient care and research.

Adrian Griffiths
Interim Director of Operations
Appointed 14 January 2013

Adrian is an experienced health service manager and executive director, having worked for nearly 29 years mainly in the acute hospital sector. Adrian worked as Tameside Hospital Foundation Trust's Chief Operating Officer and Deputy Chief Executive for ten years before establishing himself as a professional interim manager in November 2011. Adrian carried out executive, managerial and project management interim assignments with Mid Yorkshire Hospitals NHS Trust, and Pennine Acute Hospitals NHS Trust, before joining UHSM as Interim Director of Operations in January 2013. Most of his career has been worked in the North West, including North Manchester, Bury and Salford. Adrian runs his own limited company, AG Management Solutions Ltd.

Nora Ann Heery BSc
Director of Finance and Deputy Chief Executive
Appointed March 2006

Nora Ann Heery was appointed as Director of Finance at UHSM in March 2006, following five years' experience as an Acute Director of Finance at Aintree Hospital NHS Trust and seven years' experience as Director of Finance in Community Mental Health Trust. Nora Ann joined the NHS as a National Finance Trainee in 1983 after gaining a BSc in Economics. She is a member of the Institute of Public Finance and Accountancy.

Karen James RGN, BSc (Hons), MSc
Chief Operating Officer / Acting Chief Executive
Appointed June 2009

Chief Operating Officer Karen James is currently the Acting Chief Executive. Karen joined the Trust in June 2009. She was previously Executive Director of Operations and Service Improvement for Aintree University Hospitals NHS Foundation Trust. She began her NHS career as a nurse, and worked in a number of nursing and general management roles in Greater Manchester hospitals before becoming Executive Director of Operations and Performance at Pennine Acute Hospitals NHS Trust, prior to moving to Aintree.

Brendan Ryan MB BCh BAO FRCSI FCEM
Medical Director
Appointed January 2000

Brendan has been with the Trust since 1987, and started work as an A&E consultant in 1992. As well as continuing his work in emergency care, as the Trust's Medical Director, Brendan provides medical leadership to the Trust's management board.

Philip Smyth
Independent Non Executive Director, Deputy Chairman, Chair of the Remuneration Committee
Appointed July 2007, reappointed July 2010 and July 2013

Philip has extensive experience in marketing and held several General Management roles at PZ Cussons plc before joining the main Board in 1998. As a Main Board Director, he has run the Group's European business and, latterly has led Group-wide business change projects in the technical and supply chain areas. He retired from the company in 2007 and now holds a number of non executive roles in venture capital backed and privately owned companies as well as acting as a mentor for Business in the Arts.

Register of Directors' Interests

The Board regularly reviews the Register of Directors Interests. The Register is maintained by the Foundation Trust Secretary. Entries are made into the Register by directors on whom the onus is to ensure that their own entry remains up to date. The Board reviews the Register more than once per year and directors are requested to alert the Board to any potential or actual conflict of interest in relation to agenda items at the start of all formal meetings.

The Register of Directors' Interests was most recently presented to and noted by the Board in March 2013. The interests registered by directors who served for part of the year are shown in Table 5.21

It is a requirement of the Code of Governance that it be noted in the Annual Report and Accounts whether or not there has been any material change to the time commitments of the Chairman relating to her other roles, which would affect her availability to discharge her duties at UHSM.

The Board is satisfied that that there has been no material change to the external interests of the Chairman which would result in her having less time or availability to commit to her UHSM role.

Directors not in post at the year end

During the year, Julian Hartley left UHSM to take up a secondment at the Department of Health which was later confirmed as a permanent position. Julian had joined UHSM as Chief Executive in 2007 at a time of particular performance pressures. The whole Board is grateful to Julian for his contribution to the improved performance at UHSM during the past four years. During the year under review, Julian was a director of UHSM until 30 September 2012.

Jayne Wood acted up as Director of Operations from 1 October 2012 until 14 January 2013 when Adrian Griffiths joined the Board. The directors are grateful to Jayne for her commitment during that time.

Table 5.21 below reflects the interests of directors in post on 31 March 2013 only..

Table 5.21 Register of Interests of directors in post as at 31 March 2013

NAME	FELICITY GOODEY Chairman	PHILIP SMYTH Independent Non Executive Director Deputy Chairman	ROGER BARLOW Independent Non Exec Director, Audit Chair, Senior Ind.'t Director	GRAHAM BOULNOIS Independent Non Executive Director	LORRAINE CLINTON Independent Non Executive Director	MARTIN GIBSON Non Executive Director	KAREN JAMES Acting Chief Executive	NORA ANN HEERY Director of Finance	MANDY BAILEY Chief Nurse	BRENDAN RYAN Medical Director	Adrian Griffiths Interim Director of Operations
GIFTS & HOSPITALITY*	-	-	-	-	-	-	-	-	-	-	-
EMPLOYMENT, DIRECTORSHIPS AND REMUNERATION	Panel member, Regional Growth Fund; Non executive director, Ninelives Media Ltd (remunerated) Director, Greater Manchester Chamber of Commerce & Industry; Council Member, Manchester University; Member, Leadership Council, Manchester Business School; Trustee, Friends of Rosie; Hon.Vice President, North West Riding for the Disabled; President, Cheshire Wildlife Trust	Director, Community Integrated Care, a company limited by guarantee, which runs The Peele Centre Trustee of the charity Make It Happen in Sierra Leone ; Non Executive Director of The White Room.	Chairman and non executive director of Marsden Building Society (remunerated); Non executive Chairman of Impact Holdings (UK) plc (remunerated); Partner in Sapien Partnership (my own consultancy, currently inactive) Independent Member of the Audit Committee at Information Commissioner's Office	Part-time Venture Partner at SV Life Sciences LLP Chairman of Kalvista Pharmaceuticals Ltd Chairman of Karus Therapeutics Ltd (wef from April 1st 2013) NED Vantia Pharmaceuticals Ltd	Independent Director, Dept. of Social Development, Northern Ireland Civil Service Chair, MLC Pension Fund Non-Executive Director, ENTRUST Ltd Independent Non Executive Director, Agriculture & Horticulture Development Board Executive Committee member – Women of the Year, London Trustee of HGCA Pension Fund Non executive director of Service Personnel and Veterans Agency	Consultant Physician, Salford Royal NHS FT Director of the Greater Manchester Comprehensive Local Research Network Clinical Lead for the North West Diabetes local research network Evaluation Section Lead for Manchester Academic Health Sciences Centre Associate Director for Industry; Comprehensive Clinical Research Networks CEO NW e-Health			Chair, Association of University Hospitals Nurses Forum (from April 13)		Director and majority shareholder in AG Management Solutions Ltd which contracts with UHSM.
RELATED UNDERTAKINGS		-	-	-	-	-	-	-	-	-	-

CONTRACTS	-	-	-	-	-	-	-	-	-	-	-
HOUSES, LAND AND BUILDINGS	-	-	-	-	-	-	-	-	-	-	-
SHARES AND SECURITIES	-	-	-	-	-	-	-	-	-	-	-
NON-FINANCIAL INTERESTS	-	Wife is Chair of Bowdon District NSPCC	-	-	-	-	-	Husband is Chief Executive of Clatterbridge Cancer Centre NHS FT	-	-	-
GENERAL	-	-	-	-	-	Occasional Member of pharmaceutical Advisory Boards. Occasional speaker at educational events organised by pharma companies. (honoraria paid)	-	-	Member of the Royal College of Nursing	-	-

A separate record of gifts and hospitality is maintained by the Trust.

Note: A copy of the guidance issued to directors in making their entries into the Register of Interests is available on request from the Foundation Trust Secretary via the FT Office on 0161 291 2357 and by email: foundationtrustoffice@uhsm.nhs.uk

*denotes earnings are retained



06 Council of Governors

Membership of UHSM's Council of Governors was refreshed in 2012-13 due to the second term of office of a number of the Public Governors and Staff Governors elapsing. Elections were closely contested and nearly half of all Governors in post at the year end have been elected during the year.

UHSM's Council of 32 Governors currently consists of 20 publically elected Governors representative of the public membership; 7 Staff Governors representative of the staff membership and 5 Appointed Governors representing stakeholders.

As at 31 March 2013 there were three vacancies for Appointed Governors representing Manchester PCT, Manchester PEC and the University of Manchester to replace Paul O'Neill who retired from the Council of Governors at the end of October 2012 after 6 years. A nominee is in process. The 2012 Health & Social Care Act abolishes the requirement for PCT Governors and a working group of Governors has agreed UHSM should not seek to replace the two nominated stakeholder Governors (PCT) with apparent equivalents nominated by the CCGs. The Council is debating whether UHSM should delete these posts or convert into other stakeholders or elected Governors.

The current composition of the Council of Governors is set out later within this chapter and a description of member constituencies is also provided.

General meetings of the Council of Governors are held in public. All elections to the Council are conducted by the UK-Engage on behalf of UHSM and in accordance with the Model Election Rules. During 2012-13 there were several elections for 25 seats in all public and staff constituencies. All elected seats were filled although three staff seats were uncontested: Medical & Dental Practitioners, Nursing and Midwifery Staff and PFI employees working at the Trust. The ratio of candidates to seats was 3.0 (compared to UK average of 3.2) and public turnout was 31.4%. This is better than the national average of 25% turnout. However, staff turnout was 19.3% which is lower than the average 22% turnout by staff.

The Council has the following three main roles:

- Advisory – it communicates with the Board of Directors the wishes of members of the Trust and the wider community;
- Guardianship – it ensures that UHSM is operating in accordance with its Statement of Purpose and is compliant with its authorisation; and
- Strategic – it advises on a longer-term direction to help the Board effectively determine its policies.

The essence of these roles is elaborated on within Monitor's document '*Your Statutory Duties – A reference guide for NHS Foundation Trusts Governors*'. This is provided to all Governors and is currently being updated.

The specific statutory powers and duties of the Council of Governors are to:

- *appoint and, if appropriate, remove the chair;*

This duty was not exercised during 2012-13.

- *appoint and, if appropriate, remove the other non-executive directors;*

Three non-executive directors were reappointed by the Council during 2012-13. Roger Barlow, Graham Boulnois and Lorraine Clinton were reappointed for a second term at the Council meeting on 15 November 2012. In addition, Philip Smyth was reappointed for a third term by the Council at its meeting on 18 April 2013.

- *decide the remuneration and allowances, and the other terms and conditions, of the chair and the other non-executive directors;*

The Council's Remuneration Committee made a recommendation to the Council at its meeting on 26 April 2012. The Council approved the recommendation to maintain the existing remuneration of the non-executive directors for the 2012-13 year.

- *approve the appointment of the Chief Executive;*

This duty was not exercised during 2012-13. However, the Council ratified the appointment of Professor Attila Vegh at its meeting on 18 April 2013.

- *appoint and, if appropriate, remove the NHS Foundation Trust's auditor; and*

The Council approved the appointment of Grant Thornton as the Trust's external auditors for a period of three years at its meeting on 11 September 2012.

- *receive the NHS Foundation Trust's annual accounts, any report of the auditor on them and the annual report.*

The Council received the annual report and accounts 2011-12 and the auditors report at its meeting on 11 September 2012.

In addition:

- *in preparing the NHS foundation trust's forward plan, the Board of Directors must have regard to the views of the Council of Governors.*

This has been done through direct engagement with the Council of Governors and the Governor led Annual Plan Advisory Committee in addition to communication with members. A Governor led session on members' views to support the annual plan was held in February 2013.

As of 1 April 2013 there are two additional statutory duties set out in the Health & Social Care Act 2012:

- *To hold the non-executive directors individually and collectively to account for the performance of the Board; and*
- *To represent the interests of members and the public.*

The Council adopted the Stewardship Standard at UHSM at its meeting on 11 September 2012. This is a toolkit for Governors to show what holding to account looks like and has been welcomed by the Council. Governors interact with their members informally on a daily basis; more formally at Health Matters monthly engagement events; external canvassing exercises and via UHSM newsletters.

The Health and Social Care Act 2012 states that '*A public benefit corporation must take steps to secure that the governors are equipped with the skills and knowledge they require in their*

capacity as such. In order to fulfil this we held a joint induction day for Governors with colleagues at Salford Royal on 9 November 2012. This formed of a comprehensive induction / training programme for new Governors following the elections in October 2012 and is ongoing for all Governors.

There have been four general meetings of the Council of Governors (on 26 April 2012, 11 September 2012, 15 November 2012 and 5 February 2012) in 2012-13. There has also been a Board / Governor 'away day' in October 2012.

Executive and non-executive directors attended these meetings to support the Council in its development and to foster a good understanding of UHSM's affairs and the Governor's views. In turn, up to two nominated Governors are invited to attend Part 1 of meetings on the Board on a monthly basis and the approved minutes of the previous meeting are published on the Trust's website within three weeks of the meeting. In 2012-13, 10 Governors attended Part 1 Board meetings.

The Council has had quarterly reports and presentations from the Chief Executive and Executive Team regarding Trust performance and risk.

A number of Council committees met during the course of 2012-13 and membership is shown below. Several Governors have also been involved in other work at UHSM, such as the annual PEAT assessment, preparations for the 2012 Open Day and 2013 Staff Awards. Public Governor John Churchill has been nominated for the Service in the Community Award.

Table 6.1: Membership of Council Committees

Committee	Membership
'Committee of the Council and the Board' (Nomination Committee)	Tracey Rawlins (Chair), Nicola Brennan, Felicity Goodey, Karen James, Suzanne Russell
Remuneration Committee	Peter Turnbull, Sidney Travers, Chris Templar, Lesley Coates, Joe Paxton, Alex Watson, Shneur Odze
Annual Plan Advisory Committee	Peter Turnbull (Chair), Alex Watson, Michael Kelly, Emma Hurley (Deputy Chair), Sidney Travers, Suzanne Russell, Margaret Hughes, Marcella Wilkinson
Membership and Engagement Committee	John Churchill (Chair), Marguerite Prenton, Sharan Arkwright, Nicola Brennan, Wendy Mannion (Deputy Chair), John Churchill, Michael Kelly, Chris Templar
Patient Experience Committee	John Churchill (Chair), Marguerite Prenton, Syed Ali, Michael Kelly, Sharan Arkwright (Deputy Chair), Wendy Mannion, Chris Templar, Cliff Clinkard, Suzanne Russell, Joe Paxton, Marcella Wilkinson

The Chairs of each Council Committee collectively form the Chairs' Advisory Committee which was established to support the Council and advise the Chairman on Council matters and concerns and also to advise on agenda setting for Council meetings. This committee acts in lieu of a Lead Governor for Monitor.

Governor attendance at Council meetings is shown in Tables 6.2 and 6.3 (below). Governors are required to comply with UHSM's standards of business conduct and to declare interests that are

relevant or material to the Council. All Governors declared such interests on appointment to the Council of Governors.

The Register of Interests is available for inspection by members of the public. Anyone who wishes to see the Register of Governors' Interests should contact the Foundation Trust Office at the following address: 2nd Floor, Tower Block, Wythenshawe Hospital, Southmoor Road, Manchester M23 9LT.

