

Solent NHS Trust Annual General Meeting and Health Fair

Monday 11th September 2017, 4pm – 7pm
Solent NHS Trust Headquarters, Top Floor,
Highpoint Venue, Bursledon Rd, Southampton, SO19 8BR
Free parking is available

Time	Item
4pm – 5pm	Health fair and beverages

AGM formal meeting starts at 5pm

Time	Item
5pm	Chairman's welcome and introduction to the Annual General Meeting <i>Dr. Alistair Stokes , Chairman</i>
	Draft minutes of the meeting of Solent NHS Trust Annual General Meeting held on 15th September 2016 and matters arising [Enclosure 1 - Minutes]
5:10pm	Review of the Year – A presentation of the annual report and accounts <i>Sue Harriman, Chief Executive Officer, Andrew Strevens, Deputy CEO and Director of Finance and Performance with Angela Anderson, Head of Professional Standards & Regulation</i> <i>[Enclosure 2 – Annual Report and Accounts 2016/17 incorporating the Quality Account]</i>
6pm	The Learning Disability Service – a presentation <i>Ian Chalcraft, Integrated Learning Disability Services Manager</i>
6:20pm	Questions and answers to the panel <i>Dr. Alistair Stokes, Chairman</i> <i>Sue Harriman, Chief Executive Officer</i> <i>Andrew Strevens, Director of Finance and Performance</i> <i>(and also supported by the Executive Team)</i>
7pm	Close

*An electronic copy of the Trust's Annual Report and Annual Accounts are accessible via our website at:
www.solent.nhs.uk

NB Those present at the meeting should be aware that their name will be issued in the notes of the meeting which may be released to members of the public on request



Minutes

Solent NHS Annual General Meeting

15th September 2016 17.30-19.15

Top Floor, Highpoint Venue, Bursledon Road, Southampton, SO19 8BR

<p>Chair: Alistair Stokes (AMS) Chairman</p>	
<p>Panel: Mandy Rayani (MR), Chief Nurse Sue Harriman (SH), Chief Executive Alex Whitfield (AW), Chief Operating Officer - Southampton and County Sarah Austin (SA), Chief Operating Officer – Portsmouth and Commercial Director Andrew Strevens (AS), Director of Finance and Performance Dan Meron (DM), Chief Medical officer</p> <p>Apologies: Julie Pennycook (JPi), Director of Human Resources and Organisational Development</p>	<p>In attendance: Jon Pittam, Non-Executive Director Mick Tutt (MT), Non-Executive Director Jayne Edwards (JE), Corporate Support Manager Rachel Cheal (RC), Company Secretary</p> <p>Governors in attendance: Bob Blackman (BB) Harry Hellier (HH) Narcisse Kamgo (NK) Sharon Collins (SC) Sarah Osborne (SO) Graham Cox (GC)</p>
<p>1</p>	<p>Chairman’s welcome and introduction to the Annual General Meeting</p>
<p>1.1</p>	<p>The Chairman, Dr Alistair Stokes (AMS) welcomed members of the Trust, public, shadow governors and staff to Solent NHS Trust’s 5th Annual General Meeting.</p> <p>The Chairman asked that anyone who had any objections to having their photo taken throughout the event to let the Head of Communications know.</p> <p>The format and theme of the meeting was explained.</p>
<p>1.2</p>	<p>AMS informed the AGM of the absence of the Lead Governor, Michael North and wished him well. It was noted that Rachel Cheal, Company Secretary would provide a brief summary of MN’s planned presentation on his behalf.</p>
<p>2</p>	<p>Draft minutes of the meeting of Solent NHS Trust Annual General meeting held on 22nd September 2015 and matters arising</p>
<p>2.1</p>	<p>AMS asked that any required amendments to the minutes of the 2015 meeting to be sent to RC and the final minutes to be signed off in due course following amendments made.</p>
<p>3</p>	<p>Review of the Year – A presentation of the annual report and accounts</p>
<p>3.1</p>	<p>SH presented on the review of 2015/16 and areas of the annual report.</p> <ul style="list-style-type: none"> • SH reported on how the past year has felt for staff and families, of the hard work undertaken and significant pressure on staff to improve during financial challenges faced by the Trust. • SH shared with the AGM her pride on the achievements made throughout the year and commented on the need to ensure staff are valued alongside the people served by the Trust and partners.



INVESTOR IN PEOPLE

Solent NHS Trust:

Great care at the heart of our community 

	<ul style="list-style-type: none"> • SH explained the reason for reviewing vision, having aspirations of what the Trust can achieve and of the desire for a translatable language to all. • The AGM was informed of the refresh of values, IT infrastructure improvements and of the move to Civic Offices in Portsmouth. • It was noted that the Trust delivered the financial plan and achieved £11m efficiencies in year. • A significant investment in IT was noted. • SH highlighted service achievements in Southampton, Portsmouth and County services.
3.2	<p><u>Quality Accounts</u> MR presented the Quality Accounts and provided a review of last year's quality priorities. The AGM were informed of areas where the Trust did well and not so well and assurance was provided that areas for improvements was being addressed.</p> <p>MR explained further work undertaken on Speech and Language waiting times and it was noted that although the Trust will cease to provide the service in the Hampshire area later this year, will remain committed to providing excellent care for patients who need the service.</p> <p>MR reported on positive staff engagement during the transformation journey and highlighted that the CEO was available by phone and regular service visits were undertaken by executives.</p> <p>MR informed the AGM of the need to continue to find efficiency savings every year through continuous transformation of services. MR reported that thanks to staff and leadership, the Trust has delivered to plan and will continue to do so going forward with quality improvement being the vehicle to deliver sustainable change.</p>
3.3	<p><u>Quality Improvement Strategic Framework</u> MR briefed the AGM on the five Quality Goals for 2016/17 that were approved by the Board and the five quality priorities in place.</p> <ul style="list-style-type: none"> • The AGM were informed that building skills and capacity within the workforce will enable the Trust to progress service transformation. MR reported that eight teams across the organisation are participating in improvement collaborative and share learning across the Trust. • Physical and Mental Health Equal Priority - There is to be a greater focus on volunteering and the Trust is to work with Portsmouth and Southampton City Councils to take forward. • Professional Standards – there is to be a professional framework in place and training development is to be reviewed. • Complaints – MR reported a reduction in the number of complaints received due to a greater commitment on face to face local resolution. The complaints process is to continue to be promoted.
3.4	<p><u>Financial Overview</u></p> <ul style="list-style-type: none"> • AS reported that the Trust has achieved a target of £5.1m against a plan of £5.2m. AS explained the stretched target given by regulators and of the achievements made by the Trust. • It was reported that three out of four statutory duties have been achieved. • The Trust is proud of the external audit opinion and has achieved £10.7m efficiencies with a turnover circa of £80m. • AS confirmed that the Trust is on course to deliver plan this year and thanked all Solent staff who attributed to the position. • An illustration of income and expenditure was provided.

3.5	<p>SH informed the AGM of positive results received from a recent staff survey and of some significant improvement areas.</p> <p>SH reported that the Trust is looking at challenges for 2016/17 and is to consider on-going sustainability and future relationships with partners.</p> <p>It was noted that the CQC report from recent inspections is still awaited however good feedback as well as areas to focus on was highlighted on the day.</p> <p>SH shared intentions to use estate more efficiently.</p>
3.6	<p>SH briefed the AGM on Sustainability and Transformation Plans and explained work in progress with Hampshire and Isle of Wight to deliver services together. SH explained what the future means for Solent and of ultimate goals to ensure that patients receive the right care in the right place with an out of hospital system that is stronger and more connected.</p> <p>SH confirmed that a generated plan is expected to be submitted by the end of October.</p>
4	The Governors' View
4.1	<p>RC presented on behalf of the Lead Governor, Michael North.</p> <p>RC explained the role of the Members Council and of the process of elections of governors.</p> <p>RC explained the Trust's decision to step off the FT journey and subsequent decision to continue with council engagement. RC reflected on the terms of reference of the council and explained governor involvement with the Trust including attendance at committees, service visits, Board to Floor visits and PLACE inspections.</p> <p>It was noted that a member engagement framework is to be developed going forward.</p>
5	Children and Families Multi-Agency Team – a presentation
5.1	<p>Anne Fleming, Head of Children's Services, Portsmouth and Caroline Hopper, Barnados were in attendance. AF provided a presentation on the differences made to the multi-agency team following integration and explained changes to structure and workforce.</p> <p>AF shared the team's vision and outcomes and of work being undertaken to improve communications with families.</p> <p>AF shared a case study of care provided by the multidisciplinary team and CH read out a letter written by a mother that provided a positive account of care received.</p> <p>Challenges with having different commissioners for specific services were noted.</p> <p>AF informed the AGM of the positive attitude of staff during challenging times of change.</p>
6	Questions and answers to the panel

6.1	<p><u>Is there any progress with the proposed multi-storey car park at St Mary's, who is funding the work and how many spaces will it produce?</u></p> <p>AS reported that a request for planning permission has been withdrawn for a multi-storey car park and explained that having reviewed the cost of £4m for 140 spaces, it is difficult to justify on monetary grounds and alternative arrangements are being considered.</p> <p>It was confirmed that the Trust is currently writing a business case that will be presented to the Board in November for onward submission to NHS Improvement regarding the wider redevelopment of the Phase 2 Portsmouth estate.</p>
6.2	<p><u>Why is there never a clock in GP surgery waiting rooms?</u></p> <p>The Chairman suggested enquiring directly with surgeries.</p>
6.3	<p><u>An AGM attendee referred to her 23 year old son and not knowing where to get support for his treatment despite seeing a GP</u></p> <p>The Chairman offered that the attendee speak with the Medical Director and Chief Nurse after the meeting.</p>
6.4	<p><u>Can the Board explain what discussions have been held regarding STP and does this process put any Solent services at risk?</u></p> <p>SH confirmed that the Board have been fully involved and briefed on the development of the STP and an Extra-Ordinary Board meeting is scheduled in October for the Trust to review the latest system plan.</p> <p>Regarding risks to Solent services SH stated that it is difficult to say whether services will be adversely affected or not. SH informed attendees that the STP describes how the system will move services out of acute hospitals into the community and therefore suggested that there will also be opportunities for the Trust.</p>
6.5	<p><u>How can we promote diet and healthy eating to patients and the public when 51% of our workforce are overweight? When will guidelines for staff be implemented, ie healthy weight?</u></p> <p>MR reported on initiatives led by the organisation to promote the health and wellbeing of staff and of the support offered via the Occupational Health Department. MR reported on being proud of the Trust's participation in the recent global corporate challenge where a huge number of teams participated. MR also informed the AGM of the discussions recently held at Board in support of the implementation of the 'Every Contact Counts' initiative whereby practitioners are encouraged to take the opportunity at each client contact to address wider health promotion issues. It was noted that the Trust is taking health and wellbeing extremely seriously and a range of activities and services are offered.</p>
6.6	<p><u>How much did the new entrance to the Southampton General Hospital cost?</u></p> <p>AMS explained that the General is not part of Solent NHS Trust and therefore not involved in the capital development. It was suggested that the information is in the public domain and should be accessible on-line at the University Hospital's Southampton NHS Foundation Trust website.</p>
6.7	<p><u>Has the issue of block contracts and the rather unfair system of not identifying the workload for Community Nurses been resolved by negotiation?</u></p> <p>SA reported on good progress made by the Trust in relation to clarity of community workloads and improvement in data reporting. Consequently, SA confirmed that both Portsmouth and Southampton commissioners have been very receptive to additional investments needed and have provided good investments historically. The difficult decisions being faced by commissioners with regards to prioritising investment including the delivery of care to allow earlier discharge of people from Portsmouth hospitals was acknowledged.</p>

6.8	<p><u>What is being done to address the CAMHs waiting list?</u></p> <p>AW acknowledged problems with waits in CAMHs Southampton however confirmed that service users are always appropriately risk assessed for prioritisation. It was noted that progress has been made this year and the number of weeks to see a CAMHs clinician from initial referral is now in single figures. AW reported that although waits have significantly reduced, further work continues to reduce waiting times associated with clinical pathways.</p>
6.9	<p><u>As the St James site has been sold, is there plans to sell the Limes also?</u></p> <p>SA reported on plans to move a service currently running from Falcon House at St James site, to a more appropriate environment. AGM attendees were informed that Baytrees was closed during the Spring of this year and it was confirmed that Solent will continue to operate from the Limes and Orchards due to being considered excellent environments.</p>
6.10	<p><u>Letter from Local MP states: The government has committed to increasing the NHS Budget by an extra 8bn a year by 2020. We are already spending record amounts in real terms supporting our NHS. For this financial year alone, the NHS budget will increase by 3.7% (3.8 bn) and this is a higher rate of growth than under previous governments.</u></p> <p><u>During the last financial year the government provided an extra 1.8bn to the NHS. In real terms, the government will have increased NHMS spending by over 10bn between 2015 and 2020. This total is above the 8bn figure Simon Stevens the Chief Executive of the NHS, gave as necessary to maintain the health service up until 2020.</u></p> <p><u>My question is given the above and what we have learnt this evening that the trust has been allocated by the regulator a planned deficit of 3.5m, am I being lied to by our political masters or is Solent NHS not receiving its fair share of the monies quoted.</u></p> <p>The Chairman reported that he would not like to comment as to whether the MP is being honest and wished to refrain from political territory however acknowledged the complexities associated with NHS funding streams.</p> <p>SH also commented on not wanting to step into politics however explained the block contract process that is unlike acute hospital contracts who get paid on patient activity and therefore have opportunities to grow. SH explained the challenges facing Local Authorities in relation to reductions in budgets and additional pressure being placed on the system to support wider social care and associated health implications. It was confirmed that Solent has a duty of care to support patients and therefore has to provide a wider range of support services.</p> <p>The AGM attendees were informed of the net financial position, whereby net financial investment against activity has reduced.</p>
6.11	<p><u>Significant positive IT improvements were acknowledged however reference was made regarding a community visit where paper notes are no longer left in the home and of the subsequent difficulties in knowing what care was provided.</u></p> <p>AW explained that part of the IT strategy is to provide IT access in patient homes and acknowledged that the downside is the lack of paper record. It was noted that the Trust is looking at technological ways to fix the issue. Electronic records being left in the home is being considered.</p>
7	<p>Close</p>



Solent
NHS Trust



Solent NHS Trust
Annual Report and Accounts 2016/17
incorporating the Quality Account 2016/17

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Solent NHS Trust Annual Report and Accounts 2016/17

incorporating the Quality Account 2016/17

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Statement from the Chairman and Chief Executive Officer



Dr Alistair Stokes
Chairman



Sue Harriman
Chief Executive Officer

We are delighted to present to you our Annual Report and Quality Account for the 2016/17 financial year, our sixth year of operation as Solent NHS Trust. We hope you will find the report a useful account of our year. It describes our work in 2016/17 and outlines some of our most significant achievements.

2016/17 has been another challenging year, but one in which our staff have continued to show relentless commitment to providing great care and making a difference. Within the report, you will read about the work of teams who have gone above and beyond to deliver great care, initiatives and campaigns that have helped improve the mental and physical health and wellbeing of people in the communities we serve, as well as stories of teams who have benefitted people through innovation.

During 2016/17 we continued to receive positive feedback from the people who use our services about the quality of care we provide. Providing quality, safe and effective services remained, and remains, our top priority. We are always seeking ways to improve to ensure we deliver consistently great care. In June, we welcomed a team of inspectors from the Care Quality Commission (CQC) who helped us on our improvement journey. They rated our services as 'Requires Improvement'. Whilst we were disappointed with the overall rating, we were pleased that many of our CQC domains were rated as 'Good' and delighted that our Learning Disability Services were rated as 'Outstanding'. Since the regulators visit, we have been focussed on delivering our CQC action plan and addressing the areas for improvement. You can read more about our response to the CQC inspection, our quality performance and our quality priorities for the year ahead in our Quality Account on page 127.

In common with other health and care organisations, we continued to face rising demand for healthcare services as people are generally living longer and many of us are also living with long-term physical and mental health conditions. The demand for our services has continued to rise at a greater rate than the funding available.

During 2016/17 we continued to receive positive feedback from the people who use our services about the quality of care we provide

To help us face these challenges and, in light of the Five Year Forward View, we have placed even greater emphasis on working with other organisations and are actively participating in the Sustainability and Transformation Plan for Hampshire and the Isle of Wight. Collectively, we have more strength to make a difference. We continue to work with others to help people to stay well and be cared for in the community with the aim of ensuring that people only get treated

and admitted into hospitals when is absolutely necessary. Within this report, you will read many examples of how working with others has ensured that care is joined up and is making a difference to the people who use our services.

Nationally, public sector funding continues to be limited leading to financial pressures. In response, our teams have continued to work incredibly hard, often

Our achievements would not have been possible without a team of dedicated staff, many of whom often turn our challenges into opportunities

thinking innovatively, to find savings to help us be as efficient as possible. We are pleased to report that we delivered a better position than our agreed financial control target of £3.5million deficit, with a year-end outturn of £2.1m million deficit. Whilst we have had to make some difficult decisions in the year with regards to our finances, we have continued to invest in our Information Technology (IT) infrastructure and clinical systems to support our people to work differently in a digital age – through better IT systems we can work more efficiently and our staff can have more time to provide care.

We also continued to review our Estate, in line with our Estates Strategy. We have invested in our buildings, and divested of estate where it made sense to do so. We recognise that some of the decisions we make around our estate may not have always been popular when people have had to move their work base, or when people have had to travel to different hospitals and centres for their care. Our aim is to make more efficient use of our buildings and provide people with the best possible environment to receive care and for our staff to work in.

We would like to commend our staff and volunteers. Our achievements would not have been possible without a team of dedicated staff, many of whom often turn our challenges into opportunities. No matter what role they play, clinical or non-clinical, each member of our team makes a difference to the communities we serve and they should feel happy at work, engaged and empowered. Our dip in our staff engagement score in 2015, identified in the Annual Staff Survey, highlighted the need for us to place even more emphasis on ensuring our staff feel valued. This year we introduced our Great Place to Work Programme. We have worked hard to embed our HEART

values. We have also invested in the development of our leadership team, improved our internal communications, and offered more opportunities for staff to get involved in the life of the Trust through social events and charity fundraisers.



To help us face these challenges and, in light of the Five Year Forward View, we have placed even greater emphasis on working with other organisations and are actively participating in the Sustainability and Transformation Plan for Hampshire and the Isle of Wight.

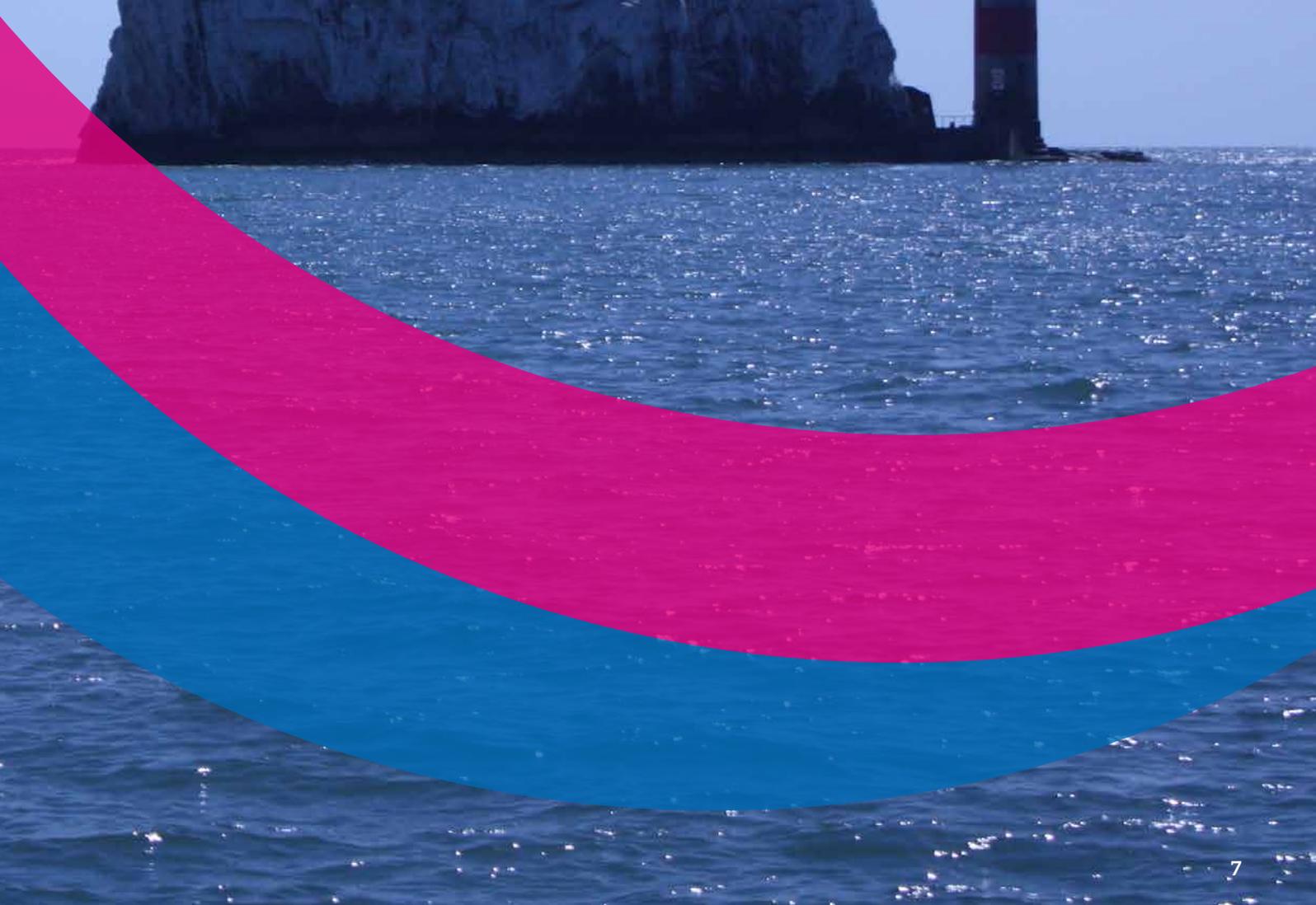
The results of the 2016 Annual Staff Survey showed that we are heading in the right direction. An improved engagement score from 3.69 in 2015, to 3.86 in 2016, told us that our people are more engaged in our Trust. You can read more about our investment in our workforce on page 82. During 2017/18 we will continue to focus on creating a great place to work, engaging and involving staff and taking them on our journey with us.