Any member of the public wishing to make contact with a member of the Council of Governors can do so via the Foundation Trust Office by telephone on 0161 291 2357 or by email to foundationtrustoffice@uhsm.nhs.uk

Table 6.2: Governor attendance at Council from April 2012 – October 2012

Name	Title	26.04.12 (formal)	11.09.12 (formal)
Marguerite Prenton	Public Governor (Area 1: part of Trafford)	Y	Y
Jane Reader	Public Governor (Area 1: part of Trafford)	Y	Y
Peter Turnbull	Public Governor (Area 1: part of Trafford)	Y	A
John Churchill	Public Governor (Area 2: part of South Manchester)	Y	Y
Steve Cook	Public Governor (Area 2: part of South Manchester)	Y	A
Sidney Travers	Public Governor (Area 2: part of South Manchester)	Y	Y
David Hird	Public Governor (Area 2: part of South Manchester)	Y	Y
Wendy Mannion	Public Governor (Area 2: part of South Manchester)	A	A
Syed Ali	Public Governor (Area 3: part of Central Manchester)	Y	Y
Michael Kelly	Public Governor (Area 3: part of Central Manchester)	Y	Y
Harry Lowe	Public Governor (Area 3: part of Central Manchester)	Y	Y
Gill Reddick	Public Governor (Area 3: part of Central Manchester)	Y	Y
Sharan Arkwright	Public Governor (Area 4: part of Stockport)	X	Y
Rosemary Trunkfield	Public Governor (Area 4: part of Stockport)	A	Y
Sheila Hallas	Public Governor (Area 5: part of Macclesfield)	Y	Y
Alex Watson	Public Governor (Area 6: Rest of England and Wales)	Y	A
Clare Church	Public Governor (Area 6: Rest of England and Wales)	A	A
Christopher Laithwaite	Public Governor (Area 6: Rest of England and Wales)	A	Y
Shneur Odze	Public Governor (Area 6: Rest of England and Wales)	A	Y
Chava Odze	Public Governor (Area 6: Rest of England and Wales)	A	X
Emma Hurley	Staff Governor (Medical Practitioners & Dental Practitioners)	Y	Y
Michael Connolly	Staff Governor (Nursing & Midwifery)	Y	A
Nicola Brennan	Staff Governor (Nursing & Midwifery)	X	A
Carol Winter	Staff Governor (Other Clinical Staff)	A	Y
Colin Owen	Staff Governor (Non-Clinical Staff)	Y	Y
Andrew Davey	Staff Governor (PFI staff)	A	A
Cliff Clinkard	Staff (Volunteers)	Y	A
Vacant	Appointed Governor (Principal Commissioning PCTs: Manchester PCT)	-	-
Tracey Rawlins	Appointed Governor (Principal Local Councils: Manchester City Council)	Y	A
John Lamb (resigned 12.07.13)	Appointed Governor (Principal Local Council: Trafford Metropolitan Borough Council)	A	N/a
Brian Rigby (appointed 05.09.13)	Appointed Governor (Principal Local Council: Trafford Metropolitan Borough Council)	N/a	Y
Paul O'Neill	Appointed Governor (Principal University: University of Manchester)	Y	A
Vacant	Appointed Governor (Primary Care Clinicians: Manchester PEC)	-	-

Key: Y = attended
A = apologies given
X = no apologies given

N/a = not in post

Table 6.3: Governor attendance at Council from November 2012 – April 2013

Name	Title	15.11.12 (formal)	05.02.13 (formal)
Peter Turnbull	Public Governor (Area 1: part of Trafford)	Y	Y
Kay Gardner	Public Governor (Area 1: part of Trafford)	Y	A
Marguerite Prenton	Public Governor (Area 1: part of Trafford)	Y	Y
Wendy Mannion	Public Governor (Area 2: part of South Manchester)	A	X
John Churchill	Public Governor (Area 2: part of South Manchester)	A	Y
Sidney Travers	Public Governor (Area 2: part of South Manchester)	Y	Y
Barbara O'Sullivan	Public Governor (Area 2: part of South Manchester)	Y	Y
Margaret Hughes	Public Governor (Area 2: part of South Manchester)	Y	A
Suzanne Russell	Public Governor (Area 3: part of Central Manchester)	Y	Y
Michael Kelly	Public Governor (Area 3: part of Central Manchester)	Y	A
Martin Rathfelder	Public Governor (Area 3: part of Central Manchester)	Y	Y
Syed Ali	Public Governor (Area 3: part of Central Manchester)	Y	A
Sharan Arkwright	Public Governor (Area 4: part of Stockport)	Y	Y
Marcella Wilkinson	Public Governor (Area 4: part of Stockport)	Y	Y
Chris Templar	Public Governor (Area 5: part of Macclesfield)	Y	Y
Clare Church (until 29.01.13)	Public Governor (Area 6: Rest of England and Wales)	A	N/a
Christopher Laithwaite (until 29.01.13)	Public Governor (Area 6: Rest of England and Wales)	Y	N/a
Chava Odze	Public Governor (Area 6: Rest of England and Wales)	X	A
Alex Watson	Public Governor (Area 6: Rest of England and Wales)	Y	Y
Adrienne Taylor (from 30.01.13)	Public Governor (Area 6: Rest of England and Wales)	N/a	X
Carol Hinkley (from 30.01.13)	Public Governor (Area 6: Rest of England and Wales)	N/a	Y
Shneur Odze	Public Governor (Area 6: Rest of England and Wales)	Y	A
Emma Hurley	Staff Governor (Medical Practitioners & Dental Practitioners)	Y	Y
Nicola Brennan	Staff Governor (Nursing & Midwifery)	Y	A
Sue Jones	Staff Governor (Nursing & Midwifery)	Y	A
Lesley Coates	Staff Governor (Other Clinical Staff)	N/a	A
Joe Paxton	Staff Governor (Non-Clinical Staff)	Y	Y
Tom Foster	Staff Governor (PFI staff)	A	A
Cliff Clinkard	Staff (Volunteers)	Y	A
Vacant	Appointed Governor (Principal Commissioning PCTs: Manchester PCT)	-	-
Tracey Rawlins	Appointed Governor (Principal Local Councils: Manchester City Council)	Y	Y
Brian Rigby	Appointed Governor (Principal Local Council: Trafford Metropolitan Borough Council)	A	A
Vacant	Appointed Governor (Principal University: University of Manchester)	-	-
Vacant	Appointed Governor (Primary Care Clinicians: Manchester PEC)	-	-

Key: Y = attended
A = apologies given
X = no apologies given
N/a = not in post

6.1 Composition and register of interests

The UHSM constitution requires the number of public Governors to be greater than the aggregate number of appointed and staff Governors. The Council of Governors comprises 20 Governors elected by public members, 7 Governors elected by staff members and 5 Governors appointed by stakeholder organisations. The composition of the Council of Governors was refreshed during 2012-13.

Table 6.4: Public Elected Governors as at 31 March 2013

Elected Public Governors	No of Seats	Governor	Term of office	Term of office ends
Area 1 (part of Trafford)	3	Peter Turnbull	3 years	31.10.15
		Kaye Gardner	3 years	31.10.15
		Marguerite Prenton	3 years	31.10.15
Area 2 (part of South Manchester)	5	Wendy Mannion	3 years	15.08.13
		John Churchill	3 years	31.10.15
		Sidney Travers	3 years	31.10.15
		Barbara O'Sullivan	3 years	31.10.15
		Margaret Hughes	3 years	31.10.12
Area 3 (part of Central Manchester)	4	Wendy Mannion	3 years	15.08.13
		Suzanne Russell	3 years	31.10.15
		Michael Kelly	3 years	31.10.15
		Martin Rathfelder	3 years	31.10.15
Area 4 (part of Stockport)	2	Syed Ali	3 years	31.10.15
		Sharan Arkwright	3 years	31.10.15
Area 5 (part of Macclesfield)	1	Marcella Wilkinson	3 years	31.10.15
		Chris Templar	3 years	31.10.15
Area 6 (Rest of England and Wales)	5	Chava Odze	3 years	14.04.13
		Alex Watson	3 years	31.10.15
		Adrienne Taylor	3 years	31.10.15
		Carol Hinkley	3 years	31.10.15
		Shneur Odze	3 years	31.10.15

Table 6.5: Staff elected Governors

Elected Staff Governors	No of Seats	Governor	Term of office	Term of office ends
Class 1: Medical Practitioners & Dental Practitioners	1	Emma Hurley (unopposed)	3 years	31.10.15
Class 2: Nursing & Midwifery Staff	2	Nicola Brennan (unopposed)	3 years	13.11.14
		Soo Jones (unopposed)	3 years	31.10.15
Class 3: Other Clinical Staff	1	Lesley Coates	3 years	31.10.15
Class 4: Non-Clinical Staff	1	Joe Paxton	3 years	31.10.15
Class 5: Atkins & Sodexo employees working at the Trust under PFI arrangement	1	Tom Foster (unopposed)	3 years	31.10.15
Class 6: Volunteers working with the Trust	1	Cliff Clinkard	3 years	31.10.15

Table 6.6: Stakeholder appointed Governors

Appointed Governors		No of Seats	Governor	Date appointed
Principal Commissioning Primary Care Trusts	Manchester Primary Care Trust	1	Vacant	-
Principal Local Councils	Manchester City Council	1	Councillor Tracey Rawlins	28.03.12
	Trafford Metropolitan Borough Council	1	Councillor Brian Rigby	05.09.12
Principal University Primary Care Clinicians	University of Manchester	1	Vacant	-
	Manchester Professional Executive Committee	1	Vacant	-

Table 6.7: Register of Interests of Governors in post as at 31 March 2013

NAME	Directorships	Ownership of private companies, businesses or consultancies likely to possibly seeking to do business with the NHS.	Employment with any private company, business or consultancy.	Significant share holdings (more than 5%) in organizations likely to possibly seeking to do business with the NHS.	A position of authority in a charity or voluntary organisation in the field of health and social care.	Any connection with a voluntary of other organisation contracting for NHS services.
Peter Turnbull	None	None	None	None	None	None
Kaye Gardner	None	None	Elastomer Engineering WA13 9RF – Part-time Secretary	None	None	The Voluntary Transport Group – Organiser/ Secretary
Marguerite Prenton	None	None	None	None	None	None
Wendy Mannion	None	None	None	None	None	None
John Churchill	Director – Wythenshawe Forum Trust Limited	None	None	None	None	None
Sidney Travers	None	None	None – except occasionally as a Consultant Solicitor	None	None	None
Barbara O'Sullivan	-	-	-	-	-	-
Margaret Hughes	None	None	None	None	None	None
Suzanne Russell	None	None	None	None	None	None
Michael Kelly	None	None	None	None	Chair, Healthwatch Manchester	None
Martin Rathfelder	None	None	Director of the Socialist Health Association	None	None	Director of the Socialist Health Association
Syed Ali	None	None	None	None	None	None
Sharan Arkwright	None	None	None	None	12 month contract with Stockport NHS Foundation Trust, employed as their CQC Compliance Lead	Employed by Stockport NHS Foundation Trust

NAME	Directorships	Ownership of private companies, businesses or consultancies likely to do business with the NHS.	Employment with any private company, business or consultancy.	Significant share holdings (more than 5%) in organizations likely to do business with the NHS.	A position of authority in a charity or voluntary organisation in the field of health and social care.	Any connection with a voluntary of other organisation contracting for NHS services.
Marcella Wilkinson	None	None	None	None	None	None
Chris Templar	None	None	None	None	None	None
Chava Odze	None	None	None	None	None	None
Alex Watson	None	None	None	None	None	None
Adrienne Taylor	None	None	AMG Consultancy Services – Expert Witness Tissue Viability – Preparation of legal reports	None	None	None
Carol Hinkley	None	None	None	None	None	None
Shneur Odze	None	None	None	None	None	None
Emma Hurley	None	None	None	None	None	None
Nicola Brennan	None	None	None	None	None	None
Soo Jones	None	None	None	None	None	None
Lesley Coates	None	None	None	None	None	None
Joe Paxton	None	None	None	None	None	None
Tom Foster	-	-	-	-	-	-
Cliff Clinkard	None	None	None	None	Secretary of the Ticker Club at UHSM	None
Cllr. Tracey Rawlins	None	None	None	None	None	Manchester Alliance for Community Care
Cllr. Brian Rigby	-	-	-	-	-	-

6.2 Trust membership and the public constituency

Members

UHSM has two membership constituencies:

- A *Public Constituency* divided into six defined voting areas (representing public, patients and carers living in defined areas).
- A *Staff Constituency* divided into six classes representing different areas of UHSM's workforce, including UHSM PFI partners and volunteers.

How to become a member of UHSM

Public and patients, who are interested in the affairs of the hospital, may opt to become members of UHSM. Eligibility criteria are as follows:

Public member: An individual can become a public member if he/she is aged 7 years or over and lives within the public catchment area (see map overleaf) or the rest of England and Wales.

Staff member: Employees automatically become staff members unless they choose to opt-out. In 2012-13, no staff members have chosen to opt-out of membership. Employees of UHSM's PFI partners may become members once they have worked on site for 12 months, as may UHSM's volunteers who have worked on site for 12 months.

At March 31, 2013 UHSM membership stood at 13,072. This consisted of 6,475 public members and 6,597 staff members. Members who wish to communicate with Governors of the Trust are able to do so via the Foundation Trust Office by telephone on 0161 291 2357 or by email to foundationtrustoffice@uhsm.nhs.uk.

Table 6.8: Membership size and movements

Public Constituency	2012/13	2013/14 (estimated)
At year start (April 1)	6146	6475
New members	855	900
Members leaving	526	550
At year end (March 31)	6475	6825
Membership churn	329 (5%)	350 (5%)
Staff Constituency		
	2012/13	2013/14 (estimated)
At year start (April 1)	6387	6597
New members	934	No significant change
Members leaving	724	No significant change
At year end (March 31)	6597	6597

Data source:

UHSM's public, and staff membership databases (as at 31 March 2013)

Membership Strategy

The Trust's Membership Strategy 2008-2011 was approved by the Council of Governors in April 2008 and the 2011-2014 strategy was approved as fit for purpose by the Board of Directors in December 2010 and ratified by the Council of Governors in February 2011.

The 2011-2014 strategy is based upon further achieving representative membership – to ensure UHSM's membership reflects, where possible, its socio-economic geography and the

communities it serves. It aims to increase UHSM's public membership numbers by 2% each year over the period in accordance with directions from Monitor and the NHS Act 2012. Approx 9% new members are required each year in order to replace natural churn and improve representation. This is expected to be possible without the need to hire external membership recruitment consultants.

UHSM recognises that recruitment of members who live in the local South Manchester area, particularly from the Wythenshawe area, is a particular opportunity for UHSM. The Membership and Engagement Committee will be concentrating on this aspect of the strategy, to boost engagement with the local community. The existing strong membership amongst Trafford residents is testament to the long term links between Trafford and UHSM.

The Trust is largely representative across the community it serves. However, the Membership and Engagement Committee has decided to focus its efforts during the year to recruit and engage members in slightly underrepresented areas by attending community events such as festivals. It will utilise the UHSM Academy Skills Bus to ensure that members of the public from less engaged groups have the opportunity to become members and Governors. Representatives from UHSM took part in last year's Gatley Festival (part of the Stockport area), using the Academy's Skills Bus to demonstrate first aid and recruit new members for the Trust.

The age of membership has been reduced from 16 years to 7 years. At the membership workshop held in November 2010 it was agreed that engagement with 'junior members' need not always require them joining the membership. Students aged 16 to 18 applying for work experience within the Trust will be expected to become members to be kept up to date with information at UHSM.

The 2011-14 membership strategy is a public document and is available on the UHSM website for members to view. UHSM values public membership and members play a crucial role in improving UHSM's services and helping to plan future developments so that UHSM delivers what the local community wants.

The Public Constituency

Figure 6.1: Map of Public Constituencies



Figure 6.2: Localities assigned to membership areas.

Area 1 (part of Trafford)	Area 2 (part of Manchester)	Area 3 (part of Manchester)	Area 4 (part of Stockport)	Area 5 (part of Macclesfield)
Altrincham Ashton upon Mersey Bowdon Broadheath Brooklands Bucklow-St- Martins Clifford Davyhulme West Flixton Hale Barns Hale Central Longford Priors St Mary's Sale Moor Stretford Timperley Urmston Village	Baguley Brooklands Northenden Sharston Woodhouse Park	Burnage Chorlton Chorlton Park Didsbury East Didsbury West Fallowfield Gorton South Hulme Levenshulme Moss Side Old Moat Rushome Whalley Range Withington	Bramhall North Bramhall South Bredbury and Woodley Brinnington and Central Cheadle and Gatley Cheadle Hulme North Cheadle Hulme South Davenport and Cale Green Edgeley and Cheadle Heath Hazel Grove Heald Green Heaton North Heaton South Marple South Reddish South	Alderley Edge Chelford Henbury High Lash Knutsford Bexton Knutsford Nether Knutsford Norbury Knutsford Over Mere Mobberley Plumley Prestbury Rainow Wilmslow Dean Row Wilmslow Fulshaw Wilmslow Handforth Wilmslow Hough Wilmslow Lacey Green Wilmslow Morley and Styal

Note: The sixth public sub-constituency 'Area 6' is 'The rest of England and Wales'

Table 6.9: Membership report based on regulatory template for the 2012-13 year.

Public constituency	Last year (2012/2013)	Population	Index
As at start (April 1)	6,146		
New Members	855		
Members leaving	526		
At year end (March 31)	6,475	729660	
Staff constituency			
Last year (2012/2013)			
As at start (April 1)	0		
New Members	0		
Members leaving	0		
At year end (March 31)	0		
Patient constituency			
Last year (2012/2013)			
As at start (April 1)	0		
New Members	0		
Members leaving	0		
At year end (March 31)	0		
Public constituency			
Number of members			
Population			
Index			
Age(years):			
0 - 16	9	94869	1
17 - 21	54	52020	11
22+	5,888	582771	113
Ethnicity:			
White	4,715	655805	81
Mixed	57	14125	45
Asian	282	35571	89
Black	121	16525	82
Other	17	8226	23
Socio-economic groupings:			
ABC1	4,916	322250	171
C2	576	66284	97
D	49	87643	6
E	850	93507	102
Gender analysis:			
Male	2,582	353451	82
Female	3,561	376232	106
Patient constituency			
Number of members			
Age(years):			
0 - 16	0		
17 - 21	0		
22+	0		



07 Financial Statements

7.1 Foreword to the accounts

In 2012/13 the University Hospital of South Manchester NHS Foundation Trust (UHSM) achieved a surplus of £0.5m before exceptional items. The achieved surplus equates to 0.10% of the Trust's turnover.