We would like to thank our Board colleagues for their continued support. Particularly, we would like to thank Alex Whitfield and Julie Pennycook who both left the Trust during the year. Both Alex and Julie were pivotal in the creation and the work of our Trust.

Finally, it is thanks to strong leadership and our team of caring and compassionate staff, all pulling in the same direction, that we can proudly say we provide great care at the heart of the community.



Section 1 Performance Report



Overview

The purpose of this section is to provide a summary of the organisation including our purpose and activities, and our principle risks and uncertainties facing us during the year ahead. Our Chief Executive, Sue Harriman, also reflects on how we performed over the past year.

Performance report

Consideration of the going concern basis can be found on page 125.

When faced with so many challenges and uncertainties in a modern-day NHS, our focus on providing great care, creating a great place to work and delivering great value for money has helped us achieve so much. We have continued to improve quality and achieve high levels of performance. This has been achieved by excellent leadership at all levels throughout the Trust, and by individual members of staff who go above and beyond to make a difference every day.

We take pride in our unwavering focus on quality. When visited by the CQC in June we were proud to demonstrate the great care which is provided by so many of our services. Whilst we were disappointed with our overall rating of 'Requires Improvement' we were heartened to hear how impressed the inspectors were with the care and compassion shown by our staff and were pleased that so many of our domains were rated 'good'. We have responded to the recommendations made by the inspectors and have a live action plan which is tracked centrally by our Corporate Performance Management Office (CPMO) and within our services. Some of the recommendations require us to work closely with partner organisations. For instance, we are working with our commissioners to improve wheelchair provision.

We finish the year financially sound and within the agreed Financial Control Target £3.5million deficit, with a year-end outturn of £2.1 million deficit. Delivering our control target and finding savings requires the input and support of all leaders and their teams. I am grateful to the many people who have seen how changes can be made without compromising patient care, and who have used innovation to do things differently. Going forward, we need to do more to involve the people who use our services in their development and transformation – engaging and working in conjunction with our communities is one of our key quality priorities for the next year.

We have had a real focus on creating a great place to work. This year's Annual Staff Survey results were extremely pleasing, with an improved engagement score and better results across the board. I was particularly pleased that our

staff told us that they would recommend our services to their friends and family if they needed treatment or care. Their testament to our services is valuable.

Whilst we see green shoots appearing across the Trust, I recognise the need to continually invest in our workforce. Our performance measures for staff sickness absence and turnover rate also provide us with a good indication about the health and wellbeing of our staff. Whilst both measures have remained fairly stable throughout the year, they are at a higher level than the targets we set ourselves. We remain committed to continually valuing, engaging and empowering our team of dedicated staff.

A number of our services experienced staffing pressures in year, which has resulted in the over reliance on agency staff. Consequently this meant that we continue to use more agency staff than our target (3%), however the safety of our services is paramount. We will continue to ensure that safe staffing and agency use remains a key focus for us in 2017/18.

In some of our service areas we have seen some performance challenges, particularly in relation to waiting times and you can read more about this within the following section and within our Annual Governance Statement which summarises our significant issues in year.

When our performance is below expected standards, we work with our commissioners, our patients and regulatory bodies to resolve any issues as quickly and efficiently as possible. We learn so that we can do things differently in the future.

Our learning is used to help set our business and quality priorities for the year ahead.

What remains clear, and I hope is evident to everyone who uses our services, is the enthusiasm and commitment of our wonderful staff. Year-on-year our people go above and beyond to dedicate themselves to the care of patients. I end 2016/17 proud of what, together, we have achieved and the hurdles we have overcome and I look forward to 2017/18.



Sue Harriman
Chief Executive Officer





About us

Who are we?

Solent NHS Trust was established under an Establishment Order by the Secretary of State in April 2011.

We are one of the largest specialist community and mental health providers in the NHS with an annual revenue of over £180m for 2016/17. Last year, we employed 3,476 clinical and non-clinical staff (including part time and bank staff) which equates to 2,833 whole time equivalents (WTE) and delivered over 800,000 service user contacts.

What do we do?

We provide specialist community and mental health services to local people of all ages.

We help people to stay safe and well at, or close to, home. We do this by supporting families to ensure children get the best start in life, providing services for people with complex care needs and helping older people keep their independence. We also provide screening and health promotion services which support people to lead a healthier lifestyle.

We work closely with other trusts, primary care, social care providers and the voluntary sector to make sure care is joined-up and organised around the patient.

Our services are provided from a range of locations, including community hospitals and day hospitals, as well as numerous outpatient and other settings within the community such as health centres, children's centres and within people's homes.

Who do we serve?

We are the main provider of community health services in Portsmouth and Southampton and the main provider of adult mental health services in Portsmouth. We also provide a number of pan-Hampshire specialist services including sexual health and specialist dentistry.

We are commissioned by NHS England, Clinical Commissioning Groups and Local Authorities in Southampton, Portsmouth and Hampshire. Southampton and Portsmouth together have more than 400,000 people resident within the cities each covering a relatively small urban geographic area with significant health inequalities, which are generally significantly worse than the England average for deprivation. Hampshire covers a wider geographical area which is predominantly more rural and affluent but also has urban areas of higher population density, significant deprivation and health need.

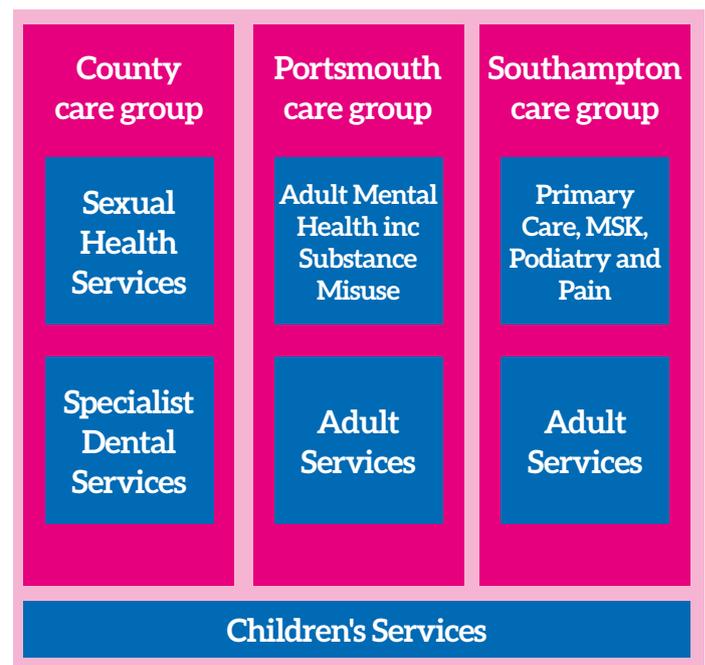
Our services

We are fully supportive of the need to join up health and social care services so that they work together seamlessly for local people. More support in the community will mean that people will stay healthier and maintain their independence in their own homes - avoiding hospital stays.

We continue to work closely with primary care and adult social care and during 2016/17 we co-located a number of teams. This has helped to avoid duplication and co-ordinate care around the needs of individuals and their carers.

We have organised our clinical services into care groups aligned, or coterminous, with the geographical boundaries of our cities and the county.

The following diagram illustrates our Care Group structure:



Our values

Our shared values support the development of a strong working culture – guiding and inspiring all of our actions and decisions. They enable us to be better at what we do and create a great place for our staff to work, whilst ensuring we provide the highest quality of care to our patients.

In creating our values, we spent time listening to our employees and members. Based on what people told us, we created our HEART values to reflect the deep belief that we are a caring organisation at the centre of our community.



How do we work together as a values-based organisation?

Our values create the foundation for everything we do – for our employees and our community. We are now working with our employees to explicitly define the behaviours and actions that we want to see in everything we do.

During the annual appraisal process, we asked people to reflect on what the values mean to them personally and how they bring them to work. We are also reshaping our recruitment and leadership practices to make HEART a part of our daily culture.

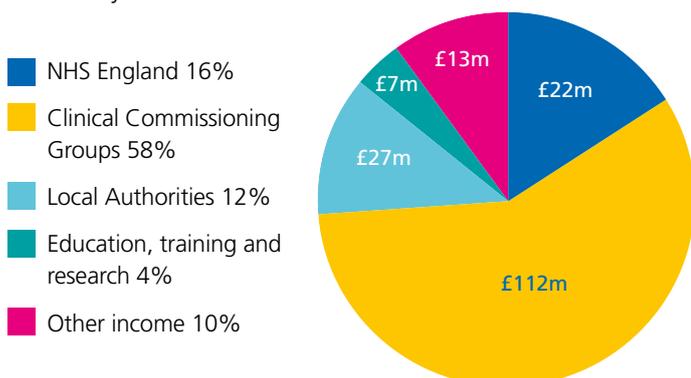
We will continue to develop ways of working that draw our values into all that we do, creating a great place to work and a great experience for our patients.

Our vision

Our shared vision includes three goals: Great care, Great place to work and Great value for money.