This chapter contains:

- regulatory disclosures
- other disclosures including public interest
- Accounting Officer's Statement of responsibilities
- Statement on Internal Control
- Auditor's opinion and certificate
- four primary financial statements
 - statement of comprehensive income (SoCI),
 - statement of financial position (SoFP),
 - statement of changes in taxpayers equity (SoCITE)
 - statement of cash flows (SCF)
- notes to the accounts (including remuneration of senior officers).

These accounts have been prepared under direction issued by Monitor, the independent regulator of foundation trusts and in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006.

The Directors of the Foundation Trust are responsible for the preparation of these accounts.

Regulatory Disclosures

As a Foundation Trust, UHSM operates under licence from Monitor which for 12-13 includes:

- Limits on the levels of borrowing that are permitted under the Prudential Borrowing Regime and
- A requirement that the Trust has in place sufficient liquid resources, which may include a Working Capital Facility.

Foundation Trust Borrowing Regime

The Trust is required to comply and remain within Monitor's Prudential Borrowing Limit set out in the 'Prudential Borrowing Code'. The code sets foundation trusts a long-term borrowing limit based on key ratios and also covers major investments including PFI schemes.

The Trust has a PFI scheme and approved loans to fund its Cystic Fibrosis extension and Maternity refurbishment schemes:

Table 7.1: Foundation Trust Borrowing Regime

Purpose of loan	Long term Borrowing Limit Agreed	Loan drawn down	Loan repaid	Loan outstanding
	£m	£m	£m	£m
PFI	63.0	63.0	3.2	59.8
Cystic Fibrosis	6.9	6.9	0.4	6.5
Maternity	20.0	20.0	0.6	19.4
Total	89.9	89.9	4.2	85.7

The compliance position is as follows:

Table 7.2: Prudential Borrowing Regime

	2012/13
Maximum prudential borrowing limit (Tier 2)	£93.5m
Long term borrowing at March 31, 2013	£89.4m

The Prudential Borrowing Code also sets foundation trusts a short-term borrowing limit for working capital facilities. UHSM has been set a £32m short-term borrowing limit for the year ended March 31, 2013, this remained unused.

The Trust has stayed within its Terms of Authorisation as required under the Prudential Borrowing Regime.

Public Interest Disclosures

As well as statutory obligations and those required by Monitor, the Trust also discloses information that may be of interest to the public. This information includes the level of management costs and the number of invoices paid to private sector bodies within agreed timescales (known as the Better Payment Practice Code).

Better Payment Practice Code

UHSM continues to recognise the importance of prompt payment to its suppliers and paid 96% by volume and 95% by value of all its undisputed invoices within thirty days of the month of receipt, this is in line with the 95% target.

Management Costs

For the twelve months to March 31, 2013, the Trust incurred £15.1m on management costs (calculated on the basis of the Department of Health guidelines). This represents 3.50% (Management Costs in 2011/ 12 were 3.55%) of Trust income.

Other Disclosures

Post Statement of Financial Position Events

The annual financial statements have been prepared on a going concern basis. Following the abolition of NHS Manchester the Trust acquired three properties on April 1, 2013 with a combined value of £27m. These are:

- Withington Community Hospital
- Buccleugh Lodge

- Withington Hospital (old site) including the Disablement Services Centre

There were no other material post Statement of Financial Position events following submission of the accounts to March 31, 2013.

Going Concern

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

Policies and Procedures with respect to Countering Fraud and Corruption

The Trust has established local policies and lines of reporting supporting counter fraud arrangements. The Trust has a nominated Local Counter Specialist (LCFS), who is professionally trained in this area of expertise. The LCFS combines both proactive and investigative work to deliver an effective counter fraud service for the Trust. The LCFS works to ensure a strong anti-fraud culture is engendered across the organisation.

External Audit

The Audit Commission, as external auditors, received a fee of £41k + vat for the audit of the accounts to March 31, 2013 as set out in Note 7 to the accounts. The Trust's accounts also reflect a payment to the Audit Commission of £7k + vat in respect of work undertaken by the Audit Commission on the Trust's Quality Account.



Karen James
Acting Chief Executive

7.2 Statement of the Chief Executive's responsibilities as the Accounting Officer of University Hospital of South Manchester NHS FT

The National Health Service Act 2006 states that the Chief Executive is the Accounting Officer of the NHS Foundation Trust. The relevant responsibilities of 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 National Health Service Act 2006, Monitor has directed the University Hospital of South Manchester 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 University Hospital of South Manchester 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
- 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*.



Karen James, Acting Chief Executive
Date: May 29, 2013

7.3 Annual Governance Statement

1. Scope of responsibility

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

2. The purpose of the system of internal control

- 2.1 The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of the University Hospital of South Manchester NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the University Hospital of South Manchester NHS Foundation Trust for the year ended 31 March 2013 and up to the date of approval of the annual report and accounts.

3. Capacity to handle risk

- 3.1 The Board of Directors provides leadership on the overall governance agenda. The Risk Management Committee is a committee on which Directors sit and which oversees all risk management activity and ensures the correct strategy is adopted for managing risk; controls are present and effective; and action plans are robust for those risks that remain intolerant. The Risk Management Committee is chaired by myself as Acting Chief Executive and comprises of all Executive Directors, the Director of People & Organisational Development and Director of Risk & Governance (Chief Risk Officer). Senior managers and specialist advisors routinely attend each meeting. The Trust has kept under review and updated the Risk Management Strategy and Policy that clearly describes the process for managing risk and the roles and responsibilities of staff. While the Risk Management Committee reports directly to the Board through me, it also works closely with the Audit Committee and the Healthcare Governance Committee. These three committees of the Board triangulate their work to ensure all significant risk is properly scrutinised and managed in accordance with the Board's appetite for risk.
- 3.2 Training is provided to relevant staff on risk assessment, incident reporting and incident investigation. In addition, the Board has set out the minimum requirements for staff training required to control key risks. A training needs analysis has been kept under review which sets out the training requirements for all members of staff and includes the frequency of training in each case. Risk is routinely monitored from ward to Board.
- 3.3 Incidents, complaints, claims and patient feedback are routinely analysed to identify lessons for learning and improve internal control. Lessons for learning are disseminated to staff using a variety of methods including newsletters, briefings and personal feedback where required. To enhance learning and improve governance, the Trust actively pursues external peer review of all serious untoward incidents.

- 3.4 I have ensured that all significant risks are reported to the Board of Directors and Risk Management Committee. All new significant risks are escalated to me as Acting Chief Executive and subject to validation by the Executive Team and Risk Management Committee. The residual risk score determines the escalation of risk.
- 3.5 The Board of Directors regularly scan the horizon for emergent threats and opportunities and consider the nature and timing of the response required in order to ensure risk is kept under prudent control at all times.

4. The risk and control framework

4.1 The risk management process is set out in 5 key steps as follows:

(i) Risk Identification

Risks are identified by assessing corporate objectives, work related activities, analysing incidents, complaints, claims and taking account of events outside the Trust.

(ii) Risk Assessment

Risk assessment involves the analysis of individual risks, including analysis of potential risk aggregation where relevant. The assessment evaluates the impact and likelihood of each risk and determines the priority based on the overall level of risk exposure.

(iii) Risk Response

For each risk, controls are ascertained or developed, documented and understood. Controls are implemented to *avoid risk*; *seek risk* (take opportunity); *modify risk*; *transfer risk* or *retain risk*. Gaps in control are subject to action plans which are implemented to reduce residual risk. In determining the Organisation's risk appetite, the Board has considered tolerances for the following dimensions (i) Reputation and Credibility; (ii) Clinical, Operational and Policy Delivery; (iii) Financial; and (iv) Regulatory and Legal. The Director of Risk & Governance (Chief Risk Officer) ensures each risk is recorded on the Trust's risk register and managed in accordance with the Board's appetite for risk.

(iv) Risk Reporting

All significant risks are reported at each formal meeting of the Board of Directors and Risk Management Committee. In addition, in the event of a significant risk arising, arrangements are in place to escalate a risk to the Acting Chief Executive and Executive Team. The level within the Trust at which a risk must be reported is clearly set out in the Risk Management Strategy and Policy. The risk report to the Board also details what action is being taken, and by whom, to mitigate the risk and monitors its effectiveness.

(v) Risk Review

a. Those managing risks regularly review the output from the risk register to ensure it remains valid, reflects changes and supports decision making. Assurances on the operation of controls for all significant risks are kept under review by the Board. In addition, risk profiles for all directorates are kept under review as part of a rolling programme by the Risk Management Committee. The purpose of the Trust's risk review is to track how the risk profile is changing over time; evaluate the progress of actions to treat key risks; ensure controls are aligned to the risk; risk is managed in accordance with the Board's appetite; resources are reprioritised where necessary; and risk is escalated appropriately.

b. Incident reporting is recognised as a vital component of risk and safety management. It is key to the success of a learning organisation. An electronic incident reporting system

is operational throughout the organisation and is accessible to all colleagues. Incident reporting is promoted through induction and routine mandatory training programmes, regular communications, patient safety walk-arounds or other visits and inspections that take place. In addition, arrangements are in place to raise any concern at work confidentially and anonymously if necessary.

- c. The Board of Directors actively involve the Council of Governors in setting out any significant risks as part of the annual planning arrangements. Any specific risks which may impact upon public stakeholders are discussed with the relevant external partners, providers, commissioners or other bodies as necessary to develop, where appropriate, integrated plans to protect and maintain services for patients. Significant risks, all of which are routinely reported to the Board of Directors at each formal meeting, are published and made available to the public online.

5. Significant Risks Reduced or Closed In 2012/13

5.1 In the preceding 12 months, the Foundation Trust has taken effective action and reduced the overall risk of significant harm in the following areas:

- lodging of unscheduled care patients restricting cardiac surgery activity and delaying inbound inter-hospital transfers resulting in problems across the Greater Manchester Cardiac Network - this risk has been satisfactorily mitigated by the limited use of ring-fencing of Cardiac Surgery beds and downgraded accordingly;
- UHSM's performance in respect of MRSA bacteraemias allowed the downgrading of this risk in year; and
- Risks relating to colleague safety whilst travelling within Uganda in connection with the Gulu-Man Link was sufficiently mitigated by the provision of a range of travel options and controls.

6. Ongoing Significant Risk

6.1 As at 31st March 2013, UHSM has identified a range of significant risks, which are currently being mitigated, whose impact could have a direct bearing on compliance with UHSM's provider licence, CQC registration or the achievement of corporate objectives in the following areas should the mitigation plans be ineffective:

Service performance (A&E)

6.2 The Foundation Trust did not meet the A&E national standard to achieve a maximum waiting time of four hours or less from arrival to admission, transfer or discharge for 95% of patients during quarters 3 and 4. A turnaround plan has been put in place and external support commissioned and received via the Department of Health Intensive Support Team. Encouraging progress has been noted during Q1 2013/14. We continue to focus on a range of initiatives that have been implemented to improve overall performance, patient flow and ambulance turnaround. In summary these include:

- **Triage** (additional triage bay with nursing support established and direct triage in Paediatrics)
- **Social Worker Out of Hours** (Manchester and Trafford Social Services have jointly funded a Social Worker based within the Emergency department working out of hours to avoid, where appropriate, unnecessary admission to hospital)
- **In-reach Geriatrician** (new initiative piloted in November for early assessment and intervention by a consultant geriatrician within the Emergency Department to avoid, where appropriate, unnecessary admission to hospital)

- **Troponin I** (implementation of this new test to speed up the diagnosis of, or rule out at an earlier stage, Myocardial Infarction)
- **Mental Health Input** (UHSM has asked Manchester Mental Health & Social care Trust to recruit a Band 6 Mental Health Nurse to operate from the UHSM site to support early intervention and reduce delays/length of stay)
- **Home Finder Nurse** (dedicated resource to support early discharge and reduce overall length of stay)
- **General Practitioner access within the Emergency Department** (between 10am and 7pm daily to assist deflection to primary care)
- **Private Ambulance** (to speed up discharge from hospital)
- **Early Supported Discharge** (providing additional short-term support on discharge to reduce avoidable readmissions to hospital)
- **Medical Staffing** (continuing to progress the model for delivering urgent care (known as the Medical Model of Care) and introduction of a twilight weekend shift pattern for junior doctors to increase ward cover during busy times)
- **A Rapid Assessment and Treatment (RAT)** model for ED began in week commencing 14th January 2013. It provides an early opportunity to deflect demand
- **Referrer Decides** (an initiative to accept without question or delay a referral made by ED to a specialist team)

Service performance (62-day Cancer targets and Cardiac Surgery Activity)

- 6.3 The Foundation Trust achieved the 62-day cancer targets during the year. A significant risk relating to cardiac surgery activity was identified and escalated in year; this linked to critical care capacity and staffing restricting the volume of work that can be undertaken. These risks were mitigated by structural reforms to scheduled and unscheduled care pathways; engagement with other providers including the cancer network to address late referrals; ongoing data validation and improvements to data quality; ring fencing cardiac surgery beds; and robust performance reviews with clinical teams. Outcomes remain under constant review by monitoring progress with national targets within the monthly Quality Account report to the Board of Directors.

Infection Prevention (*Clostridium difficile*)

- 6.4 Although highlighted as a significant risk, UHSM achieved the MRSA and *C. difficile* targets during 2012/13. To mitigate the risk of breaching infection prevention targets, we continued to deliver a wide ranging programme of work which emphasises to all staff that remaining compliant with the requirements of the Code of Practice for Healthcare Associated Infections is everyone's responsibility. Ongoing mitigation included: (i) continuing to raise awareness and leading by example; (ii) ongoing audits of compliance to ensure all infection prevention and control policies and procedures continue to be implemented, including in particular hand hygiene, environmental and decontamination standards; (iii) training on all aspects of infection prevention continue to be delivered and have been extended to include electronic learning opportunities; and (iv) monitoring antimicrobial prescribing. Outcomes were assessed by reviewing progress with the *Clostridium difficile* targets, and auditing compliance with national standards/regulations. The risk of non-achievement of the *C. difficile* target in 2013/14 remains significant given the challenging compliance trajectories.

Financial Risk

- 6.5 The Trust achieved a compliant financial risk rating of level 3 in 2012/13, however there is risk to this position going forward. These risks include income volatility, delivery of CIP and insufficient liquidity in 2013/14 and beyond; these risks remain significant for the foreseeable future. There remains considerable pressure on finances and there is ongoing uncertainty about the impact of future commissioning decisions and the

Government's spending plans for health. UHSM's projected performance against Monitor's proposed Financial and Service Continuity risk ratings remains a concern, albeit this assessment is subject to the outcome of Monitor's consultation process.

Eliminating Mixed Sexed Accommodation

- 6.6 Assurances demonstrate that UHSM's control in respect of single sex accommodation breaches has improved considerably during 2012/13. Small numbers of breaches (i.e. ≤ 5) per month have occurred since September 2012. The main gaps in control relate to the facilities available within the Medical Assessment and Cardiothoracic and Acute Intensive Care Units during periods of high demand for unscheduled care. Actions to further mitigate breaches include establishing whether any breaches were necessary to protect the patient's best interests; review the model of urgent care to build-in same sex accommodation compliance; and engage with the Commissioner to review clinical exclusions criteria.

7. Care Quality Commission Registration

- 7.1 Compliance with the provisions of the Health & Social Care Act 2008 (Registration Regulations) 2010 is coordinated by the Director of Risk & Governance (Chief Risk Officer). For each regulation, an Executive Director is identified as responsible for compliance and for responding to any compliance actions required by the Care Quality Commission should a compliance action be deemed necessary. The Director of Risk & Governance (Chief Risk Officer) oversees compliance by:

- *reporting and keeping under review matters highlighted within the Care Quality Commission's Quality and Risk Profile (QRP);*
- *analysing trends from incident reporting, complaints, and patient and staff surveys;*
- *reviewing assurances on the operation of controls;*
- *receiving details of assurances provided by Internal Audit, and being notified of any Clinical Audit conclusions which provide only limited assurance on the operation of controls; and*
- *challenging assurances or gaps in assurance by attending meetings of the Executive Team, Board of Directors, Risk Management Committee, Healthcare Governance Committee and Audit Committee.*

- 7.2 The Trust is registered with the Care Quality Commission, has no compliance actions in force and is fully compliant with the *Essential Standards for Quality and Safety*. The Care Quality Commission inspected the Trust on four separate occasions during 2012/13. There were no concerns raised by the Care Quality Commission during 2012/13.

8. Pensions

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

9. Carbon Reduction

- 9.1 The Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

- 10.1 As Acting Accounting Officer, I am responsible for ensuring that the organisation has arrangements in place for securing value for money in the use of its resources. To do this I have maintained systems to:

- *set, review and implement strategic and operational objectives;*
- *engage with patients, staff, members and other stakeholders to ensure key messages about services are received and acted upon;*
- *monitor and improve organisational performance; and*
- *deliver cost improvements.*

- 10.2 The Trust submits annually to Monitor a three year service strategy incorporating a supporting financial plan approved by the Board of Directors. This informs the detailed operational plans and budgets which are also approved by the Board. The views obtained from the Council of Governors are taken into account by the Board prior to approval.

- 10.3 The Board agrees annually a set of corporate objectives which are set out in the Annual Plan. This provides the basis for performance reviews at directorate level. Operational performance is kept under constant review by the Executive Team and Board of Directors. In order to keep under review the delivery of the corporate objectives, the Board has a monthly Quality Account report covering patient safety, quality, access and experience metrics in addition to a monthly finance performance report. Since my appointment as Acting Chief Executive, I have continued to oversee the development of the Trust's Quality Account in readiness for publication.

- 10.4 Assurances on specific issues relating to economy, efficiency, effectiveness, patient safety and quality are commissioned and reviewed by the Audit Committee and, where appropriate, the Healthcare Governance Committee as part of an agreed audit plan. The implementation of recommendations made by Internal Audit is overseen by the Audit Committee.

- 10.5 Effective performance management has been demonstrated through, for example:

- *Amber-Green governance rating issued by Monitor the Independent Regulator of NHS Foundation Trusts;*
- *the Financial Risk rating, issued by Monitor, has continued to be at planned level of 3;*
- *maintaining NHSLA level 3 for Trust-wide services and a planned level 2 for Maternity services;*
- *maintained registration with the Care Quality Commission; and*
- *improvements against national priorities, including signs of recovery of A&E performance during Q4 2012/13 and Q1 2013/14 to date.*

11. Annual Quality Report

- 11.1 The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each

financial year. Monitor has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the *NHS Foundation Trust Annual Reporting Manual*.

- 11.2 UHSM has strived to embed strong clinical leadership for the development of the Annual Quality Report during 2012/13 and this has been provided by the Executive Medical Director in close collaboration with the Chief Nurse and the Interim Director of Operations. Performance and outcomes highlighted within the Annual Quality Report are reviewed and acted on by the Healthcare Governance Committee (HGC), which is chaired by the Executive Medical Director. The membership of the Healthcare Governance Committee comprises of two other executive and two non-executive directors; the Director of People & Organisational Development and the Director of Risk & Governance (Chief Risk Officer). There is a specific Quality Account Group, chaired by the Executive Medical Director with the Chief Nurse as a member, responsible for developing, assuring and monitoring indicators used within the Annual Quality Report and overseeing data quality. In order to maintain the completeness, accuracy, relevance, validity, reliability and timeliness of data, other members of this Board include the Deputy Chief Nurse, the Director of Risk & Governance (Chief Risk Officer), the Head of Patient Safety & Quality and the Director of Performance. A limited scope assurance report is provided by external audit on the content of the quality account and selected key performance indicators.
- 11.3 There are a range of committees and groups established under the leadership of the Healthcare Governance Committee to take forward and evaluate safety, quality and patient experience. Specific groups with strong clinical engagement are in place to focus on key initiatives, examples include: infection prevention; medication safety; safer surgery; thromboembolic prophylaxis; falls prevention; patient experience; and mortality review.
- 11.4 Each committee or group has a chair and membership comprised from a wide range of staff with a variety of clinical skills and backgrounds, including consultants, nurses, pharmacists, therapists and midwives. Support is also provided to these specific project groups through the Information, Performance and Communication Teams with regard to the production and presentation of performance data and the promotion of key safety initiatives.
- 11.5 Each element of the Patient Safety, Quality and Patient Experience programme is supported by a range of policies, procedures and safe systems to promote staff engagement and ensure the implementation of key safety initiatives. Examples of this include hand hygiene audits, safer surgery checklists, pressure ulcer audits and venous-thromboembolism risk assessment tools.
- 11.6 During 2012/13, there has been further development of the quality and safety metrics in the Board's monthly Quality Account report. Each monthly report received by the Board contains information in relation to incidents and complaints trends and root cause analysis investigations, including notification of serious untoward incidents. On a monthly or quarterly basis, depending on the indicator, the Board regularly receives and reviews in detail the quality account metrics (by exception since February 2013) in relation to the Patient Safety, Quality and Patient Experience programme.
- 11.7 The Commissioning for Quality and Innovation Contract has provided the Trust with a process for external scrutiny of many elements of the data contained within the Patient Safety, Quality and Patient Experience programme during 2012/13. This information has

been reviewed on a quarterly basis by NHS Greater Manchester, the Trust's main commissioning cluster.

- 11.8 The Trust has a contract with Comparative Health Knowledge System (CHKS) to provide quality and safety benchmarked data, including mortality, which is a routine component of the monthly Quality Report to the Board of Directors.
- 11.9 The Trust has worked with the Patients Association to increase satisfaction with complaints handling and enhance capacity for organisational learning; furthermore, the Trust has collaborated with others, including the Macmillan cancer charity and Sir Donald Irvine, a leading opinion former on matters relating to the improvement of patient experience to identify and act on further improvements.
- 11.10 UHSM has undertaken a self-assessment against Monitor's Quality Governance Framework and believes it is meeting the requirements of the framework; however, a range of improvements have been identified during the course of this assessment which will be addressed during the year ahead.

12. Review of effectiveness

- 12.1 As Acting 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 included in the Annual report and other performance information available to me. 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, Healthcare Governance and Risk Management Committees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

13. The Board of Directors

- 13.1 The Board has set out the governance arrangements including the committee structure within the Governance Manual. The Board has an established Audit Committee, Healthcare Governance Committee and Risk Management Committee, the Chairs of which report to the Board at the first available Board meeting after each committee meeting. Urgent matters are escalated by the committee chair to the Board as deemed appropriate.

14. Audit Committee

- 14.1 The priority for the Audit Committee is to monitor the integrity of the Trust's financial statements and to review the Trust's financial and non-financial controls and management systems. The Committee's work has focussed on the register of risks, controls and related assurances underpinning the delivery of the Board's objectives. The Committee meets at least five times per year and comprises three Non-Executive Directors. Executive Directors, Director of People and Organisational Development, Director of Risk & Governance (Chief Risk Officer), Foundation Trust Secretary, Chief Internal Auditor and External Audit are in routine attendance. The Chair of the Risk Management and Healthcare Governance Committees routinely report to the Audit Committee. The Chair of the Audit Committee ensures that the Committee is kept informed of significant risks and reviews all disclosure statements that flow from the Trust's assurance processes as part of a programme of internal and external audit. In particular, these cover financial statements; the Annual Governance Statement; compliance with applicable standards and regulations; and

assurances underpinning declarations to regulators such as Monitor and the Care Quality Commission.

15. Healthcare Governance Committee

15.1 The priority for the Healthcare Governance Committee is to be responsible for ensuring that an effective system of quality governance is embedded throughout the Trust. The Committee's work is focussed on the requirements of the Annual Quality Report and compliance with relevant clinical controls, standards and regulations in order to ensure patient safety, high-quality and high-levels of patient satisfaction. The Committee is chaired by the Executive Medical Director and comprises the Chief Nurse, Chief Operating Officer, two non-executive directors, Director of People & Organisational Development, and the Director of Risk & Governance (Chief Risk Officer). Clinical leaders, Associate Medical Directors, Deputy Chief Nurse, Foundation Trust Secretary, and Head of Clinical Governance are in routine attendance. The Committee receives, reviews and provides assurances on the operation of controls to deliver the Quality Report, enhanced patient experience, patient safety, clinical effectiveness, and relevant standards from the Care Quality Commission and National Health Service Litigation Authority (NHSLA). In addition, the Committee routinely considers lessons for learning arising out of failures or investigations into NHS trusts or relevant healthcare industry entities.

16. Risk Management Committee

16.1 The priority for the Risk Management Committee is to champion and promote highly-effective risk management practices and ensure that the risk management process and culture are embedded throughout the Trust. The Committee is responsible for ensuring the effective management of all significant risk and will provide assurance on the operation of controls and compliance with relevant NHSLA standards to the Audit Committee. In addition, the Committee oversees the development and implementation of the Risk Management Strategy and Policy and related policies and procedures. The Committee is chaired by myself, as Acting Chief Executive, and comprises Executive Directors, the Director of People & Organisational Development and the Director of Risk & Governance (Chief Risk Officer) with the Foundation Trust Secretary, Internal Audit and relevant operational leaders in routine attendance.

17. Joint Chairs Meeting

17.1 The Chairs of the Audit, Healthcare Governance and Risk Management Committees have met with the Director of Risk & Governance (Chief Risk Officer) and Foundation Trust Secretary on a quarterly basis to triangulate the principal issues arising within each committee in order to ensure risk is identified, addressed and reported effectively.

18. Clinical Audit

18.1 Clinical Audit is an integral part of the NHS Foundation Trust's internal control framework. An annual programme of clinical audit is developed involving all clinical directorates. Clinical audit priorities are aligned to the Trust's clinical risk profile, compliance requirements under the provisions of the Health & Social Care Act 2008 (Regulated Activities) Regulations 2010, and national clinical audit priorities or service reviews.

19. Internal Audit

19.1 With respect to the internal audits concluded during 2012-13, there were 5 assignments for which Internal Audit reported the level of assurance as limited for the year ended 31st March 2013. These audits provide limited assurance as a result of weaknesses in the design and/or operation of controls. Management action plans are designed and

implemented to address these weaknesses and progress against these is reviewed by the Audit Committee.

20. External Audit

20.1 External audit provides independent assurance on the accounts, annual report, Annual Governance Statement and on the Annual Quality Report.

Statement of Compliance with the NHS Foundation Trust Code of Governance and other disclosure statements

21. Monitor's Code of Governance for NHS Foundation Trusts requires Foundation Trusts to make a full disclosure on their governance arrangements for the 2012-13 financial year. The Code can be found on the Monitor website:
<http://www.monitor-nhsft.gov.uk/home/our-publications/publications-z?keyword=C>
22. The Code requires the Directors' Report to explain how the main principles and supporting principles of the Code have been applied. The form and content are not prescribed. The information satisfying this requirement is found throughout this Annual Report and Accounts, particularly within chapter 5 Directors' report and chapter 6 Governors.
23. In the second part of the compliance disclosure, UHSM is required to provide a statement either confirming compliance with each of the provisions of the Code or where appropriate, an explanation in each case why the Trust has departed from the Code.
24. The UHSM Board confirms that UHSM complied with all provisions of the Code for the 2012-13 year, without exception.
25. For the avoidance of doubt, although the Code requires Foundation Trusts to nominate a Lead Governor to 'have a role to play in facilitating communication between Monitor and the NHS Foundation Trust', the Council of Governors at UHSM have considered this requirement and resolved to satisfy it not by the designation of a single individual Governor, but by the collective designation of the Chairs' Advisory Committee as Lead Governor. In the view of the Council this way of working provides Governors with more efficient, and representative, regular two-way communications with the Chairman, the Non-Executive Directors and Board, and in exceptional circumstances with Monitor, should the need arise. In the view of the UHSM Board, this arrangement, with which Monitor is content, does not constitute a non-compliance with the Code.
26. The Code also requires the directors to make specified information available in the annual report, or to provide certain descriptions of governance arrangements. This annual report addresses all these requirements without exception, placing much of the information and appropriate statements in relevant chapters of the report. Where any additional information or statements are required which do not fall into other chapters, it is provided below.
27. It is the directors' responsibility to ensure that proper accounts are kept and that annual accounts are prepared in accordance with the relevant legislation and guidance issued by Monitor. The responsibilities of the auditor are set out in its report to the Council of Governors in chapter 7.
28. Each of the directors who was a director at the time that the report was approved has confirmed that so far as the director is aware, there is no relevant audit information of which UHSM's auditor is unaware. Each director has taken all the steps that he/she ought to have taken as a director in order to make himself / herself aware of any relevant audit information

and to establish that the NHS foundation trust's auditor is aware of that information. Each director has made such enquiries of his/her fellow directors and of UHSM's auditors for that purpose and also taken such other steps for that purpose, as are required by his/her duty as a director of UHSM to exercise reasonable care, skill and diligence.

- 29.** No expenses have been incurred in relation to political activity or political donations either within or outside England and Wales. UHSM has not made any charitable donations during the year under review.
- 30.** UHSM has no subsidiary companies. There is one charity directly connected to UHSM, which is the UHSM NHS Foundation Trust Charitable Fund, charity number 1048916. In accordance with current reporting requirements, UHSM is not required to consolidate the results of that charity into those of its own for the 2012-13 year. Directors are aware that subject to Government legislation, it may become necessary for NHS charity accounts to be consolidated into NHS Foundation Trust accounts from the 2013-14 year and beyond, subject to further clarification on the definition of independence.
- 31.** The directors have considered whether any important events have occurred since the end of the year under review which are currently or may in the future affect the Trust materially, in ways which could not be anticipated by a reader of this document. The directors do not believe that any further matters should be brought to the attention of the reader in this respect.

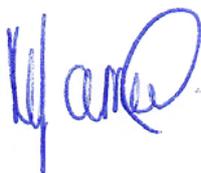
32. Significant Matters

- 32.1** As noted in paragraph 6.2 above, the Foundation Trust did not meet the A&E national standard to achieve a maximum waiting time of four hours or less from arrival to admission, transfer or discharge for 95% of patients during quarters 3 and 4. A recovery plan informed by external expertise and support, has been put in place and enacted. Significant redesign of the medical model of care delivery remains in progress and near conclusion at the time of this report. The achievement of the A&E 4 hour target remains a significant risk going into 2013/14.

33. Concluding Remarks

- 33.1** As Acting Accounting Officer with responsibility for maintaining a sound system of internal control at the University Hospital of South Manchester NHS Foundation Trust, I confirm that there are no significant issues of internal control, other than those highlighted above, that came to light during the financial year ended 31st March 2013 and up to the date of approval of the annual report and accounts.

Signed



Karen James

Acting Chief Executive Date: 29 May 2013

7.4 Independent External Auditor's report

We have audited the financial statements of University Hospital of South Manchester NHS Foundation Trust ('the Trust') for the year ended 31 March 2013 which comprise the statement of comprehensive income, the statement of financial position, the statement of cash flow, the statement of changes in taxpayers' equity and the related notes. The financial reporting framework that has been applied in their preparation is the NHS Foundation Trust Annual Reporting Manual issued by Monitor, the Independent Regulator of NHS Foundation Trusts.

We have also audited the information in the Remuneration Report that is subject to audit, being:

- the table of salaries and allowances of senior managers and related narrative notes
- the table of pension benefits of senior managers and related narrative notes
- the table of pay multiples and related narrative notes.

This report is made solely to the Council of Governors and Board of Directors of University Hospital of South Manchester NHS Foundation Trust, as a body, in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Trust's Governors and Directors 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 Trust, the Trust's Governors as a body and the Trust's Board of Directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of accounting officer and auditor

As explained more fully in the Chief Executive's Statement, the Chief Executive as Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The Accounting Officer is responsible for the maintenance and integrity of the corporate and financial information on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, the Audit Code for NHS Foundation Trusts issued by Monitor, and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trust; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the financial position of University Hospital of South Manchester NHS Foundation as at 31 March 2013 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual and the directions under paragraph 25(2) of Schedule 7 of the National Health Service Act 2006.

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

In our opinion:

- the part of the Remuneration Report subject to audit has been properly prepared in accordance with paragraph 25 of Schedule 7 of the National Health Service Act 2006 and the NHS Foundation Trust Annual Reporting Manual 2012-13 issued by Monitor
- the information given in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Audit Code for NHS Foundation Trusts requires us to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual or is misleading or inconsistent with information of which we are aware from our audit
- we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources
- the Trust's Quality Report has not been prepared in line with the requirements set out in the NHS Foundation Trust Annual Reporting Manual or is inconsistent with other sources of evidence.

Certificate

We certify that we have completed the audit of the financial statements of University Hospital of South Manchester 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.