Our finances

During 2016/17 we had an income of over £180 million. Our income by commissioner is illustrated below:



Solent's vision is to provide great care, be a great place to work and deliver great value for money

What do we mean by 'Great care'?

Many services users have complex needs that involve a number of different agencies. For most of our services it doesn't make sense to deliver them separately from the services provided by GPs, other NHS providers or social care.

We will deliver care that is safe, joined up, simple and easy to access, and based on the best available evidence.

What do we mean by a 'Great place to work'?

Employee experience has a direct impact on service user experience. Research shows that organisations with high employee engagement are better for patients.

Delivering great care is only possible if people get the practical and emotional support they need.

We are working to improve the development opportunities available to our people, to improve how we communicate and engage with them, and to improve how we involve them in key decisions that have an impact on services.

What do we mean by 'Great value for money'?

We want to make the best use of every pound invested in the NHS.

We will deliver improved value for money:

In our own services: by making better use of our buildings and technology, ensuring we all work, together, as productively as possible, and reducing waste

In the way the whole NHS and care system works locally: by reducing duplication and hand-offs, and by intervening earlier to avoid people requiring costly hospital care.



Our objectives

In 2016/17 we developed 12 priorities to help us deliver our vision. Our goals, and the priorities below, provided the focus for our work in 2016/17.

We will provide great care

1. Design care based on people's needs, using best evidence
2. Support people to be safe and well in our community
3. Treat people with respect, giving equal emphasis to mental and physical health
4. Ensure services are safe and effective, and give good experience

We will be a great place to work

5. Focus on employee health and wellbeing
6. Behave in accordance with our core values
7. Provide our staff with the opportunity to learn and develop
8. Value staff opinion and carefully listen and respond to what our staff say

We will deliver great value for money

9. Deliver joined-up health and social care
10. Collaborate with our partners to spend public money effectively
11. Involve our community in decisions about how services could be redesigned
12. Enable services to have more time to provide care

Detail on our performance can be found from page 31.

The year in review

Summary of financial performance

A summary of financial performance can be found in Section 4.

Principle risks and uncertainties facing the organisation

Our focus during 2016/17, like the previous year, has been on maintaining service quality and sustaining financial recovery. Despite the financial challenges, service performance generally held up well throughout the year.

We finished the year with an adjusted deficit (excluding impairment) of £2.1m, a favourable £1.4m variance against our agreed Control Total of £3.5m. We received £2.2m of Sustainability and Transformation Funding from NHS Improvement, our regulator; £1.1m of this funding was as a result of improving our underlying position by £0.3m.

Our efficiency target (Cost Improvement Plan) was £14.4m, and we achieved £10.9m of this. The plan was set at an ambitious level and even though not achieved recurrently, non-recurrent schemes have been achieved which have helped us achieve better than our Control Total. The FY17/18 efficiency target has been set at a more realistic target.

Our plan for 2017/18 is a £1.5m deficit which includes major transformation schemes and a CIP target of £6.5m. Our plan for 2018/19 is a £1.0m deficit.

Impairments of £5.8m have been recognised in 2016-17, of which £1.7m has been shown in the Statement of Comprehensive Income and the remaining £4.1m being taken to the revaluation reserve. The majority of the impairment (£5.1m) is due to a reduction in floor space valued at the St Mary's Community Health Campus.

Our business risks

The great majority of our business is with Clinical Commissioning Groups (CCGs), NHS England, and local authorities, as commissioners for NHS patient care services and preventative services. As CCGs, NHS England and local authorities are funded by Government to buy NHS patient care and preventative services, the Trust is not exposed to the degree of financial risk faced by business entities, apart from the normal contract negotiation/renewal that is normal in any organisation. We have access to a revolving working capital facility that we can draw down as needed.

Commissioning budget reductions

There will be risks to our income in the year ahead with commissioning budgets expected to reduce further in line with the national requirement for greater efficiencies. In 2016/17, funding reductions were announced relating to public health budgets held by the Local Authorities; this has impacted on our behaviour change, health visiting and public health nursing services in the two cities, substance misuse services in Southampton, and our sexual health service across Hampshire. CCG budgets are under similar constraints and there is a risk that we will have to reduce, or stop, the provision of some services due to insufficient funds to deliver them safely and effectively. Our partner health and social care organisations are facing similar risks.

We are actively engaged with all of our commissioners to explore options that mitigate these risks; this includes looking at different clinical and workforce models which maintain good clinical outcomes, at lower cost, greater use of technology to provide services, and exploring partnerships with other health and care providers that deliver sustainable, integrated care. In the absence of additional funding, some services may have to be reduced in order to ensure care delivery that is both safe and affordable. This will have an impact on the availability of care.

Changes to the commercial environment - Sustainability and Transformation Plans

The commercial environment remains challenging. In response to the NHS Shared Planning Guidance 2016/17 -2020/21, which outlines a new approach to ensuring that health and care services are planned by place rather than around individual institutions, we are actively participating in the implementation of the Hampshire and Isle of Wight Sustainability and Transformation Plan (STP) with our partners. The STP's aim is to ultimately deliver the Five Year Forward View vision, narrowing the gaps in quality of care and improving the health and wellbeing of our communities.

The drive towards system integration has seen a greater focus on collaborative commissioning and complex contractual arrangements that support integrated service delivery between different health and care providers, including public, private and third sector organisations.

The Hampshire and Isle of Wight STP is establishing six Local Delivery Systems (LDS) which bring the commissioners and providers together to articulate the changes required at a local system level, and how and when they are going to be achieved. We predominately operate within the Portsmouth



Our focus during 2016/17, like the previous year, has been on maintaining service quality and sustaining financial recovery.



and South East Hampshire and the Southampton systems.

In response to the STP, discussions are taking place across the Solent wide geography regarding the development of new models of care via Accountable Care Systems (ACS) and the possible introduction of Multi-Speciality Community Provider contracts (MCP).

While the Southampton system has referenced the development of MCP contracts over the next two years it seems more likely we will first encounter this new model of contracting in the Portsmouth and South East Hampshire (PSEH) system, although dates are yet to be confirmed.

It is increasingly recognised nationally that the MCP model might not be an end in itself but rather a necessary first step on the road towards more consolidated provision with acute trusts similar to the Primary and Acute Care system (PACs) models.

These new models will require us to adopt a cross-boundary approach into wider (Southern) Hampshire and will bring health and social care staff together, under single leadership and potentially, ultimately, into a single function or organisation in the future.

We acknowledge that the future of our Trust, as it currently stands, is uncertain and presents both an opportunity and a risk for us. Whilst the front line services we offer will undoubtedly remain the same, it is likely that we will be providing these via integrated models with key partners.

Changes in delivery models and vehicles will itself bring challenges and complexities in ensuring robust clinical governance systems, processes to ensure patient safety and ensuring we respond effectively to emerging commercial models. We will, therefore, need to ensure we take our staff on the journey, ensuring that they feel involved and well informed during the changes ahead.



We recognise the wider pressures within our health economy and the need to ensure financial balance within our local health economy and will be working as a system to drive efficiencies at all levels within our STP footprint. As such, the Board have been refining our commercial strategy during the last year to ensure we maintain a sustainable cost base in response to a changing environment, including consideration of new markets and areas for potential growth.

Tenders and procurement

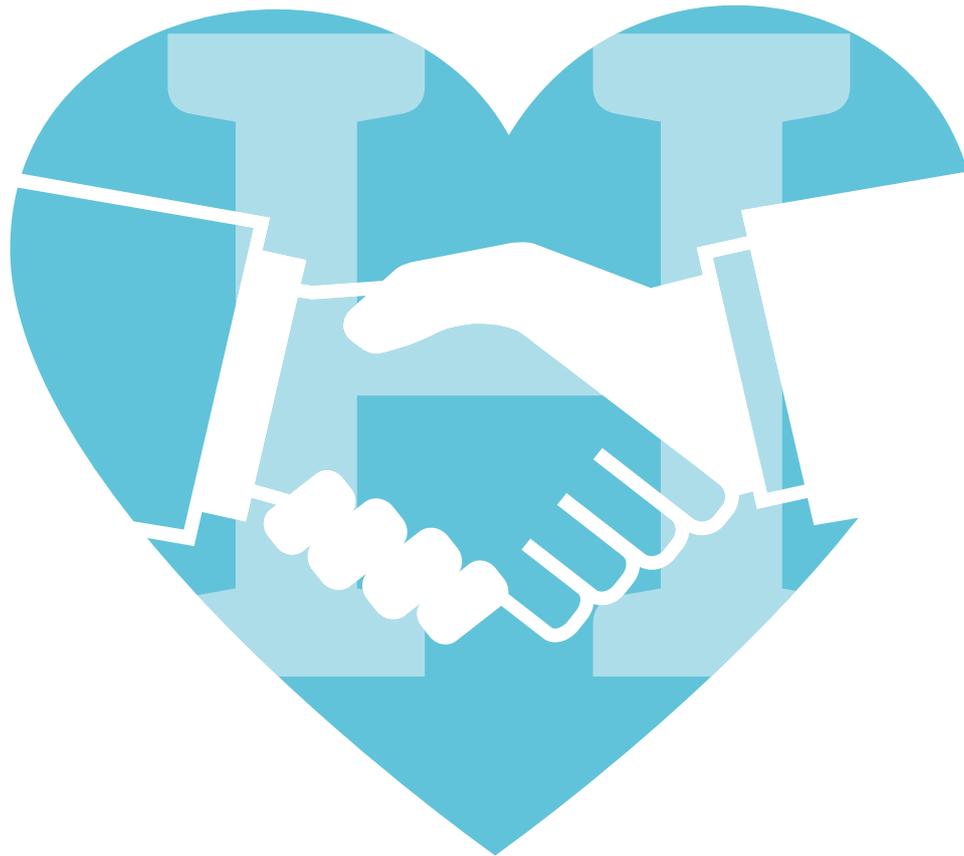
Other than the substantial tenders in relation to sexual health services and retaining our primary care practices in Southampton, there were fewer tender opportunities in 2016/17, but we have continued to respond to those that are aligned to our core business, including defending our existing service contracts.

A number of our services are to be re-procured in 2017/18 and 2018/19 in line with commissioning plans; this includes children's services to the local authority in Southampton.

To address this risk we are exploring innovative models of integration as a way to strengthen partnership development rather than the public sector needing to re-procure on a regular basis. This approach will strengthen new models of delivery while also reducing the risk to us of losing business through tender exercises – however it does not mitigate the impact of reducing budgets. We are also engaged in discussions with commissioners of specialised services to extend contracts where appropriate to deliver continuity for organisations and patients.