Julian Farmer
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester
M3 3EB

29 May 2013

7.5 Financial Statements

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED

March 31, 2013

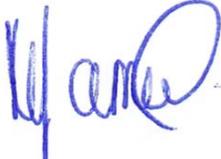
	NOTE	2012/13 £000	2011/12 £000
Income from patient care activities	3	323,554	313,359
Other operating income	4	106,990	72,421
Exceptional Income- Reversal of impairments of property, plant and equipment	13	1,379	-
Operating expenses (excluding impairments of property and restructuring costs)	7	(419,791)	(372,554)
Exceptional item - impairments of property	7,13	-	(4,032)
Exceptional item - restructuring costs	7	(62)	(580)
OPERATING SURPLUS		12,070	8,614
Finance costs:			
Finance income	11	281	260
Finance expense - financial liabilities	12	(9,639)	(9,414)
Finance expense - unwinding of discount on provisions	26	(111)	(139)
Surplus/ (Deficit) for the financial year		2,601	(679)
Public dividend capital dividends payable	31	(826)	(1,253)
RETAINED SURPLUS/(DEFICIT) FOR THE YEAR		1,775	(1,932)
Other comprehensive income			
Revaluation (losses)/ gains and impairment losses on property, plant and equipment	15	(3,542)	-
Additions/(reductions) on other reserves		-	-
TOTAL comprehensive (expense) /income for the year		(1,767)	(1,932)
RETAINED SURPLUS/(DEFICIT) FOR THE YEAR		1,775	(1,932)
exclude exceptional losses - impairments of property	7,13	-	4,032
exclude exceptional gains - impairment reversals	7,13	(1,379)	-
exclude exceptional losses - restructuring costs	7	62	580
Surplus for the year before exceptional items		458	2,680

The notes on pages 155 to 189 form part of these accounts.

**STATEMENT OF FINANCIAL POSITION AS AT
March 31, 2013**

	Note	March 31, 2013	March 31, 2012
		£000	£000
Non-current assets			
Intangible assets	14	8	213
Property, plant and equipment	15	181,706	182,267
Trade and other receivables	19	354	1,778
Total non-current assets		182,068	184,258
Current assets			
Inventories	17	5,377	5,274
Trade and other receivables	19	14,689	15,269
Cash and cash equivalents	20	66,748	46,241
		86,814	66,784
Non-current assets held for sale		-	-
Total current assets		86,814	66,784
Total assets		268,882	251,042
Current liabilities			
Trade and other payables	21	(60,348)	(40,702)
Borrowings	22	(5,483)	(4,201)
Provisions	26	(10,149)	(6,853)
Other liabilities	23	(18,499)	(17,445)
Net current liabilities		(7,665)	(2,417)
Total assets less current liabilities		174,403	181,841
Non-current liabilities			
Trade and other payables	21	-	-
Borrowings	22	(80,211)	(85,157)
Provisions	26	(4,997)	(4,475)
Other liabilities	23	(5,039)	(6,286)
Total assets employed		84,156	85,923
Financed by taxpayers' equity:			
Public dividend capital	SOCITE	117,472	117,472
Revaluation reserve	SOCITE	25,176	28,718
Retained earnings	SOCITE	(58,492)	(60,267)
Total Taxpayers' Equity		84,156	85,923

The financial statements on pages 155 to 189 were approved by the Board on Directors on May 29, 2013 and signed on its behalf by:

Signed: .. 

cting Chief Executive)

Date: May 29, 2013

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	Public dividend capital (PDC)	Income & Expenditure Reserve	Revaluation reserve	Total
Note	£000	£000	£000	£000
Balance at April 1, 2012	117,472	(60,267)	28,718	85,923
Changes in taxpayers' equity for 2012/13				
Total Comprehensive Income for the year:				
Retained (deficit) / surplus for the year	-	1,775	-	1,775
Revaluation gains/(losses) on property, plant and equipment	-	-	(3,542)	(3,542)
Other recognised gains and losses	-	-	-	-
New PDC received	-	-	-	-
PDC repaid in year	-	-	-	-
Other transfers between reserves	-	-	-	-
Balance at March 31, 2013	117,472	(58,492)	25,176	84,156

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	Note	Public dividend capital (PDC) £000	Income & Expenditure Reserve £000	Revaluation reserve £000	Total £000
Balance at April 1, 2011		117,472	(60,058)	30,441	87,855
Changes in taxpayers' equity for 2011/12					
Total Comprehensive Income for the year:					
Retained (deficit) / surplus for the year		-	(1,932)	-	(1,932)
Revaluation gains/(losses) on property, plant and equipment		-	-	-	-
Other recognised gains and losses		-	-	-	-
Transfer of the excess of current cost depreciation over historical cost depreciation to the Income and Expenditure Reserve	a)	-	1,723	(1,723)	-
New PDC received		-	-	-	-
PDC repaid in year		-	-	-	-
Other transfers between reserves		-	-	-	-
Balance at March 31, 2012		117,472	(60,267)	28,718	85,923

a) The transfer between reserves arises from balances previously held within the revaluation reserve which relate to fully depreciated plant and equipment assets.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED

March 31, 2013

	NOTE	2012/13 £000	2011/12 £000
Cash flows from operating activities			
Operating surplus/(deficit) from continuing operations		12,070	8,614
Non-cash income and expense:			
Depreciation and amortisation	7	9,163	9,236
Impairments	7	-	4,032
Reversals of impairments	4	(1,379)	-
(Gain)/Loss on disposal		-	-
Non-cash donations/grants credited to income		-	-
Interest accrued and not paid		(4)	64
Dividends accrued and not paid or received		104	(285)
Amortisation of government grants		-	-
Amortisation of PFI credit		-	-
(Increase)/Decrease in Trade and Other Receivables		2,004	(1,157)
(Increase)/Decrease in Other Assets		-	-
(Increase)/Decrease in Inventories		(103)	337
Increase/(Decrease) in Trade and Other Payables		19,285	519
Increase/(Decrease) in Other Liabilities		(193)	6,081
Increase/(Decrease) in Provisions		3,707	702
Tax (paid) / received		73	(3,168)
Net cash generated from operating activities		44,727	24,975
Cash flows from investing activities			
Cash flows from investing activities		-	-
Interest received	11	281	260
Purchase of financial assets		-	-
Sales of financial assets		-	-
Purchase of intangible assets	14	-	(1)
Sales of intangible assets		-	-
Purchase of Property, Plant and Equipment	15	(10,268)	(14,102)
Net cash generated from / (used in) investing activities		(9,987)	(13,843)
Net cash inflow before financing		34,740	11,132
Cash flows from financing activities			
Cash flows from financing activities		-	-
Public dividend capital received		-	-
Public dividend capital repaid		-	-
Loans received from the Foundation Trust Financing Facility		553	4,390
Loans received from the Department of Health		-	-
Other loans received		-	-
Loans repaid to the Foundation Trust Financing Facility		(993)	(421)
Loans repaid to the Department of Health		-	-
Other loans repaid		-	-
Capital element of finance lease rental payments		-	-
Other capital receipts		-	-
Capital element of Private Finance Initiative Obligations		(3,224)	(3,128)
Interest paid		(1,055)	(957)
Interest element of finance lease		-	-
Interest element of Private Finance Initiative obligations		(8,584)	(8,457)
PDC Dividend paid		(930)	(968)
Cash flows attributable to financing activities of discontinued operations		-	-
Cash flows from (used in) other financing activities		-	-
Net cash used in financing activities		(14,233)	(9,541)
Net increase in cash and cash equivalents		20,507	1,591
Cash (and) cash equivalents (and bank overdrafts) at the April 1		46,241	44,650
Cash (and) cash equivalents (and bank overdrafts) at the March 31	20	66,748	46,241

7.6 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 shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2012/13 NHS foundation trust Annual Reporting Manual (FT ARM) issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual (FRm) to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

1.1 Consolidation

The Trust has no subsidiaries, joint ventures, associates or joint operations requiring consolidation.

1.2 Income

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

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

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

1.3 Expenditure on Employee Benefits

Short-term Employee Benefits

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

Pension costs

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 Secretary of State, in England and Wales. It is not possible for the Trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme. Employers pension cost contributions are charged to operating expenses as and when they become due.

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

1.4 Expenditure on other goods and services

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

1.5 Property, Plant and Equipment

Recognition

Property, Plant and Equipment is capitalised as tangible assets where:

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

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

Measurement

Valuation

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

All land and buildings are revalued using professional valuations every five years. A three yearly interim valuation is also carried out. Valuations are carried out by the District Valuer, who is external to the Trust, and in accordance with the Royal Institute of Chartered Surveyors (RICS) *Appraisal and Valuation Manual*. In between these valuations the Trust considers whether assets are subject to significant volatility and, where this is the case, undertakes an annual revaluation.

The valuations are carried out primarily on the basis of depreciated replacement cost for specialised operational property and existing use value for non-specialised operational property. Depreciated replacement cost is assessed on a modern equivalent asset (MEA) basis.

2012/13 is the fifth year in the revaluation cycle and therefore a full revaluation has been undertaken, using a prospective valuation date of April 1, 2013. The impact of this revaluation has been recognised in the land and buildings values included in the March 31, 2013 Statement of Financial Position.

The value of land for existing use purposes is assessed at existing use value. For non-operational properties including surplus land, the valuations are carried out at open market value.

Assets in the course of construction are valued at cost and are valued by professional valuers as part of the five or three-yearly valuation or when they are brought into use.

Equipment assets are valued at depreciated historical cost basis.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

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.

Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating 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'.

Impairments

In accordance with the FT ARM, impairments that are due to a loss 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 the impairment.

An impairment arising from a loss of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve where 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 12 months of the date of classification as 'Held for Sale'; and
 - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated assets

Following the accounting policy change outlined in the Treasury FREM for 2011-12, a donated asset reserve is no longer maintained. Donated non-current assets are capitalised at their fair value on receipt, with a matching credit to Income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are as described above for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

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. The underlying assets are recognised as Property, Plant and Equipment at their fair value. An equivalent financial liability is recognised in accordance with IAS 17.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services. The finance cost is calculated using the implicit interest rate for the scheme.

The service charge is recognised in operating expenses and the finance cost is charged to Finance Costs in the Statement of Comprehensive Income.

1.6 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably. Where internally generated assets are held for service potential, this involves a direct contribution to the delivery of services to the public.

Internally generated intangible assets

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

Expenditure on research is not capitalised.

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

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

Software

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

Measurement

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

Subsequently intangible assets are measured at fair value. Revaluations gains and losses and impairments are treated in the same manner as for Property, Plant and Equipment.

Intangible assets held for sale are measured at the lower of their carrying amount or 'fair value less costs to sell'.

Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

1.7 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the weighted average cost method.

1.8 Financial instruments and financial liabilities

Recognition

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

De-recognition

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

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

Classification and Measurement

Financial assets are categorised as 'Fair Value through Income and Expenditure', Loans and receivables or 'Available-for-sale financial assets'.

Financial liabilities are classified as 'Fair value through Income and Expenditure' or as 'Other Financial liabilities'.

Financial assets and financial liabilities at 'Fair Value through Income and Expenditure'

Financial assets and financial liabilities at 'fair value through income and expenditure' are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Derivatives which are embedded in other contracts but which are not 'closely-related' to those contracts are separated-out from those contracts and measured in this category. Assets and liabilities in this category are classified as current assets and current liabilities.

These financial assets and financial liabilities are recognised initially at fair value, with transaction costs expensed in the Statement of Comprehensive Income. Subsequent movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets.

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

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

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

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 non-current 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.

Other financial liabilities

All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the

expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

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

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to Finance Costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Impairment of financial assets

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

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

1.9 Leases

Finance leases

The Trust assesses the terms of each individual lease agreement to determine whether substantially all the risks and rewards of ownership are borne by the Trust.

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for as an item of property plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Operating leases

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

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

1.10 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 discount rates published and mandated by HM Treasury.

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 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 when the liability arises.

1.11 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 28 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 28, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.12 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets, (ii) net cash balances held with the Government Banking Services, excluding cash balances held in GBS accounts 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 of the audit of the annual accounts.

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 non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.14 Corporation Tax

The Trust is a Health Service body within the meaning of the Income and Corporation Tax Act (ICTA) 1988 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this. There is a power for the Treasury to disapply the exemption in relation to the specified activities of a foundation trust (ICT Act 1988). Accordingly, the Trust is potentially within the scope of Corporation Tax in respect of activities which are not related to, or ancillary to, the provision of healthcare, and where the profits therefrom exceed £50,000pa. There is no tax liability arising in respect of the current financial year.

1.15 Foreign exchange

The functional and presentational currencies of the Trust are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction. Resulting exchange gains or losses are recognised in income or expense 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 HM Treasury's *FReM*.

1.17 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

2. Operating segments

The Foundation Trust operates in only one segment, healthcare.

3. Income from patient care

3.1 Income from patient care activities - by source	note	2012/13	2011/12
		£000	£000
Foundation trusts		331	120
NHS trusts		20	92
Strategic health authorities		445	338
Primary care trusts		302,376	297,404
Local authorities		-	137
Department of Health - grants		-	-
Department of Health - other		-	-
NHS other	a)	18,759	13,703
Non-NHS: Private patients		176	215
Non-NHS: Overseas patients (non-reciprocal)		134	145
NHS Injury costs recovery scheme	b)	1,086	1,205
Non-NHS other		227	-
		323,554	313,359

a) NHS other has increased in 2012/13 due to an increase in National Specialised Commissioning income for the Extra-Corporeal Membrane Oxygenation (ECMO) and Aspergillous services provided by the Trust.

b) Injury cost recovery income is subject to a provision for impairment of receivables of 12.6% to reflect expected rates of collection.

3.2 Income from patient care activities - by point of delivery	2012/13	2011/12
	£000	£000
Elective income	71,128	65,986
Non-elective income	82,484	82,876
Out-patient income	44,070	40,154
A&E income	8,557	7,556
Other clinical activity income	96,707	96,870
Private patient income	175	215
Other non-protected clinical income	1,487	1,432
Community services	18,946	18,270
	323,554	313,359

3.3 Income from patient care activities - mandatory and non-mandatory

	2012/13	2011/12
	£000	£000
Income from mandatory patient care activities	321,892	311,712
Income from non-mandatory patient care activities	1,662	1,647
	323,554	313,359

4. Other Operating Income	NOTE	2012/13 £000	2011/12 £000
Research and development	a)	20,562	14,752
Education and training	b)	63,395	28,989
Received from NHS charities		133	300
Non-patient care services to other bodies		9,368	12,524
Other	5	10,559	12,775
Rental revenue from operating leases - minimum lease receipts	6	1,606	1,576
Salary recharges		1,367	1,505
Total (excluding exceptional income)		106,990	72,421
Reversal of impairments of property, plant and equipment	13	1,379	-
Total (including exceptional income)		108,369	72,421

a) The Trust acts as a host, on behalf of a number of NHS trusts and foundation trusts across Greater Manchester, for clinical research funding from the Department of Health. This research funding is accounted for gross in accordance with guidance from Monitor, the independent regulator of foundation trusts. The increase in income from 2011/12 is matched by a corresponding increase in Research expenditure (note 7 - Operating Expenditure).

b) During 2012/13 the Trust became the host organisation for the NHS Leadership Academy. This training funding is accounted for gross in accordance with guidance from Monitor, the independent regulator of foundation trusts. The increase in income from 2011/12 relates to this hosting arrangement.

5. Other Operating Income : Other Income	2012/13 £000	2011/12 £000
Car parking	2,078	1,804
Pharmacy sales	771	960
Staff accommodation rentals	58	71
Crèche services	435	193
Clinical tests	643	986
Clinical excellence awards	1,760	2,056
Catering	-	2
Property rentals	864	645
Other	3,950	6,058
Total	10,559	12,775

6. Operating lease income	2012/13 £000	2011/12 £000
Operating lease income		
Rents recognised as income during the period	1,606	1,576
Contingent rents recognised as income during the period	-	-
Total	1,606	1,576
Future minimum lease payments due		
- not later than one year	1,754	1,606
- later than one year and not later than five years	6,287	6,443
- later than five years	12,375	13,338
Total	20,416	21,387

The Trust leases property to Manchester Mental Health and Social Care NHS Trust. This income is included in note 4 above as 'rental revenue from operating leases'.

7. Operating Expenses

	Note	2012/13 £000	2011/12 £000
Services from NHS Foundation Trusts		1,765	1,540
Services from NHS Trusts		21	-
Services from PCTs		-	-
Services from other NHS Bodies		2,826	2,903
Purchase of healthcare from non NHS bodies		2,744	2,432
Employee Expenses - Executive directors	7.1	1,014	913
Employee Expenses - Non-executive directors		128	129
Employee Expenses - Staff	9	228,206	218,827
Supplies and services - clinical (excluding drug costs)		44,505	40,422
Supplies and services - general		31,524	28,934
Establishment		3,278	2,893
Research and development - (Non- Employee costs)	a)	15,882	10,200
Research and development - (Employee expenses)		4,525	4,345
Transport		583	345
Premises		15,459	14,949
Increase/(decrease) in provision for impairment of receivables	19	256	698
Drugs		25,966	23,121
Rentals under operating leases - minimum lease payments	8	1,145	1,285
Depreciation on property, plant and equipment		8,958	8,807
Amortisation on intangible assets		205	429
audit services- statutory audit	b)	47	50
audit services -regulatory reporting	c)	8	8
other auditor remuneration		-	5
Clinical negligence		5,481	5,288
Legal fees		69	260
Consultancy costs		770	583
Training, courses and conferences	d)	23,242	1,888
Patient travel		82	71
Car parking & Security		395	357
Hospitality		84	109
Insurance		623	760
Losses, ex gratia & special payments		-	3
Total operating expenses (excluding exceptional costs)		419,791	372,554
Redundancy		62	580
Impairments of property, plant and equipment	13	-	4,032
Net operating costs including exceptional costs		419,853	377,166

a) The Trust acts as a host, on behalf of a number of NHS trusts and foundation trusts across Greater Manchester, for clinical research funding from the Department of Health. This research funding is accounted for gross in accordance with guidance from Monitor, the independent regulator of foundation trusts. The increase in expenditure from 2011/12 is matched by a corresponding increase in Research income (note 4 - Other Operating Income).

b) There is no limit on the Trust's auditors liability.

c) Costs shown as 'Audit Services- regulatory reporting' relate to the external auditor's review of the Trust's Quality Report.

d) During 2012/13 the Trust became the host organisation for the NHS Leadership Academy. This training funding is accounted for gross in accordance with guidance from Monitor, the independent regulator of foundation trusts. The increase in expenditure from 2011/12 relates to this hosting arrangement.

7.1 Salary and pension entitlements of senior managers

Note: It is the view of the Board of Directors that the authority and responsibility for controlling major activities is retained by the statutory Board of Directors who have voting rights and is not exercised below this level.

Figures below are for the 12 month period from April 1, to March 31.

Name and title	A	B	C	D	E	F
	Salary for 12 month period (Bands of £5,000)	Other remuneration for period (Bands of £5,000)	Golden hello	Compensation for loss of office	Benefits in kind (Rounded to the nearest £100)	Amounts paid relating to the previous year
	£ 000s	£ 000s	£ 000s	£ 000s	£	£ 000s
2012/13						
Executive Board Members with Voting Rights						
Bailey A. - Chief Nurse	120 to 125		-	-	-	-
Griffiths A.- Interim Director of Operations	35 to 40					-
Hartley J. - Chief Executive	85 to 90		-	-	-	-
Heery NA. - Director of Finance	135 to 140		-	-	-	-
James K.- Chief Operating Officer/ Acting Chief Executive	140 to 145		-	-	-	-
Ryan B. - Medical Director	130 to 135	25 to 30	-	-	-	-
Wood J.- Interim Director of Operations	30 to 35					-
Non Executive Board Members						
Goodey F. - Chair	45 to 50		-	-	-	-
Barlow R.- Non Executive Director	15 to 20		-	-	-	-
Boulnois G.- Non Executive Director	10 to 15		-	-	-	-
Clinton L.- Non Executive Director	10 to 15		-	-	-	-
Gibson M - Non Executive Director	10 to 15		-	-	-	-
Smyth P. - Non Executive Director	10 to 15		-	-	-	-
2011/12						
Executive Board Members with Voting Rights						
Bailey A. - Chief Nurse	120 to 125		-	-	-	-
Hartley J. - Chief Executive	180 to 185		-	-	-	-
Heery NA. - Director of Finance / Acting Chief Executive	135 to 140		-	-	-	-
Jago D - Acting Director of Finance	15 to 20		-	-	-	-
James K.- Chief Operating Officer	135 to 140		-	-	-	-
Ryan B. - Medical Director	130 to 135	25 to 30	-	-	-	-
Non Executive Board Members						
Goodey F. - Chair	45 to 50		-	-	-	-
Barlow R.- Non Executive Director	15 to 20		-	-	-	-
Boulnois G.- Non Executive Director	10 to 15		-	-	-	-
Clinton L.- Non Executive Director	10 to 15		-	-	-	-
Gibson M - Non Executive Director	10 to 15		-	-	-	-
Smyth P. - Non Executive Director	10 to 15		-	-	-	-

- i) appointed Interim Director of Ops 14.1.13
- ii) Ceased to be a director 30.9.12
- iii) Director of Operations began Acting CEO 1.10.12
- iv) Other remuneration relates to clinical duties
- v) Acting Director of Ops 1.10.12 to 14.1.13
- vi) Temporarily absent from Chief Executive post with effect from 28th February 2011 to 13th June 2011 due to road traffic accident
- vii) Acting up to Chief Executive commenced 28th February 2011 until 13th June 2011
- viii) Acting up to Director of Finance commenced 28th February 2011 until 31st May 2011

7.2 Salary and pension entitlements of senior managers (continued)

Pension entitlements of senior managers in post at 31st March 2013

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

Name and Title	Total accrued pension at age 60 at March 31, 2013	Value of automatic lump sums at March 31, 2013	Real increase in pension during the period	Real increase in automatic lump sum during the period	CETV at March 31, 2012	CETV at March 31, 2013*	Real increase in CETV during the period*
	(Bands of £2,500)	(Bands of £2,500)	(Bands of £2,500)	(Bands of £2,500)	(Bands of £1,000)	(Bands of £1,000)	(Bands of £1,000)
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s
Bailey A. - Chief Nurse	37.5 to 40.0	115.0 to 117.5	0.0 to 2.5	0.0 to 2.5	611.0 to 612.0	653.0 to 654.0	22.0 to 23.0
Griffiths A. - Interim Director of Operations**							
Heery NA. - Director of Finance	47.5 to 50.0	142.5 to 145.0	0.0 to 2.5	0.0 to 2.5	830.0 to 831.0	860.0 to 861.0	2.0 to 3.0
James K. - Chief Operating Officer/ Acting Chief Executive	50.0 to 52.5	152.5 to 155.0	2.5 to 5.0	10.0 to 12.5	813.0 to 814.0	939.0 to 940.0	98.0 to 99.0
Ryan B. - Medical Director	55.0 to 57.5	165.0 to 167.5	0.0 to 2.5	2.5 to 5.0	1,053.0 to 1,054.0	1,144 to 1,145.0	55.0 to 56.0

** The Trust does not make contributions to Mr Griffiths' Pension Scheme

Source: NHS Pensions Agency

* A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004-05 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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

NHS Pensions have advised that since last year's disclosure exercise the factors used in their calculations have changed, the new factors are higher than last years and they have confirmed that the CETV's have increased more than expected.

7.3 Mutually Agreed Resignation Scheme and Redundancy Payments 2012/13

Exit package cost band	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages
	Number	£000s	Number	£000s	Number	£000s
<£10,000	0	0	2	11	2	11
£10,000 - £25,000	0	0	1	20	1	20
£25,001 - £50,000	0	0	1	31	1	31
£50,001 - £100,000	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0
Total	0	0	4	62	4	62

The above table details the number of MARS (Mutually Agreed Resignation Scheme) payments agreed within the financial year 2012/13. These redundancies were a consequence of the Trust's cost efficiency savings plans. MARS schemes have had approval from Monitor.

7.3 Mutually Agreed Resignation Scheme and Redundancy Payments 2011/12

Exit package cost band	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages
	Number	£000s	Number	£000s	Number	£000s
<£10,000	0	0	8	38	8	38
£10,000 - £25,000	0	0	6	104	6	104
£25,001 - £50,000	0	0	4	154	4	154
£50,001 - £100,000	4	284	0	0	4	284
£100,001 - £150,000	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0
Total	4	284	18	296	22	580

2011/12 redundancies were a consequence of the Trust's management restructure implemented as part of the Trust's cost efficiency savings plans. MARS schemes have had approval from Monitor.

8. Arrangements containing an operating leases

8.1 As lessee

The Trust's leases include office and laboratory accommodation together with equipment (both clinical and non-clinical).

Payments recognised as an expense	2012/13	2011/12
	£000	£000
Minimum lease payments	1,145	1,285
Contingent rents	-	-
Sub-lease payments	-	-
	<u>1,145</u>	<u>1,285</u>
Total future minimum lease payments	2012/13	2011/12
	£000	£000
Payable:		
Not later than one year	814	722
Between one and five years	1,657	2,180
After 5 years	903	1,000
	<u>3,374</u>	<u>3,902</u>

The Trust has made payments in 2012/13 to Manchester PCT totalling £1,478k relating to use of community premises by the Trust's community services. These payments have been accounted for within total 2012/13 operating expenditure but are not included within the above analyses of operating lease expenditure and commitments.

9. Employee expenses and numbers

9.1 Employee expenses

Includes the costs of staff and executive directors, but excludes non-executive directors.

	2012/13			2011/12		
	Total	Permanently Employed	Other	Total	Permanently Employed	Other
	£000	£000	£000	£000	£000	£000
Salaries and wages	188,698	167,754	20,944	181,427	162,348	19,079
Social security costs	15,710	14,030	1,680	15,188	13,576	1,612
Pension cost - defined contribution plans						
Employers contributions to NHS Pensions	22,616	20,053	2,563	21,815	19,512	2,303
Pension cost - other contributions	-	-	-	-	-	-
Other post employment benefits	-	-	-	-	-	-
Other employment benefits	-	-	-	-	-	-
Termination benefits	-	-	-	-	-	-
Agency/contract staff	6,783	-	6,783	6,235	-	6,235
Employee benefits expense	233,807	201,837	31,970	224,665	195,436	29,229

Redundancy costs of £62k (2011/12 £580k) are included as part of salaries and wages costs.

9.2 Average number of people employed

	2012/13			2011/12		
	Total	Permanently Employed	Other	Total	Permanently Employed	Other
	Number	Number	Number	Number	Number	Number
Medical and dental	650	420	230	638	414	224
Ambulance staff	-	-	-	-	-	-
Administration and estates	1,087	1,073	14	1,064	1,046	18
Healthcare assistants and other support staff	671	669	2	640	633	7
Nursing, midwifery and health visiting staff	1,826	1,824	2	1,794	1,788	6
Nursing, midwifery and health visiting learners	-	-	-	5	5	-
Scientific, therapeutic and technical staff	796	780	16	786	775	11
Social care staff	5	5	-	3	3	-
Bank and agency staff	177	-	177	131	-	131
Other	-	-	-	-	-	-
Total	5,212	4,771	441	5,061	4,664	397

The increase in employee expenses and average number of people employed in 2012/13 includes the impact on staffing from the opening a new orthopaedic operating theatre and opening new critical care beds.

During 2012/13 the Trust became the host organisation for the NHS Leadership Academy. The 2012/13 increase in employee expenses and average number of people employed also includes the impact from staff transferred to the Trust as a result of these new arrangements.

9.3 Employee benefits

Other than the salary and pension costs detailed above, there were no material employee benefits in 2012/13 or the previous year. In addition to this there are no share options, money purchase schemes, nor long term incentive schemes in the University Hospital of South Manchester NHS Foundation Trust.

There were no director's benefits in respect of advances or credits granted by the Trust. Nor were there any kind of guarantees entered into on behalf of the directors of the Trust by the Trust.

10. Retirements due to ill-health

During the year to March 31, 2013 there were 15 retirements from the Trust agreed on the grounds of ill-health (in the previous year there were 11 retirements due to ill-health). The estimated additional pension liabilities of these ill-health retirements will be £796k (£890k in the previous year). The cost of these ill-health retirements will be borne by the NHS Pensions Agency.

11. Finance income	2012/13	2011/12
	£000	£000
Interest income:		
Interest on loans and receivables	281	260
Other	-	-
Total	281	260

The Trust maintains a policy of only investing in UK banks which are assessed as low risk by the relevant rating agencies.

12. Finance Costs- Interest expense	2012/13	2011/12
	£000	£000
Interest expense:		
Loans from the Foundation Trust Financing Facility	1,055	957
Loans from the Department of Health	-	-
Commercial loans	-	-
Overdrafts	-	-
Finance leases	-	-
Interest on late payment of commercial debt	-	-
Other		
Finance Costs in PFI obligations	4,667	4,899
Contingent Rent	a) 3,917	3,558
Total	9,639	9,414

a) Under the terms of the Trust's PFI contract, an annual inflation uplift is applied in full to the unitary charge payments made to the PFI contractor. The impact of inflation on PFI finance lease rental payments is accounted for as contingent rent and is a Finance cost charge against the Statement of Comprehensive Income. This accounting treatment is consistent with requirements published by the Department of Health manual "Accounting for PFI under IFRS – October 2009".

13. Impairments of assets	Note	2012/13	2011/12
		£000	£000
Net impairments arising from UHSM's independent valuer's assessment of the depreciated replacement cost of newly constructed assets.	a), b)	(1,379)	4,032
Total		(1,379)	4,032

a) Reversals of impairments are recognised in operating income to the extent that the asset is restored to the carrying amount it would have had if the original impairments had never been recognised. The impairment reversals in 2012/13 relate to increases in valuations of certain buildings, where previous impairments on those buildings had been charged to operating expenditure.

b) Impairments in 2011/12 arose from the valuation of a new research unit and also valuations of enhancement works undertaken in the Trust's maternity and outpatient units. These impairments were all charged to operating expenditure.

14. Intangible assets

The only intangible assets that the Trust owns are purchased computer software applications.

	Computer software - purchased 2012/13	Computer software - purchased 2011/12
	£000	£000
Gross cost at April 1	2,301	2,300
Transfers by absorption	-	-
Additions - purchased	-	1
Additions - Leased	-	-
Additions - donated	-	-
Additions - internally generated	-	-
Additions - government granted	-	-
Impairments	-	-
Reversal of impairments	-	-
Reclassifications	-	-
Revaluations	-	-
Transfers to/from assets held for sale and assets in disposal groups	-	-
Disposals	-	-
Gross cost at March 31	<u>2,301</u>	<u>2,301</u>
Amortisation at April 1	2,088	1,659
Transfers by absorption	-	-
Charged during the year	205	429
Impairments recognised in SOCI*	-	-
	-	-
Reversal of impairments recognised in the SOCI*	-	-
Reclassifications	-	-
Revaluation surpluses	-	-
	-	-
Transferred to disposal group as asset held for sale	-	-
Disposals	-	-
Amortisation at March 31	<u>2,293</u>	<u>2,088</u>
Net book value		
Purchased as at March 31	8	213
Finance Leases as at March 31	-	-
Donated as at March 31	-	-
Total at March 31	<u>8</u>	<u>213</u>

* SOCI= Statement of Comprehensive Income

The intangible assets held by the Trust were initially valued at cost and are amortised over their useful economic life. The Trust is not holding a revaluation reserve for these assets.

	Minimum life Years	Maximum life Years
Intangible assets purchased		
Software	1	5

The Trust has no intangible assets acquired by government grant.