Any loss of key services will increase our financial pressure and also potentially destabilise other service contracts where there are significant interdependencies.

Details of our key risks in year are included within the Annual Governance Statement, page 95.

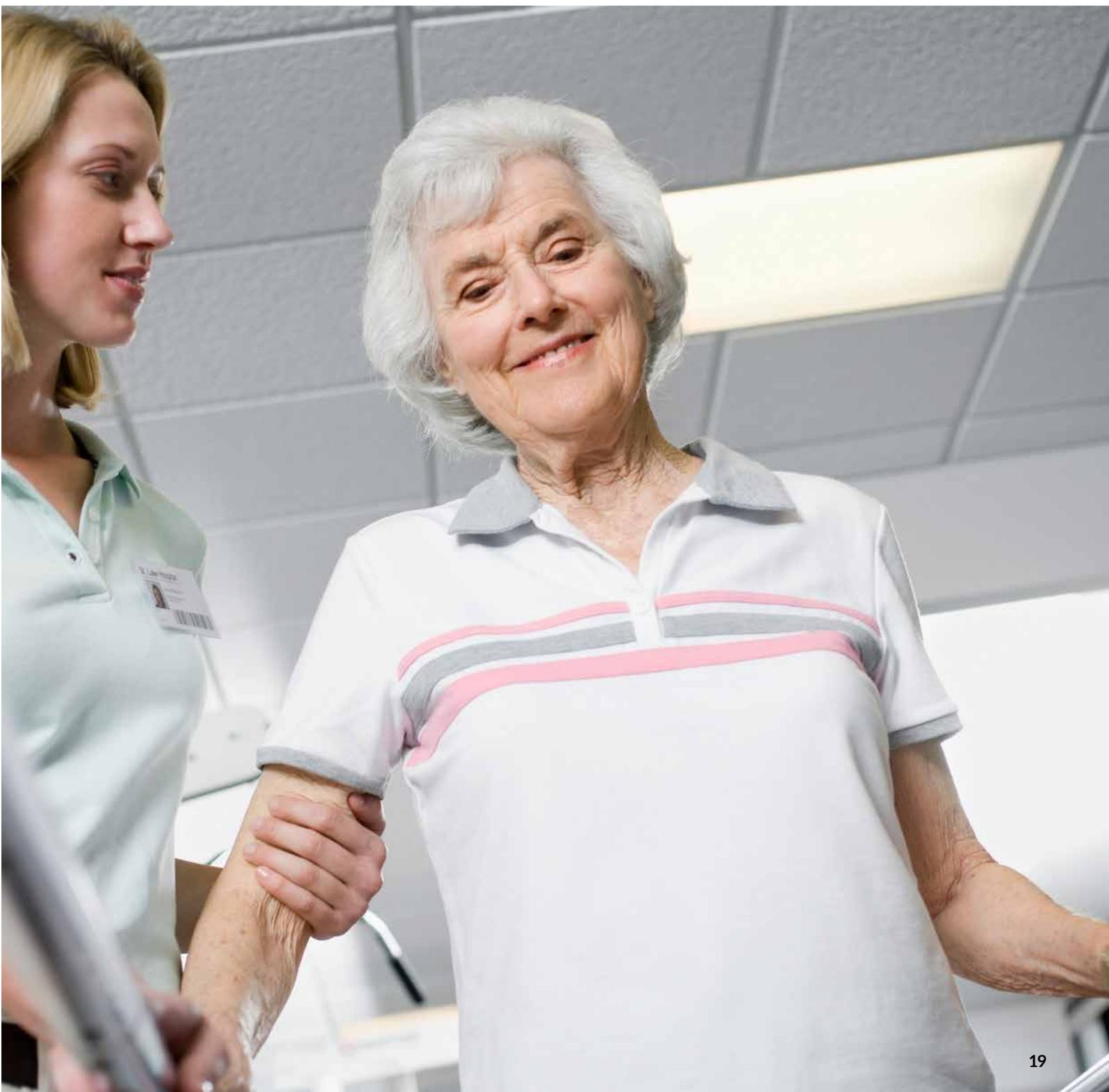


Honesty

Working with our partners and alliances (who they are, their importance)

We firmly believe that the future lies in integrated service delivery, working together with other organisations, to direct resources to the out of hospital sector in accordance with the STP for Hampshire and the Isle of Wight and developing Accountable Care Systems (ACS). Our role in this is to join with others to provide comprehensive out of hospital systems around the patient, and work closer with acute hospitals. We can act as the vehicle for change and as a stable platform to support out of hospital services.

We actively promote strong out of hospital services delivered on a local population basis, aligned and integrated with primary care, social care and the community and voluntary sector. As described earlier, we believe we have a key role to play in accelerating this model, and in providing leadership for change where appropriate.



Portsmouth and South East Hampshire

We have made good progress in our partnerships in the Portsmouth and South East Hampshire system.

During 2016, we made a number of changes, which move us towards providing even more joined up services. Some examples are illustrated;

Within social care

- We co-located community nursing with adult social care, and health visiting and school nursing with children's social care. This was an important milestone on the road to more formal integration of services.
- We appointed a joint Head of Integrated Early Help and Prevention. This role brings together all children's early help services from the council, health and third sector.
- Our plan is to integrate adult services in a similar way.

Our preference is for single delivery structures to deliver integrated services across all ages and we benefit from joint working with our partners.

Within primary care

- We have developed a range of joint projects designed to integrate community and primary care service provision from care home provision to urgent response services. The total programme will come together under a new MCP contract in 2017.

Within secondary care

- In the Autumn of 2016, we came together with other community providers to provide two key services at Portsmouth Hospitals NHS Trust:
 - 1 A frailty interface team to ensure that frail people who attend the Emergency Department are assessed to ensure they are only admitted to hospital when there is a clear need. If frail service users do not need to be admitted to hospital, the team ensure they are returned home, safely, with the support they need.
 - 2 A discharge model to ensure that people do not stay in an acute hospital longer than their clinical condition requires.

Within the voluntary and community sector

- We continue to work with the voluntary and community sector in different ways: as a subcontractor to them, sub-contracting their services to support delivery of our own contracts as well as working in partnership to deliver high quality, best value services. As an example, over the last 12 months, we have been working in partnership with the Society of St James in Portsmouth to deliver integrated substance misuse services, helping people to recover from drug and alcohol problems. We work in close partnership with Solent Mind delivering support and recovery services, helping people accessing our mental health services to achieve improved mental health and wellbeing. We also continue to develop our close partnership working with organisations supporting children and their families.



Southampton and County Services

Our work to provide joined up care for the citizens of Southampton has progressed during 2016/17.

Within social care

- The Integrated Southampton Response Service was launched during the year. This brought together seven teams, from the city council and our Trust, under a single management structure. The teams provide urgent response services and reablement and rehabilitation to adults in the city. The new service includes over 350 staff who are co-located in key venues across the city.
- Work has progressed with early help and children's services, with an active working group developing detailed plans for integrated children's services to be launched in 2017/18.

Within primary care

- During 2016/17 significant work progressed with Southampton Primary Care Limited and Solent Medical Services. We have been working with GPs, from across the city, to further embed cluster working and join up care. During the year, we bid as a sub-contractor to primary care colleagues for the Community Wellbeing Nursing Service, a new service to provide a proactive, preventative approach to healthcare. The service will begin on 1 April 2017.

Within secondary care

- The pressures, which have been felt in emergency care nationally, have also been felt in Southampton. The support from Southampton city teams has kept the number of medically-fit city patients in Southampton General Hospital, run by University Hospitals Southampton NHS Foundation Trust (UHS), low. However, this continues to be an area of focus for the city.
- Work has progressed to join up care pathways across diabetes, respiratory care and pain services. Our integrated Chronic Obstructive Pulmonary Disease (COPD) and respiratory service includes staff from Solent NHS Trust, Southern Health NHS Foundation Trust and UHS work together to achieve better patient outcomes.

Within the voluntary and community sector

We see real benefit of working with the voluntary and community sector to improve the care we are able to offer to service users. During the year, we have actively looked for opportunities to work more closely with organisations from this sector.

- Our partnership with No Limits providing school nursing services has continued to flourish and this is now considered an exemplar service.
- During the year we retendered for the Hampshire-wide sexual health service. The service, which launches on 1 April 2017, will be delivered in partnership with No Limits, the Terence Higgins Trust and through our on-going partnership with BPAS.
- The health promotion service in Southampton is moving to a new service specification. We will be working in partnership with SCA and Southampton Voluntary Services to provide this service.



Working with the community

We have continued to regularly attend scrutiny panel/committee meetings in Portsmouth, Southampton and Hampshire.

During the year we provided updates and answered questions on the following subjects:

Southampton (Health Overview and Scrutiny Panel)

- Our proposal to move the Kite Unit to the Western Community Hospital
- Our Care Quality Commission inspection
- Our proposal to merge GP practices in the city
- Our Quality Account
- The closure of the restaurant at Royal South Hants

Portsmouth (Health Overview and Scrutiny Panel)

- Our proposal to move the Kite Unit to the Western Community Hospital
- Our Care Quality Commission inspection
- Our proposal to move services from Falcon House to Battenburg Avenue Clinic
- Phase 2 of the St James' Hospital redevelopment

Hampshire (Health and Adult Social Care Select Committee)

- Our proposal to move the Kite Unit to the Western Community Hospital
- Our Care Quality Commission inspection

We have also engaged with the public on:

- The proposed move of The Kite Unit to the Western Community hospital
- The proposed move of children's services from Falcon House to Battenburg Avenue Clinic
- The merger of three GP surgeries (Adelaide, Nicholstown and Portswood) in Southampton to create Solent GP Surgery
- The future of the NHS, including the creation of an MCP in Southampton
- The creation of new websites including sexual health services and research
- The development of online booking in sexual health services
- The development of campaigns, including 'Count me in' our research campaign

The Board is kept informed of engagement activity via the Commercial Report which incorporates any community engagement activity which has taken place. Patients, from various services, also attend Board seminars to give their perspective on their experience of our services and the Board formally reflects on any learning.

You can also read about the work we do to engage with our members on page 65.





Everyone counts

Investing in our future

Much of our investment in year has focused on improving our infrastructure, which has been in the past underfunded and in need of attention.

Over the last two years we have invested heavily in our replacing our physical IT infrastructure and clinical systems to ensure that we move into a new digital age and are beginning to see the benefits of working differently

We will continue to implement our IT Strategy over the coming years, aligning this to the Hampshire and Isle of Wight STP IT work-stream developments where this makes sense to do so.