15. Non Current Tangible Assets
15.1 Property, plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Assets under construct and payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
2012/13:	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at April 1, 2012	23,287	148,971	494	239	52,521	498	5,914	2,021	233,945
Transfers by absorption	-	-	-	-	-	-	-	-	-
Additions - purchased	-	5,917	-	389	2,639	-	1,567	48	10,560
Additions - Leased	-	-	-	-	-	-	-	-	-
Additions - donated	-	-	-	-	-	-	-	-	-
Additions - government granted	-	-	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-	-	-
Reversal of impairments	-	-	-	-	-	-	-	-	-
Reclassifications	-	141	-	-	-	-	(141)	-	-
Revaluations	(4,050)	501	7	-	-	-	-	-	(3,542)
Transfers to/from assets held for sale and assets in disposal groups	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(17)	-	(27)	-	(44)
At March 31, 2013	19,237	155,530	501	628	55,143	498	7,313	2,069	240,919
Accumulated depreciation as at April 1, 2012	-	8,402	29	-	37,793	304	3,874	1,276	51,678
Transfers by absorption	-	-	-	-	-	-	-	-	-
Provided during the year	-	4,957	23	-	3,069	45	693	171	8,958
Impairments recognised in operating expenses	-	-	-	-	-	-	-	-	-
Reversal of Impairments	-	(1,379)	-	-	-	-	-	-	(1,379)
Reclassifications	-	7	-	-	-	-	(7)	-	-
Revaluation surpluses	-	-	-	-	-	-	-	-	-
Transferred to disposal group as asset held for sale	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(17)	-	(27)	-	(44)
Depreciation at March 31, 2013	-	11,987	52	-	40,845	349	4,533	1,447	59,213
Net book value									
Owned at April 1, 2012	23,287	98,164	465	-	13,785	194	2,022	707	138,624
Finance lease at April 1, 2012	-	-	-	-	-	-	-	-	-
PFI at March 31, 2012	-	38,253	-	-	-	-	-	-	38,253
Donated at April 1, 2012	-	4,152	-	239	943	-	18	38	5,390
Total at April 1, 2012	23,287	140,569	465	239	14,728	194	2,040	745	182,267
Net book value									
Owned at March 31, 2013	19,237	100,424	449	390	13,616	149	2,772	597	137,634
Finance lease at March 31, 2013	-	-	-	-	-	-	-	-	-
PFI at March 31, 2013	-	38,959	-	-	-	-	-	-	38,959
Donated at March 31, 2013	-	4,160	-	238	682	-	8	25	5,113
Total at March 31, 2013	19,237	143,543	449	628	14,298	149	2,780	622	181,706

15.2 Property, plant and equipment prior year

	Land	Buildings excluding dwellings	Dwellings	Assets under construct and payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
2011/12	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at April 1, 2011	23,287	137,923	458	437	51,791	498	4,334	1,834	220,562
Transfers by absorption	-	-	-	-	-	-	-	-	-
Additions - purchased	-	5,343	36	5,565	1,063	-	1,580	187	13,774
Additions - Leased	-	-	-	-	-	-	-	-	-
Additions - donated	-	304	-	-	-	-	-	-	304
Additions - government granted	-	-	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-	-	-
Reversal of impairments	-	-	-	-	-	-	-	-	-
Reclassifications	-	5,763	-	(5,763)	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-	-
Transfers to/from assets held for sale and assets in disposal groups	-	-	-	-	-	-	-	-	-
Disposals	-	(362)	-	-	(333)	-	-	-	(695)
At March 31, 2012	23,287	148,971	494	239	52,521	498	5,914	2,021	233,945
Accumulated depreciation as at April 1, 2011	-	-	-	-	34,712	259	3,449	1,114	39,534
Transfers by absorption	-	-	-	-	-	-	-	-	-
Provided during the year	-	4,738	23	-	3,414	45	425	162	8,807
Impairments recognised in operating expenses	-	4,026	6	-	-	-	-	-	4,032
Reversal of Impairments	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Revaluation surpluses	-	-	-	-	-	-	-	-	-
Transferred to disposal group as asset held for sale	-	-	-	-	-	-	-	-	-
Disposals	-	(362)	-	-	(333)	-	-	-	(695)
Depreciation at March 31, 2012	-	8,402	29	-	37,793	304	3,874	1,276	51,678
Net book value									
Owned at April 1, 2011	23,287	94,232	458	199	15,825	239	840	670	135,750
Finance lease at April 1, 2011	-	-	-	-	-	-	-	-	-
PFI at April 1, 2011	-	39,406	-	-	-	-	-	-	39,406
Donated at April 1, 2011	-	4,285	-	238	1,254	-	45	50	5,872
Total at April 1, 2011	23,287	137,923	458	437	17,079	239	885	720	181,028
Net book value									
Owned at March 31, 2012	23,287	98,164	465	-	13,785	194	2,022	707	138,624
Finance lease at March 31, 2012	-	-	-	-	-	-	-	-	-
PFI at March 31, 2012	-	38,253	-	-	-	-	-	-	38,253
Donated at March 31, 2012	-	4,152	-	239	943	-	18	38	5,390
Total at March 31, 2012	23,287	140,569	465	239	14,728	194	2,040	745	182,267

15.3 Property, plant and equipment (cont.)

	Minimum life Years	Maximum life Years
Land	-	-
Buildings (excluding dwellings)	1	70
Dwellings	1	33
Assets under construction	1	1
Plant and machinery	1	15
Transport equipment	1	6
Information technology	1	5
Furniture and fittings	1	10

The Trust received no compensation from third parties for assets impaired, lost or given up.

15.4 Protected and unprotected tangible non-current assets

	Land £000s	Buildings (incl. Dwellings) £000s	Assets under construction £000s	Equipment £000s	Total £000s
Protected tangible non-current assets as at March 31, 2013	13,473	129,162			142,635
Unprotected tangible non-current assets as at March 31, 2013	5,764	14,830	628	17,849	39,071
	19,237	143,992	628	17,849	181,706
Protected tangible non-current assets as at March 31, 2012	16,309	135,186			151,495
Unprotected tangible non-current assets as at March 31, 2012	6,978	5,848	239	17,707	30,772
	23,287	141,034	239	17,707	182,267

Assets required for the provision of the Trust's mandatory services are protected. Assets which are not required for mandatory services are unprotected and may be disposed of by the Foundation Trust without prior approval from Monitor, the regulator of foundation trusts. The Trust's unprotected assets include land, car parking, residential accommodation and administrative offices.

16. Capital commitments

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

	March 31, 2013	March 31, 2012
	£000	£000
Property, plant and equipment	1,361	1,343
Intangible assets	-	-
Total	1,361	1,343

Capital commitments at March 31, 2013 relate to adaptation works to create a training suite, IT network upgrades and investment in new anaesthetic monitoring equipment.

Following the abolition of NHS Manchester, property at Withington Community Hospital; Buccleugh Lodge and Withington Hospital old site transferred to the Trust on April 1, 2013. The mechanism for such transfers within the NHS does not require the Trust to make a payment, and therefore this transaction is not included within the above noted capital commitments. Further details of this transfer are included within these accounts in note 30 - "Events after the reporting period".

At March 31, 2013 the Trust had no non-current assets for sale, assets held in disposal groups or liabilities in disposal groups. This was the same situation as March 31, 2012.

17. Inventories

17.1. Inventories

	March 31, 2013	March 31, 2012
	£000	£000
Drugs	1,316	1,224
Work in progress	-	-
Consumables	3,943	3,920
Energy	118	130
Total	5,377	5,274

The Trust holds no non-current inventories.

17.2 Inventories recognised in expenses

	March 31, 2013	March 31, 2012
	£000	£000
Inventories recognised as an expense in the period	(45,359)	(45,785)
Write-down of inventories recognised as an expense(including losses)	(4)	(3)
Reversal of write-downs that reduced the recognised expense	-	-
Total	(45,363)	(45,788)

18. Investments

The Trust held no investments during either of the financial years ended March 31, 2012 or March 31, 2013.

19. Trade and other receivables

19.1 Trade and other receivables

	Note	March 31, 2013 £000	March 31, 2012 £000
Current			
NHS receivables		8,593	9,048
Receivables from NHS charities		-	-
Other receivables with related parties		762	288
Provision for the impairment of receivables		(756)	(540)
Prepayments		1,543	3,434
PFI prepayments			
- capital contributions		-	-
- lifecycle replacements		-	-
Accrued income		1,380	72
Finance lease receivables		-	-
PDC receivables	a)	574	470
VAT receivable		995	1,238
Other receivables		1,598	1,259
Total		14,689	15,269

		March 31, 2013 £000	March 31, 2012 £000
Non Current			
NHS receivables		-	-
Receivables from NHS charities		-	-
Other receivables with related parties		-	-
Provision for the impairment of receivables		(53)	(158)
Prepayments		-	-
PFI prepayments			
- capital contributions		-	-
- lifecycle replacements		-	-
Accrued income		407	1,936
Finance lease receivables		-	-
Other receivables		-	-
Total		354	1,778

		March 31, 2013 £000	March 31, 2012 £000
Total			
NHS receivables		8,593	9,048
Receivables from NHS charities		-	-
Other receivables with related parties		762	288
Provision for the impairment of receivables		(809)	(698)
Prepayments		1,543	3,434
PFI prepayments			
- capital contributions		-	-
- lifecycle replacements		-	-
Accrued income		1,787	2,008
Finance lease receivables		-	-
PDC receivables		574	470
VAT receivable		995	1,238
Other receivables		1,598	1,259
Total		15,043	17,047

a) PDC dividends are calculated on an actual basis, giving rise to a receivable where the interim payment had been overestimated.

19.2 Provision for impairment of receivables

	March 31, 2013 £000	March 31, 2012 £000
At 1st April	698	283
Increase in provision	256	698
Amounts utilised	(145)	(283)
Unused amounts reversed	-	-
At March 31	809	698

19.3. Ageing of impaired receivables

	March 31, 2013 £000	March 31, 2012 £000
0 - 30 days	0	0
30-60 Days	155	18
60-90 days	65	18
90- 180 days	40	71
over 180 days	549	591
Balance at March 31	809	698

Receivables are due within 30 days of the date of invoice.

19.4. Receivables past due date, but not impaired

	March 31, 2013 £000	March 31, 2012 £000
0 - 30 days	7,599	7,308
30-60 Days	261	354
60-90 days	498	354
90- 180 days	241	648
over 180 days	0	132
Balance at March 31	8,599	8,796

Receivables are considered due at the date of invoice.

20. Cash and cash equivalents

	March 31, 2013 £000	March 31, 2012 £000
Balance at April 1	46,241	44,650
Net change in year	20,507	1,591
Balance at March 31	66,748	46,241
Made up of		
Commercial banks and cash in hand	105	42
Cash with the Government Banking Service	66,643	46,199
Current investments	-	-
Cash and cash equivalents as in statement of financial position	66,748	46,241
Bank overdraft	-	-
Cash and cash equivalents as in statement of cash flows	66,748	46,241

21. Trade and other payables

	March 31, 2013	March 31, 2012
	£000	£000
Current		
Receipts in advance	-	-
NHS payables - capital	-	-
NHS payables - revenue	11,613	13,561
NHS payables - Early retirement costs payable within one year	115	-
Amounts due to other related parties - capital	-	-
Amounts due to other related parties - revenue	-	-
Other trade payables - capital	2,010	1,718
Other trade payables - revenue	20,937	6,243
Social Security costs	-	-
VAT payable	-	-
Other taxes payable	4,303	4,230
Other payables	3,150	2,889
Accruals	18,220	12,061
PDC dividend payable	-	-
Total current	60,348	40,702

At March 31, 2013 there were no non-current trade and other payables. Similarly, there were no non-current trade and other payables at March 31, 2012.

22. Borrowings

	March 31, 2013	March 31, 2012
Current	£000	£000
Bank overdrafts	-	-
Drawdown in committed facility	-	-
Loans from:		
Foundation Trust Financing Facility	1,565	977
Other entities	-	-
Obligations under finance leases	-	-
PFI liabilities:		
Main liability	3,918	3,224
Total Current	5,483	4,201
Non Current		
Loans from:		
Foundation Trust Financing Facility	24,390	25,418
Other entities	-	-
Obligations under finance leases	-	-
PFI liabilities:		
Main liability	55,821	59,739
Total Non Current	80,211	85,157
Total		
Bank overdrafts	-	-
Drawdown in committed facility	-	-
Loans from:		
Foundation Trust Financing Facility	25,955	26,395
Other entities	-	-
Obligations under finance leases	-	-
PFI liabilities:		
Main liability	59,739	62,963
Total	85,694	89,358

The Trust currently has two loans outstanding.

1. £6.5m for a Cystic Fibrosis expansion (to be repaid by 2029).
2. £19.4m for a Maternity refurbishment scheme (to be repaid by 2029).

23. Other liabilities

	Note	March 31, 2013 £000	March 31, 2012 £000
Current			
Deferred grants income		-	-
Other Deferred income	a)	18,499	17,445
Deferred PFI credits		-	-
Lease incentives		-	-
Net pension scheme liability		-	-
Total		18,499	17,445
Non Current			
Deferred grants income		-	-
Other Deferred income		5,039	6,286
Deferred PFI credits		-	-
Lease incentives		-	-
Net pension scheme liability		-	-
Total		5,039	6,286
Total			
Deferred income		-	-
Other Deferred income		23,538	23,731
Deferred PFI credits		-	-
Lease incentives		-	-
Net pension scheme liability		-	-
Total		23,538	23,731

a) Current Deferred Income relates predominantly to income for the Collaborative Local Research Network and the NHS National Leadership scheme, where the associated expenditure has not yet been incurred.

24. Prudential Borrowing Limit

The Trust is given a prudential borrowing limit which it is not permitted to exceed.

The Trust is required to comply and remain within Monitor's Prudential Borrowing Limit set out in the 'Prudential Borrowing Code'. The code was amended at April 1, 2009 to allow for the changes in accounting treatment under the adoption of IFRS and with PFI schemes coming 'on-Statement of Financial Position'.

Further information on the NHS Foundation Trust Prudential Borrowing Code can be found on the website of Monitor, the Independent Regulator of Foundation Trusts.

	March 31, 2013	March 31, 2012
	£000	£000
Long Term Borrowing Limit set by Monitor as at March 31	89,900	93,500
Working Capital Facility Limit set by Monitor as at March 31	32,000	28,000
	<u>121,900</u>	<u>121,500</u>
Actual (contracted) working capital facility	<u>32,000</u>	<u>28,000</u>
Long term borrowing at April 1	89,358	88,517
Net actual borrowing/(repayment) in year - long term	(3,664)	841
Long term borrowing at March 31	<u>85,694</u>	<u>89,358</u>
Working capital borrowing at April 1	-	-
Net actual borrowing/(repayment) in year - working capital	-	-
Working capital borrowing at March 31	<u>-</u>	<u>-</u>
Long Term Borrowing		
PFI	59,739	62,963
Foundation Trust Financing Facility		
-Cystic Fibrosis	6,527	6,948
-Maternity	19,428	19,447
Total	<u>85,694</u>	<u>89,358</u>

24.1 Finance lease obligations

Other than a PFI arrangement the Trust has no finance lease obligations.

25. Private Finance Initiative contracts

25.1 PFI schemes on-Statement of Financial Position

The Trust has a 35 year PFI contract with South Manchester Healthcare Limited which expires in 2033. The contract covers provision of two buildings at Wythenshawe hospital – the Acute Unit and the Mental Health Unit.

The Acute Unit consists of an Accident and Emergency department, a burns unit, coronary care unit, intensive care unit, six operating theatres, five medical and five surgical wards, an x-ray department, fracture clinic and renal department.

The Mental Health Unit provides adult and older people's outpatient and inpatient Mental Health services.

In addition to provision and maintenance of the two buildings, under the terms of the contract the PFI operator also provides a range of essential facilities management services across the Wythenshawe hospital site. These include cleaning, catering, portering, laundry and maintenance services.

In accordance with accounting standard IFRIC 12, the two buildings are treated as assets of the Trust and assets values are included in note 15. IFRIC 12 deems that the substance of the contract is that the Trust has a finance lease and payments comprise two elements – imputed finance lease charges and service charges. Service charges are included within operating expenditure and imputed finance lease charges are detailed in the table below.

The Trust sublets the Mental Health Unit to Manchester Health and Social Care Trust. This agreement is treated as an operating lease and the income received is included within operating income.

25.2 Total obligations for on-Statement of Financial Position (SoFP) PFI contracts due:

	March 31, 2013 £000	March 31, 2012 £000
Gross PFI liabilities	150,115	157,258
Of which liabilities are due:		
Not later than one year	12,895	11,812
Later than one year, not later than five years	46,231	47,375
Later than five years	90,989	98,071
Less finance charges allocated to future periods	<u>(90,376)</u>	<u>(94,295)</u>
Net PFI liabilities	<u>59,739</u>	<u>62,963</u>
Not later than one year	3,919	3,224
Later than one year, not later than five years	15,306	15,856
Later than five years	<u>40,514</u>	<u>43,883</u>
	<u>59,739</u>	<u>62,963</u>

25.3 PFI Commitments

The Trust is committed to making the following payments in respect of the service element of the PFI:

	March 31, 2013 Total £000	March 31, 2012 Total £000
Within one year	21,111	21,117
2nd to 5th years (inclusive)	84,444	84,469
Later than five years	<u>337,778</u>	<u>358,992</u>
Total	<u>443,333</u>	<u>464,578</u>

25.4. Private Finance Initiative Costs

	March 31, 2013 £000	March 31, 2012 £000
Service element	20,977	20,750
Interest costs	4,667	4,899
Contingent Rent	3,917	3,558
Lifecycle costs	1,081	709
Principal repayment	3,224	3,128
Total Payment	33,866	33,044

The total payment reflects the PFI charge on an accruals basis, excluding VAT where appropriate.

26. Provisions

	March 31, 2013 £000	March 31, 2012 £000
Current		
Pensions relating to former directors	8	7
Pensions relating to other staff	438	414
Other (see below)	9,703	6,432
Total current	10,149	6,853
Non Current		
Pensions relating to former directors	90	92
Pensions relating to other staff	4,044	4,164
Other (see below)	863	219
Total Non current	4,997	4,475
Total		
Pensions relating to former directors	98	99
Pensions relating to other staff	4,482	4,578
Other (see below)	10,566	6,651
Total	15,146	11,328

	Pensions relating to former directors £000	Pensions relating to other staff £000	Other Legal claims £000	Other (see below) £000	Total £000
As at April 1, 2012	99	4,578	599	6,052	11,328
Change in the discount rate	5	239	-	22	266
Arising during the year	-	-	12	9,499	9,511
Used during the year	(8)	(438)	-	(4,997)	(5,443)
Reversed unused	-	-	-	(627)	(627)
Unwinding of discount	2	103	-	6	111
At March 31, 2013	98	4,482	611	9,955	15,146

Expected timing of cash flows:

- not later than 1 year	8	438	-	9,703	10,149
- later than 1 year and not later than 5 years	32	1,752	-	94	1,878
- later than 5 years	58	2,292	611	158	3,119
Total	98	4,482	611	9,955	15,146

	March 31, 2013 £000	March 31, 2012 £000
Other provisions include		
Public and employers insurance claims	330	210
Staffing issues	3,788	2,298
Miscellaneous contractual issues	5,837	3,544
Total	9,955	6,052

£22,209k is included in the provisions of the NHS Litigation Authority at 31/3/2013 in respect of clinical negligence liabilities of the Trust (31/03/12 £17,729k).

27. Revaluation Reserve

The Trust holds a revaluation reserve for property, plant and equipment, but not for intangible assets.

	Note	March 31, 2013 £000	March 31, 2012 £000
Reserves at April 1		28,718	30,441
Transfers by absorption		-	-
Impairments		-	-
Revaluations	a)	(3,542)	-
Transfers to other reserves		-	-
Asset disposals		-	-
Fair Value gains/(losses) on Available-for-sale financial investments		-	-
Recycling gains/(losses) on Available-for-sale financial investments		-	-
Share of other comprehensive income/expenditure from associates and joint ventures		-	-
Other recognised gains and losses		-	-
Other reserve movements	b)	-	(1,723)
Reserves at March 31		25,176	28,718

a) The revaluation reflects an overall net reduction in the value of the Trust's land and buildings, as assessed by the Trust's independent valuer, the District Valuer, which is chargeable to the revaluation reserve.

b) The 2011/12 movement of £1,723k relates to a transfer to the Income & Expenditure reserve for balances previously held within the revaluation reserve in relation to fully depreciated plant & equipment assets. This eliminated the revaluation reserve balance in respect of plant & equipment assets and there is therefore no equivalent transfer in 2012/13.

28. Contingencies

The Trust has no contingent liabilities or contingent assets at March 31, 2013. This is the same position as at March 31, 2012.

29. Financial Instruments

29.1 Financial assets by category

The only financial assets held by the Trust are loans and receivables

	March 31, 2013 £000	March 31, 2012 £000
NHS Trade and other receivables excluding non financial	9,167	9,518
Non-NHS Trade and other receivables excluding non	5,142	4,793
Other Investments	-	-
Other Financial Assets	-	-
Non current assets held for sale and assets held in disposal	-	-
Cash and cash equivalents (at bank and in hand	<u>66,748</u>	<u>46,241</u>
Total	<u>81,057</u>	<u>60,552</u>

29.2 Financial liabilities by category

The Trust has no financial liabilities held at fair value through the Statement of Comprehensive Income.

	March 31, 2013 £000	March 31, 2012 £000
Borrowings excluding finance leases and PFI obligations	25,955	26,395
Obligations under finance leases	-	-
Obligations under PFI contracts	150,115	157,258
NHS Trade and other payables not including non-financial liabilities	11,728	13,561
Non-NHS Trade and other payables not including non-financial liabilities	44,317	22,911
Other financial liabilities	-	-
Provisions under contract	<u>14,535</u>	<u>10,729</u>
Total	<u>246,650</u>	<u>230,854</u>

29.3 Financial risk management

Financial Reporting Standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. The Trust has a continuing service provider relationship with primary care trusts and, as a result of the way these primary care trusts are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's policy agreed by the Board of Directors. Trust treasury activity is subject to review by the Trust's internal auditors.

Currency risk

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

Interest rate risk

The Trust is permitted to borrow to fund capital expenditure, subject to affordability as confirmed by Monitor, the Independent Regulator of Foundation Trusts. To March 31, 2013, the Trust has borrowed funds for its expansion of accommodation for its Cystic Fibrosis service together with a loan for enhancements to its Maternity Unit. These loans are with the Foundation Trust Financing Facility at a fixed level of interest. UHSM therefore has a low exposure to interest rate risk.

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 as at March 31, 2013 are in receivables from customers, as disclosed in the Trade and other receivables note.

Liquidity risk

The Trust's operating costs are incurred under contracts with primary care trusts, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

30. Events after the reporting period

Following the abolition of NHS Manchester, the Trust acquired three properties on April 1, 2013:

- Withington Community Hospital
- Buccleugh Lodge
- Withington Hospital (old site) including the Disablement Services Centre

The combined value of these properties at the date of transfer is approximately £25m.

31. Public Dividend Capital Dividends Paid

The dividend payable on public dividend capital is based on the actual (rather than forecast) average relevant net assets and therefore the actual capital cost absorption rate is automatically 3.5%.

The average net relevant assets are the total assets employed by the Trust excluding donated assets and cash/ cash equivalents. The average between the opening and closing values for the period.

In 2012/13 dividends were paid on an estimated basis but then reviewed at year end and an adjustment was made based on actual performance. As a result of this adjustment the Trust has a current asset in its books relating to cash due for an overpayment.

32. The Late Payment of Commercial Debts (Interest) Act 1998

The Trust received no claims under The Late Payment of Commercial Debts (Interest) Act 1998.

33. Related party transactions

University Hospital of South Manchester NHS Foundation Trust is a public interest body authorised by Monitor - the Independent Regulator for NHS Foundation Trusts.

For the purposes of these accounts the Department of Health is deemed to be the parent of the Foundation trust. The following are considered to be related parties of an NHS foundation trust:

- Any entity which controls the NHS foundation trust, or is under common control with the NHS foundation trust (this will include all bodies within the scope of the Whole of Government Accounts).
- Any entity over which the NHS foundation trust has control (including where appropriate, the NHS charitable
- Key management personnel.
- Any close family member of any individual within the categories above.
- Any entity controlled, jointly controlled, or significantly influenced by any member of key management personnel or a close family member.
- Any associate of the NHS foundation trust (within the meaning of IAS 28)
- Any joint venture in which the NHS foundation trust is a venturer (within the meaning of IAS 31).

The Trust maintains a register of interests. Staff and Non-executive Directors are required to declare any outside interests so that they may be recorded in this register. The register is available for inspection by the public.

In 2012/13 these transactions / balances were:

	Expenditure to Related Party	Income from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£000s	£000s	£000s	£000s
Board members	-	-	-	-
Key staff members	-	-	-	-
Other related parties:				
-Department of Health	30	18,680	-	577
-Other NHS bodies	37,979	402,461	11,613	8,590
-Charitable Funds	-	133	-	-
Joint Ventures	-	-	-	-
Other	-	-	-	-
NHS Shared Business Services	-	-	-	-

No security or guarantee is held against the amounts owed to UHSM by related parties, nor held by third parties where UHSM have amounts due to them.

The Trust has reviewed its accounts receivable from related parties as at March 31, 2013 for potential impairments. Where appropriate this is accounted for in note 19.

34. Third Party Assets

The Trust held £2k cash and cash equivalents at March 31, 2013 (£1k - at March 31, 2012) which relates to monies held by the Trust on behalf of patients. This has been excluded from the cash and cash equivalents figure reported in the accounts.

35. Losses and Special Payments

There were 217 cases of losses and special payments (2011/12: 272) totalling £140k (2011/12: £241k) accrued during 2012/13. Losses and special payments are reported on an accruals basis with the exception of provisions for future losses. No individual case included a net payment in excess of £100k.

08 Appendices

Appendix 1: Explanation of Monitor risk ratings during 2012-13

Table 8.1: Indicators used to derive the financial risk rating as shown in Monitor's *Compliance Framework 2012-13*

Financial criteria	Weight (%)	Metric to be scored	Rating categories				
			5	4	3	2	1
Achievement of plan	10	• EBITDA* achieved (% of plan)	100	85	70	50	<50
Underlying performance	25	• EBITDA* margin (%)	11	9	5	1	<1
Financial efficiency	40	• Net return after financing** (%)	>3	2	-0.5	-5	<-5
		• I&E surplus margin net of dividend (%)	3	2	1	-2	<-2
Liquidity	25	• Liquidity ratio*** (days)	60	25	15	10	<10

Financial risk rating is weighted average of financial criteria scores

* EBITDA: Earnings before interest, taxes, depreciation and amortisation. EBITDA (and other financial metrics) may be adjusted by Monitor for any 'one-off' non-recurring revenue, costs or 'investment adjustments'.

** Defined as (I&E surplus less PDC dividend, interest, PFI financing and other financial lease costs) divided by (total debt + total balance sheet PFI and finance leases + taxpayers' equity). The full definition can be found in the Monitor's quarterly and annual templates.

*** The liquidity ratio is defined as cash plus trade debtors (including accrued income) minus (trade creditors plus other creditors plus accruals) plus unused, committed and available working capital facility where there is no outstanding event of default (up to a maximum of 30 days and excluding overdraft agreements) expressed as the number of days operating expenses (excluding depreciation) that could be covered.

Table 8.2: Financial risk rating shown in Monitor's *Compliance Framework 2012-13*

	Description and overrides	Financial monitoring	Regulatory activity
Rating 5	Weighted average of 5 across financial criteria	Quarterly/six-monthly monitoring ¹	None
Rating 4	Weighted average of 4 across financial criteria Override Maximum FRR of 4 if authorised within previous 12 months	Quarterly monitoring	None
Rating 3	Weighted average of 3 across financial criteria Overrides FRR = 3 if: • one financial criterion scored at '2' • plan submitted either incomplete, with errors or not on time • plan deficit ² forecast in years 2 or 3	Quarterly monitoring, however monthly monitoring in case of deteriorating trend or recovering from a 2 rating Supplementary information if required If liquidity <15 days Monitor may require forward liquidity analysis	If underperforming significantly from plan (FRR fall of at least 2), request analysis to understand
Rating 2	Weighted average of 2 across financial criteria Overrides FRR = 2 if: • Plan deficit forecast in years 2 and 3 • PDC ³ dividend not paid in full • unplanned breach of PBC ⁴ • two financial criteria scored at '2' • one financial criterion scored at '1'	Monthly monitoring The following may be required: ⁵ • Supplementary financial information • Service-line information (previous & current year) • Remedial plan and updates • Liquidity recovery plan	Potential for escalation and consideration for significant breach Potential for intervention under section 52 of the Act
Rating 1	Weighted average of 1 across financial criteria Override FRR = 1 if two financial criteria scored at '1'	Monthly monitoring The following may be required: • Supplementary financial information • Service-line information (previous & current year) • Remedial plan and updates	Potential for escalation and consideration for significant breach Potential for intervention under section 52 of the Act

1. At Monitor's discretion, for trusts authorised for at least 2 years, and after four consecutive quarters rated 5 for finance risk and green for governance risk
2. Deficit: defined as an I&E deficit predicted in the annual plan, but after adding back any 'one-off' non-recurring revenue, costs or 'investment adjustments'
3. PDC (Public Dividend Capital), except in those cases where a foundation trust has provided Monitor with a statement from the Department of Health in which it states that it has (pre)agreed to a delay in payment until specific technical issues are resolved
4. PBC (Prudential Borrowing Code), except in those cases where the trust has approval from Monitor for an exemption to the PBC limit either on Authorisation, as part of the annual plan submission, or as part of a specific separate request
5. Assessment of immediate financial risks and suggested mitigating actions

Table 8.3: Governance risk rating shown in Monitor’s *Compliance Framework 2012-13*

Monitoring	Service performance score	Governance risk rating															
1. Performance against national measures	<ul style="list-style-type: none"> National indicators set out in Appendix B Applicable to all foundation trusts commissioned to provide services Declared risk of, or actual, failure to meet any indicator = + 0.5-1.0 Three successive quarters’ failure of a 1.0-weighted measure (see Diagram 12): red rating and potential escalation for significant breach 	<p>Service performance score of...</p> <table> <tr> <td>< 1.0</td> <td rowspan="2">}</td> <td>Green</td> </tr> <tr> <td>≥ 1.0</td> <td rowspan="2">Amber-green</td> </tr> <tr> <td>< 2.0</td> <td rowspan="2">}</td> <td rowspan="2">Amber-red</td> </tr> <tr> <td>≥ 2.0</td> <td>Red</td> </tr> <tr> <td>< 4.0</td> <td rowspan="2">}</td> <td rowspan="2">Amber-red</td> </tr> <tr> <td>≥ 4.0</td> <td>Red</td> </tr> </table> <p><i>Risk ratings applied quarterly and updated in real time</i></p> <hr/> <p>Override applied to risk rating</p> <ul style="list-style-type: none"> nature and duration of override at Monitor’s discretion 	< 1.0	}	Green	≥ 1.0	Amber-green	< 2.0	}	Amber-red	≥ 2.0	Red	< 4.0	}	Amber-red	≥ 4.0	Red
< 1.0	}		Green														
≥ 1.0			Amber-green														
< 2.0	}			Amber-red													
≥ 2.0			Red														
< 4.0	}	Amber-red															
≥ 4.0			Red														
2. Third parties	<p>Care Quality Commission¹ <i>Following non-compliance with essential standards</i></p> <ul style="list-style-type: none"> Major impact on patients = +2.0 Enforcement action = +4.0 																
	<p>NHS Litigation Authority²</p> <ul style="list-style-type: none"> Failure to maintain, or certify, a minimum published CNST level of 1.0 or have in place appropriate alternative arrangements: +2.0 																
3. Mandatory services	<ul style="list-style-type: none"> Declared risk of, or actual, failure to deliver mandatory services: +4.0 																
4. Other board statement failures	<ul style="list-style-type: none"> If not covered above, failure to either (i) provide or (ii) subsequently comply with annual or quarterly board statements (see Appendices C and D) 																
5. Other factors	<ul style="list-style-type: none"> Failure to comply with material obligations in areas not directly monitored by Monitor Includes exception or third party reports Represents a material risk to compliance 																

1. Consideration for escalation can occur as soon as the full year breach is recorded.

2. As the indicator must be met in each month during the quarter, trusts are required to report, by exception, any month in which they have breached the RTT measure. Where trusts consequently report failures in the first or second months of a quarter, and have failed the measure in each of the previous two quarters, Monitor may consider whether to escalate the trust in advance of the end of the third quarter. This also applies where a trust fails the relevant measure in each year spanning any three quarters from 2011/12 going into 2012/13.

Appendix 2: List of Acronyms

A&E	Accident and Emergency
ACS	Acute Coronary Syndrome/ Appropriate Care Score
APS	Appropriate Process Score
AUKUH	Association of UK University Hospitals
<i>C. difficile</i>	<i>Clostridium difficile</i>
CCG	Clinical Commissioning Group
CHKS	Comparative Health Knowledge System
CLRN	Comprehensive Local Research Network
CPS	Composite Process Score
CQC	Care Quality Commission
CQUIN	Commissioning for Quality and Innovation
CWT	Cancer Waiting Times
DNA	Did Not Attend
DNACPR	Do Not Attempt Cardiopulmonary Resuscitation
ECG	Electrocardiogram
ECMO	Extracorporeal Membrane Oxygenation
FT	Foundation Trust
GI	Gastro-intestinal
GMCCN	Greater Manchester & Cheshire Cancer Network
GP	General Practitioner
HAT	Hospital-acquired Thrombosis
HIRS	Hospital Incident Reporting System
LINK	Local Involvement Network
MDT	Multi-Disciplinary Team
MEWS	Modified Early Warning Score
MHRA	Medicines and Healthcare Products Regulatory Agency
MRI	Magnetic Resonance Imaging
MRSA	Meticillin Resistant Staphylococcus Aureus
MUST	Malnutrition Universal Screening Tool
NHS	National Health Service
NICE	National Institute for Health and Clinical Excellence
NIHR	National Institute for Health Research
NPSA	National Patient Safety Agency
NRLS	National Reporting and Learning Service
PCI	Percutaneous Coronary Intervention
PEAT	Patient Environment Action Team
PFI	Private Finance Initiative
PLACE	Patient-led Assessments of Care Environment
POD	People & Organisational Development
PROMs	Patient Reported Outcome Measures
RAMI	Risk-adjusted Mortality Index
RCA	Root-cause Analysis
RoSPA	The Royal Society for the Prevention of Accidents
SBAR	Situation Background Assessment Recommendation
SHMI	Summary Hospital-level Mortality Indicator
StEIS	Strategic Executive Information System
TARN	Trauma Audit and Research Network
UHSM	University Hospital of South Manchester NHS Foundation Trust
VTE	Venous Thromboembolism
WHO	World Health Organization