We have made a number of estates related improvements and investments in year, including ensuring our sites comply with regulation requirements, making more efficient use of our buildings, as well as creating workspaces and facilities for our integrated teams to co-locate with colleagues from partner organisations.

During 2016/17 we also re-launched our 'Dragons Den' initiative, inviting staff to bid for investment to help drive innovative practice.

We value our people and recognise that an engaged workforce will deliver great care; we therefore invested significantly in our Organisational Development Programme in year, particularly focusing on our leadership capability and our 'Leading with HEART Programme' for our senior leaders. We recognise the importance of leadership development as being key to creating a great place to work, providing great care and ensuring great value for money – as such during the year ahead we will be extending our programme to the next tiers of leadership.

Our volunteers

We recognise the important and valuable contribution volunteers can make to us and our services. As well as benefiting patients, many volunteers can gain vital experience. They also have the opportunity to make new friends and be part of a team.

During the year, we launched our Volunteer Service and appointed a Volunteer Manager who oversees volunteer recruitment. We are now actively recruiting volunteers into both clinical and non-clinical roles and have reviewed our volunteer policy and processes, working with other Trusts to learn from best practice. Our Volunteer Manager continues to work with our services to identify any volunteer opportunities. You can find out more about volunteering opportunities on our website www.solent.nhs.uk

Charitable funds

Beacon, Solent NHS Charity, raises money for areas not covered or fully supported by NHS funds and aims to make a difference to the experience people have when they come to us. This can be anything from improving a waiting area, buying a more comfortable chair to creating a multi-use outdoor sports area for those staying with us on a longer term basis. Sometimes it is the smallest things that can make the biggest difference.

We are immensely grateful to everyone who has donated money. The donations we received during 2016/17 amounted to £7,139.94. We are also extremely appreciative to our staff who have worked hard to raise funds for Beacon, including organising and holding fun days through to significant personal efforts such as running the London Marathon and completing the London to Brighton bike ride, both these events raised a total of £3,321.66.

During the year, we have used our charitable funds to purchase various items to enhance the care we provide to our patients. This has included purchasing a digital reminiscence therapy system that supports patients with cognitive impairment by improving patient and carer interaction. During the year ahead we will work with our services to raise the profile of Beacon further and to encourage fundraising activities and spending.

Whole system response and emergency preparedness

Our major incident policy, now entitled Solent NHS Trust Incident Response Plan, was reviewed during 2016/17. The Plan complies with current Emergency Preparedness Resilience and Response (EPRR) legislation. Our business continuity plans were also reviewed, tested and validated.

Co-operation between organisations is essential to robust emergency preparedness. We work with other organisations and Trusts to help partnership working in the event of a critical or major incident. During the year;

- our Chief Operating Officer for Southampton represented us at the Health Resilience Partnership (LHRP)
- our Emergency Planning practitioner (EPP) regularly attended local health resilience meetings and provided feedback relevant information to our emergency planning group, and



- our EPP worked in partnership with the local community Trusts to ensure all work undertaken is consistent across the area and that there is a greater understanding of EPRR within the organisations. Working together in this way supports the requirements of the relevant agreements and allows for joint learning and the sharing of EPRR documents and workplans.

During 2016/17 we also re-launched our 'Dragons Den' initiative, inviting staff to bid for investment to help drive innovative practice.

During 2016/17 we have participated in the following exercises:

- a system wide communications test which was carried out in June 2016
- the Public Health England Emergo exercise, to test the major trauma network, in November 2016
- Exercise Asesco, a multi-agency pandemic flu exercise
- an internal exercise to test the understanding and actions of staff when an incident involved full media coverage
- an exercise in Portsmouth involving the acute trust and partner agencies.

Also during the year we implemented a new training plan. All on-call staff attended at least one training session during the year.

We had four ICT incidents, graded as critical, during the year. The incident co-ordination centre was opened to facilitate appropriate 'command and control' during the management of these incidents and we have reflected on any learning.

Each year NHS England (NHSE) assess us for assurance against the EPRR core standards. In 2016/17, NHSE concluded that the EPRR assurance assessment was 'substantial' and acknowledged the work we had undertaken in year.



Accountable

News from our services

Southampton and county care group

National WOW Award

Jo Harper, one of our Community Sisters for Palliative Care, was nominated for a national WOW award for her outstanding customer service. Jo was one of 75 finalists to be shortlisted from nearly 20,000 nominations. She was selected in the Judges' Choice Category and attended the Gala Awards Ceremony in November 2016.

Matron shortlisted for national nursing award

Clare Scholfield, who works as a Modern Matron for our Sexual Health Services, reached the finals at the Nursing Times Awards 2016. Clare was shortlisted in the Nurse Leader of the Year Category.

The Nursing Times Awards are considered to be highly prestigious awards amongst the nursing profession. Clare was nominated for her leadership successes.

My baby comes smokefree

In February, we launched an innovative trial programme to help young mums-to-be stop smoking during pregnancy and, hopefully quit for good. As part of a research project to understand if incentives can help young women to quit smoking during pregnancy, mums-to-be under the age of 20, enrolled on the Family Nurse Partnership Programme. They were offered reward scheme vouchers alongside weekly support sessions and a range of other help.

The young mothers are asked to set a quit date at the start of the study and will be monitored regularly to verify their non-smoking status. Southampton City Council supported the study.

Homeless Healthcare team scoop award

Our Homeless Healthcare team were winners at the National Institute for Health Research (NIHR) and Clinical Research Network Wessex (CRN Wessex) Awards. They received the 'Outstanding Clinical Team' award for the work they do to improve the health of homeless people in the city of Southampton.

Get me to the church on time!

Our Fanshawe Ward staff won a WOW Award after pulling out all the stops so a patient could attend his daughter's wedding. When David, one of our service users, was admitted in December, he doubted he would be well enough to make the big day. However, thanks to our amazing health care assistants, Wendy Nash and Julie Mould, David didn't miss out on one of the most important days of his life. Not only did they arrange for him to have his hair cut, a shave and made him look dapper in a suit, they also typed up his speech in large print so he could read it.



Portsmouth

The Treetops Centre – 10 years of helping victims of sexual assault



Treetops, our Sexual Assault Referral Centre (SARC), has been providing vital help for victims of sexual assault for 10 years. To mark the occasion, speakers from various organisations attended a networking event at Netley Police Station Headquarters in November. Staff, old and new, also reunited at a small gathering at our Treetops Centre in recognition of the service's great achievements.

Physiotherapist wins Patients' Choice Award



Claire Jeffries, from our Hydrotherapy and Rheumatology service, won a national Patients' Choice Award for 'Best Care by a Physiotherapist'. Patients with Ankylosing Spondylitis (AS), a form of arthritis which mainly affects the spine, nominated Claire for the National Ankylosing Spondylitis Society's (NASS) award for 'going out of her way to provide excellent care'.

Best of Health Awards 2016

The best of health awards are run every year for those healthcare professionals who have gone above and beyond in their field. Patients and colleagues are asked to nominate their hero, so to be in the running for them is an honour. The runners up were:

- **Hospital team of the year 2016:**

Colin Beevor and his team at Rheumatology Department, QA Hospital

- **Allied Healthworker/Team of the year 2016**

Falls Prevention Exercise Team, Turner Centre, St James' Hospital

- **Mental Health Worker/Team of the Year 2016**

Vicky Woodhams, Adult Mental Health Nurse, St James' Hospital

- **Community Nurse/Team of the Year 2016**

Portsmouth Rehabilitation Team, Turner Centre, St James' Hospital

Baby friendly initiative

Our Portsmouth health visiting team and children's centres achieved their Unicef baby friendly initiative re-accreditation. This is a result of the hard and dedication from the teams who continually strive to improve the care and support they provide to mothers and babies.

CQC rates Learning and Disability Service as 'outstanding'

Our Learning and Disability Service were ranked as 'outstanding' in our Care Quality Commission (CQC) report. The service were noticed for their great focus and responsiveness to the needs of service users, development of innovative new approaches to care, on-going review of best practice and their ability to listen to the views of service users and their carers.

Preventing slips and trips

Lee Henderson, Physiotherapist in our Falls Prevention Exercise team in Portsmouth, hosted our membership workshop in January 2017. As well as learning tips about how to prevent falls and what to do if you trip, people who came along to the event listened to a talk about Osteoporosis by Margo Berry of the National Osteoporosis Society. Paula Day of Portsmouth City Council's Independence and Wellbeing team also gave advice on keeping active.

Opening of Somerstown Central Dental Clinic

The Lord May of Portsmouth cut the ribbon for the official opening of our Somerstown Central Dental Clinic in August. The clinic provides specialist dental care that is not available in general practice for example, those with physical, sensory or learning disabilities.

Frailty and Interface Team celebrate one year

The Frailty and Interface team (FIT) at the Queen Alexandra Hospital (QA) in Portsmouth celebrated one year of success in December. The service, which is provided by staff from several organisations including our Trust, helps to reduce the number of people who are admitted to hospital and the length of time people stay in hospital for.

The team, who work alongside the Emergency Department (ED) team at QA, see around 150 patients a week – and since June 2016 over 12,000 patients have been screened for frailty, with more than 4,000 having a positive frailty score. This means they show signs of being at a higher risk of a sudden deterioration in their physical and mental health which can be triggered by small events such as a minor infection. This is because as we get older our bodies gradually lose their in-built reserves.

Trust wide

Bright ideas - better services

The best ideas for making service improvements almost always come from front line staff and their patients. That is why we launched our Dragons' Den in June 2016, to provide small grants of up to £10,000 for staff to put their ideas into practice.

Chaired by Sarah Williams, Associate Director for Research and Clinical Effectiveness, our Dragons have awarded over £60,000 in funding for 17 proposals.

The projects which have received funding include:

- new sensory equipment to support patients with autism and learning difficulties.
- a Mindfulness programme on CD and the internet to support mental health recovery
- a young person's mystery shopper group in our sexual health services
- equipment to support eating and swallowing assessments in children
- prompt cards to help community nurses identify Sepsis, a rare condition, or deterioration in the health of patients.

Helping you stay healthy and well

Occupational Health worked closely with the catering teams at the Western Community Hospital and St Mary's Community Health Campus, to launch the Think Healthy... Choose wisely campaign in December 2016 and March 2017.

We are top of the research league tables

We were named the top recruiting research Care Trust in England. The latest league tables show the number of people taking part in research with us between April 2015 and March 2016 was just over 1,800, an increase of 48% on the previous year. We also increased the number of our research studies from 42 to 47.

Supporting young fathers and their families

Our Family Nurse Partnership (FNP) worked with young fathers to raise awareness of domestic abuse and support healthy relationships. To achieve this, the team worked closely with The Hampton Trust and Saints Foundation; they met with a group of young fathers at St Mary's Football Stadium regularly to find out their views and experiences of relationships and domestic abuse.

Solent NHS Trust and Dementia UK join forces to improve dementia care

Working in partnership with Dementia UK, we began providing support and advice to a team of admiral nurses. Admiral nurses provide specialist dementia support to individuals and their families. As a consequence of our joint work, the Solent Dementia network was launched. The network is designed to give our dementia nurses and healthcare professionals easy access to quality information and support, which in turn will lead to better care for our dementia patients.

Shortlisted for national Patient Experience Network (PEN) Award

Dr Clare Mander was shortlisted for a Patient Experience Network (Pen) National Award. These awards are the first patient experience awards to celebrate best practice in health and social care in the UK.

Clare, our Clinical Lead for Accessible Information (Ai), was shortlisted in the Accessible Information category and invited to an award ceremony at Birmingham Repertory Theatre in March for pioneering work to develop accessible information.



Respectful

Performance Analysis

Performance Governance

During 2016/17, we updated our performance governance review structure by introducing individual Performance Review Meetings with each service line where exceptions are escalated to executives for oversight, assurance and discussion. To enhance the level of oversight and assurance of clinical performance, comprehensive dashboards detailing patient care were further developed and reviewed at all Performance Review Meetings and Clinical Governance Meetings.

Additionally, performance reviews of corporate services (our non-clinical support services) were performed. During the meetings, comprehensive data detailing financial, workforce, patient care, operational, contractual and regulatory performance is provided, reviewed and discussed as appropriate. The performance meetings are held monthly with formal exception reports submitted to the Trust Management Team (an executive committee).

Data Quality and Assurance

Following the implementation of a new Clinical Records System (CRS) for the majority of services in 2015, significant progress has been made in reducing the number of data quality issues during the year. Consequently the validity, accuracy and confidence in the data has increased.

A robust Data Quality Improvement Plan was in place throughout the year to structure the work required, measure the improvement and provide assurances to commissioners. Any data quality concerns were mitigated by working collaboratively with the services and keeping commissioners sighted on progress. We will continue to make further improvements during 2017/18.

Activity Review

As a result of moving to our new Clinical Records System we are reporting activity which is more reflective of the services delivered. Additionally, a combination of a reduction in activity, an increase in patient acuity, the integration of some of our services ensuring efficient patient pathways, together with increased data quality has meant that our recorded activity figures have been impacted.

Some of the services we provide jointly include:

- Substance Misuse Services in Portsmouth are provided jointly with Portsmouth City Council
- Substance Misuse Services in Southampton are provided jointly with a third party provider, CGL
- The Integrated Crisis Response, Rehabilitation, Reablement and Hospital Discharge Team replaced several of our community services in Southampton and is now provided jointly with Southampton City Council
- The Community Emergency Department Team in Portsmouth integrated with colleagues from Southern Health NHS Foundation Trust and Portsmouth Hospitals NHS Trust to provide a new Discharge to Assess Service

A breakdown of patient contacts and occupied bed days by service line is illustrated in the following table:

Service Line	Contacts	Inpatient Occupied Bed Days	Total
Adult Mental Health	25,220	20,318	45,538
Adult Services, Portsmouth	91,836	14,186	106,022
Adult Services, Southampton	164,987	21,589	186,576
Child and Family Services	157,785	0	157,785
Special Care Dental Services	43,739	1,210	44,949
Primary Care and Long Term Conditions Services	185,412	0	185,412
Sexual Health Services	108,608	0	108,608
Solent NHS Trust Total	777,587	57,303	834,890

Referral to Treatment Performance

We successfully achieved the national standards for Referral to Treatment (RTT) within 18 weeks for another year. Due to the diverse nature of services we provide, not all services are applicable to the national RTT standards, but a breakdown of related performance for 2016/17 is illustrated in the following table:

RTT standard	Number of compliant referrals	Total number of referrals	Performance
Part 1B – Not Admitted	8075	8101	99.7%
Part 2 – Incomplete	13091	13123	99.8%



NHS Improvement Single Oversight Framework

NHS Improvement’s (NHSI) Single Oversight Framework provides the framework for overseeing organisations and identifying potential performance concerns. The framework covers five themes:

1. Quality of care
2. Finance and use of resources
3. Operational performance
4. Strategic change
5. Leadership and improvement capability (well-led)

Currently NHSI has defined metrics associated with the first three themes listed above; as such our performance is summarised as follows. Thresholds highlighted in grey are internal, aspirational thresholds, whereas all others are national targets. NHSI is working to develop the performance metrics associated with the additional themes, aligning approaches to the CQC Domains where possible.

Based on data from these themes and the scale of issues faced, NHSI segments providers from 1 to 4, where ‘4’ reflects providers receiving the highest level of support from NHSI (for example, those considered in special measures) and ‘1’ reflects providers with the most autonomy. Our Trust is rated as ‘2’, largely due to our financial position, however NHSI are satisfied that we have sufficient controls in place.

Quality of Care Metrics:

The measure of 'Quality of Care' includes the CQC's most recent assessment of whether our care is safe, effective, caring and responsive as well as in-year information where available. NHSI have also set some indicators under this domain and our performance is summarised as follows;

Organisational Health

Indicator Description	Threshold	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
Staff sickness (in month)	4%	3.7%	3.6%	4.0%	4.3%	4.0%	3.8%	4.4%	4.9%	4.8%	4.8%	4.4%	4.2%
Staff turnover (rolling 12 months)	12%	15.2%	16.7%	16.9%	17.6%	18.1%	16.9%	15.9%	16.6%	16.3%	15.5%	15.9%	16.1%
Executive team turnover (rolling 12 months)	12%	18.0%	17.4%	17.4%	17.4%	8.7%	8.8%	8.7%	0.0%	8.5%	8.5%	8.7%	18.2%
NHS Staff Survey	40%			55.8%			56.7%						61.5%
Proportion of Temporary Staff (in month)	3.5%	4.6%	4.7%	5.3%	5.2%	5.8%	5.8%	5.5%	6.5%	6.5%	6.5%	6.2%	6.5%
Cost Reduction Plans (YTD delivery)	100%			69.8%			71.9%			73.4%			75.8%

The staff sickness rate has remained fairly stable through the year, with an increase over the winter months as usual; however, we still aspire to attain an ambitious 4% sickness threshold. Further detail on how we are tackling sickness absence can be found on page 85.

Unfortunately, we did not meet our threshold (12%) for staff turnover mainly due to pressures in a few services. Turnover is monitored monthly, by service, through Performance Review Meetings, ensuring staffing levels remain safe. We are actively promoting our Great Place to Work Programme which aims to retain and support our people throughout their career with us.

We are proud that our Staff Survey results improved in year – you can find further information about this and our focus for the year ahead on page 88.

Our agency utilisation has been a particular pressure for us due to increased patient acuity and temporary vacancy cover and as such we were unable to achieve the 3% threshold required. Further detail on staffing pressures can be found within the significant issues section of the Annual Governance Statement.

Despite being unable to meet our formal savings plans, we did achieve our Financial Control Total largely due to unplanned vacancies. Further information about our financial performance can be found in section 4.

Caring

Indicator Description	Threshold	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
Written Complaints		22	23	16	37	21	16	21	20	18	25	23	20
Staff Friends & Family Test% Recommended – Care	80%			79.5%			79.5%						81.8%
Mixed sex accomodation breaches	0	0	0	0	0	0	0	0	0	0	0	0	0
Community scores form Friends & Family Test – % positive	95%	96.1%	96.1%	96.3%	95.6%	95.5%	95.8%	95.7%	97.0%	95.5%	95.6%	96.3%	96.4%
Mental Health Scores from Friends and family Test – % positive	95%	85.6%	97.1%	91.3%	92.4%	89.7%	92.3%	86.8%	93.3%	89.7%	95.7%	89.9%	90.7%

Compliance against the Caring domain is positive overall with no significant concerns. Due to the nature of our Mental Health Services, the Friends and Family Test (FFT) scores are generally lower than Community services FFT scores but Solent benchmarks well for Mental Health provision.

Effective

Indicator Description	Threshold	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
Emergency re-admissions within 30 days following an elective or emergency spell at the Provider	0	0	0	0	0	0	0	0	0	0	0	0	0
Care programme approach (CPA) follow up – Proportion of discharges from hospital followed up within 7 days – MHMDS	95%	100%	97%	97%	100%	100%	100%	97%	100%	97%	96%	94%	100%
% clients in settled accommodation		72%	72%	77%	72%	73%	76%	72%	71%	71%	73%	71%	70%
% clients in employment	5%	5.9%	5.2%	5.0%	6.6%	5.0%	4.0%	3.1%	4.0%	3.1%	6.4%	5.9%	10.0%

The standards required to meet the metrics under the Effective domain were met in most months throughout the year.

Safe

Indicator Description	Threshold	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
Occurrence of any Never Event	0	0	0	0	0	0	0	0	0	0	0	0	0
NHS England/NHS Improvement Patient Safety Alerts	0	0	0	0	2%	0	1%	1%	1%	2%	0	0	0
VTE Risk Assessment	95%	97%	97%	94%	94%	97%	95%	89%	100%	100%	100%	97%	100%
Clostridium Difficile – variance from plan	0	0	0	0	0	0	0	0	0	0	0	0	0
Clostridium Difficile – infection rate	0	0	0	0	0	0	0	0	0	0	0	0	0
MRSA bacteraemias	0	0	0	0	0	0	0	0	0	0	0	0	0
Admissions to adult facilities of patients who are under 16 years	0	0	0	0	0	0	0	0	0	0	0	0	0

Our performance against the Safe domain was very strong with no ongoing concerns.

Operational Performance Metrics:

NHSI have determined a number of key metrics in accordance with NHS Constitutional standards. Our performance against these are summarised as follows;

Indicator Description	Threshold	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
Maximum time of 18 weeks from point of referral to treatment in aggregate – patients on an incomplete pathway	92%	99.7%	100%	99.9%	99.9%	99.5%	99.2%	99.9%	100%	100%	99.7%	100%	99.5%
Maximum 6 week wait for diagnostic procedures	99%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Patients requiring acute care who received a gatekeeping assessment by a crisis resolution and home treatment team in line with best practice standards	95%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
People with a first episode of psychosis begin treatment with a NICE-recommended package of care within 2 weeks of referral	50%	NIL	50.0%	100%	50.0%	50.0%	NIL	88.0%	67.0%	71.0%	75.0%	100%	71.0%
Complete and valid submissions of metrics in the monthly Mental Health Services Data set submissions to the HSCIC													
– Identifier metrics	95%	96.0%	95.6%	95.5%	95.6%	95.3%	95.3%	95.2%	95.0%	94.9%	94.8%	94.7%	94.5%
– Priority metrics	85%	84.7%	86.6%	87.8%	86.1%	85.8%	86.6%	86.5%	83.7%	83.6%	84.5%	82.6%	82.3%
Improving Access to Psychological Therapies (IAPT) / Talking Therapies													
– Proportion of people completing treatment who move to	50%	56.5%	51.0%	54.1%	52.9%	52.4%	52.95	50.0%	51.2%	53.9%	56.7%	51.9%	50.0%
– Waiting time to begin treatment - within 6 weeks	75%	97.5%	100%	96.0%	100%	100%	100%	100%	100%	100%	100%	100%	100%
– Waiting time to begin treatment - within 18 weeks	95%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Overall, compliance against the Operational Performance theme is positive with the only exceptions relating to issues concerning data quality as detailed previously.

The 'Operational Performance' metrics outlined within the table do not provide an overall performance assessment for the Trust, however based on our performance against these metrics and defined thresholds, NHSI consider whether support or intervention is required. During 2016/17 we did not receive any support from NHSI in relation to our performance against these metrics.

Further information about our key performance indicators can be found on page 37.

Finance and Use of Resources Metrics:

Financial metrics are used to assess financial performance and efficiency, with a score from 1 (best) to 4 (worst) being assigned to each metric. These scores are averaged across all metrics to derive a 'use of resources' score for the organisation. An overall score of 3 or 4 in this theme will identify a potential support need, as will providers scoring a 4 against any individual metric.

Indicator Description		Threshold	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
Capital service capacity	Financial Sustainability						1.1	1.4	1.2	1.2	1.3	1.2	0.5	0.7
Score							4	3	4	4	3	4	4	4
Liquidity (days)	Financial Sustainability						-4.0	0.9	-4.0	-4.2	-1.0	-4.4	-4.9	-12.1
Score							2	1	2	2	2	2	2	3
I&E Margin	Financial Efficiency						-2.3%	-1.7%	-1.8%	-1.9%	-1.8%	-1.8%	-1.8%	-1.2%
Score							4	4	4	4	4	4	4	4
Distance from financial plan	Financial Efficiency						0.8%	54.2%	1.5%	1.0%	0.7%	0.5%	0.3%	0.8%
Score							1	1	1	1	1	1	1	1
Agency spend	Financial Efficiency						-3%	-12%	-9%	3%	4%	4%	4%	4%
Score							1	1	1	2	2	2	2	2
Use of Resources Score							3	3	3	3	3	3	3	3
RAG							R	R	R	R	R	R	R	R

Although the overall score for these metrics indicates additional support is required, the organisation is in regular communication with NHS Improvement, and the requirement for additional support has been negated.





Key Performance Indicators (KPIs) and performance hot spots in year

Our contractual KPI performance was strong during 2016/17 across all contracts and national standards and consequently we did not receive any Contractual Performance Notices (CPNs).

We did however have a number of service performance 'hot spots' in year, some of which concern access to our services, system pressures and staffing, with others relating to specific CQC recommendations – these are described within the operational risks and significant issues section of the Annual Governance Statement, page 95. Open, transparent and collaborative partnership working with our commissioners has helped improve services with performance concerns during the year.

There were no confirmed Human Rights violations by us during 2016/17.

2016-17 reflection on our business plans and achievements

Following the agreement of our 2016/17 business plans we were informed of the impending Care Quality Commission (CQC) comprehensive inspection and the implementation of the Sustainability and Transformation Plan (STP). Consequently, we reprioritised our plans.

A summary of our key achievements and challenges are summarised within the following table.

Area	Successes	Challenges and areas of focus for 2017/18
Adults Portsmouth	<ul style="list-style-type: none"> • CQC ratings - 'Good' rating and 'outstanding' rating for our Learning Disability service • Community Nursing vacancy reduction • Positive outcomes associated with the Discharge to Assess and Frailty Intervention Team model introduced within Portsmouth Hospitals NHS Trust • Partnership working with GP Alliance 	<ul style="list-style-type: none"> • Standardisation of clinical governance processes within our Community Nursing teams • Morale and staff engagement concerning associated with estate moves • Pressures within the Acute Hospital impacting performance of our community services
Adults Southampton	<ul style="list-style-type: none"> • CQC rating – 'Good' • Positive impact of the integration of our urgent response service with social care partners • Introduction of the NeuroFit service • Reduction of community rehabilitation service waits • Significant increase in service user feedback 	<ul style="list-style-type: none"> • Vacancies within Community Nursing • Relocation of the Kite Unit from St James' Hospital, Portsmouth, to the Western Community Hospital, Southampton • Interfaces between different IT systems used by our staff and those using Local Authority systems
Children	<ul style="list-style-type: none"> • Successful achievement of our second year of our transformational journey • Supporting Health Visitors with the introduction of community staff nurses • Increased service user engagement 	<ul style="list-style-type: none"> • Vacancies within Paediatric Therapies • Aligning the transformation of our services with the STP • Modernisation of medicines management to ensure the highest standards
Specialist Dental Services	<ul style="list-style-type: none"> • Successful implementation of mobile working practices • Relocation of Somerstown Hub, Portsmouth • Completion of a comprehensive quality review 	<ul style="list-style-type: none"> • Limited theatre space for our General Anaesthetic procedures • Achieving our Annual Units of Dental Activity (UDA) contractual target • Reducing our dental service estate

Area	Successes	Challenges and areas of focus for 2017/18
Estates	<ul style="list-style-type: none"> Limited number of recommendations from CQC associated with our estate Implementation of a Premises Assurance Model Significant engagement with partners to facilitate the relocation of services from St James' Hospital to St Mary's Community Health Campus 	<ul style="list-style-type: none"> Estates related issues following staff relocations to the Civic offices and Medina House in Portsmouth Progressing estate rationalisation schemes aligned to the STP Ensuring suitable car parking facilities for our service users and our staff
HR	<ul style="list-style-type: none"> Introduction of our Senior Leadership Development programme Improvement of online and automated processes e.g. payslips and Disclosure Baring Service checks Improved and streamlined induction process for new starters Practice Educator Roles were embedded in year No employment tribunals for second year running 	<ul style="list-style-type: none"> Breach of the mandatory agency spend cap Challenges associated with staff accessing online training Workforce planning
IT	<ul style="list-style-type: none"> Migration of all staff onto our new IT infrastructure Implementation of new staff communication system (Skype) Implementation of clinical system business continuity processes Maintaining our Level 2 compliance with Information Governance requirements 	<ul style="list-style-type: none"> Delayed implementation of Viewpoint Number of IT related incidents in year Telephony reliability and cost pressures Delays associated with IT device procurement
Mental Health	<ul style="list-style-type: none"> Integration of our Older People's Mental Health service with our Adult Mental Health Service Integrating safeguarding into referral review process for our Adult Mental Health Services Development of new framework enabling career development of our Mental Health Nurses 	<ul style="list-style-type: none"> Increased demand and complexity of patient needs within our Mental Health wards Communication methods between teams and our partner organisations Provision of our Substance Misuse Services Mental Health section 136 Assessment Suite provision
Primary Care Services	<ul style="list-style-type: none"> Successfully awarded contract for a new Behavioural Change Services Successful redesign of podiatry pathway in both cities Merger of our three GP surgeries into one surgery Positive engagement with Portsmouth Primary Care Alliance reducing GP based MusculoSkeletal (MSK) activity 	<ul style="list-style-type: none"> Significant waiting times for podiatric surgery in Portsmouth Cost pressures associated with diagnostics Recruitment challenges for nurses and Allied Health Professionals (AHPs) within Podiatry and Physiotherapy

Area	Successes	Challenges and areas of focus for 2017/18
Quality and Risk	<ul style="list-style-type: none"> • Launch of Solent Quality Improvement Programme • Led the 2016 CQC inspection process • Collaborative production of strategic frameworks for Allied Health Professions (AHPs) and nurses • Introduction of additional methods for capturing service user experience, including feedback from children and young people 	<ul style="list-style-type: none"> • Fully embedding actions resulting from our CQC inspection • Instabilities associated with our IT system causing incident reporting challenges • Ensuring Serious Incident Investigation deadlines are met
Sexual Health	<ul style="list-style-type: none"> • CQC rating – ‘Good’ • Successfully awarded contract for an Integrated Sexual Health Services • Introduction of online booking facilities and same day access clinics 	<ul style="list-style-type: none"> • Unanticipated activity through successful implementation of online testing • IT challenges causing difficulties in achieving access metrics • Engagement with partners to rationalise estate and delivery models
Finance and Performance	<ul style="list-style-type: none"> • Recommendation of Unqualified External Audit Opinion regarding Value for Money • Establishment of Corporate Programme Management Office to provide robust oversight of key Trust projects • Meeting nationally expedited contract negotiation deadlines • Reduced aged debt over 90 days by £954k in year 	<ul style="list-style-type: none"> • Significant expected data quality issues due to clinical record system transition • Existing finance system requiring upgrade to improve productivity • Team vacancies have resulted in needing to reprioritise requests and work differently

A comprehensive review can be found within the Month 1, Board Performance Report accessible via our website.





2017/18 – A Look Forward

We will actively address all the challenges that have been identified. We will also continue to work with our partners in the evolving STP landscape as that will help ensure we achieve our financial targets. Throughout this journey, we will maintain an unwavering focus on quality and strive to deliver on our business objectives and our vision: To deliver great care, create a great place to work and deliver great value for money.

There is an exciting year ahead with the implementation of a bespoke Enterprise Data Warehouse (EDW). The aim of the Warehouse is to create a central location that stores Operational, Financial, Workforce and Quality data together, which will enable management information to be reported quicker, through self-service and be more accessible to both clinical services and corporate teams.

Environmental Responsibilities and Sustainable Development Plan

We are currently developing a Sustainable Development Management Plan that will fully align with the NHS Standard Contract, specifically the Service Contract item SC18 – Sustainable Development. Further information about our environmental responsibilities can be found within the Annual Governance Statement.

On an annual basis we complete the Sustainable Development Unit report, supported by ERIC returns (Estates Return Information Collection). This is in line with our Carbon Reduction Action Plan, to meet our mandatory sustainability reporting requirements.

In addition, on a monthly basis, we monitor our waste disposals and utility consumptions. Our utility consumptions are compared with previous year's usage to ensure economic efficiencies and to track consumption in line with our carbon

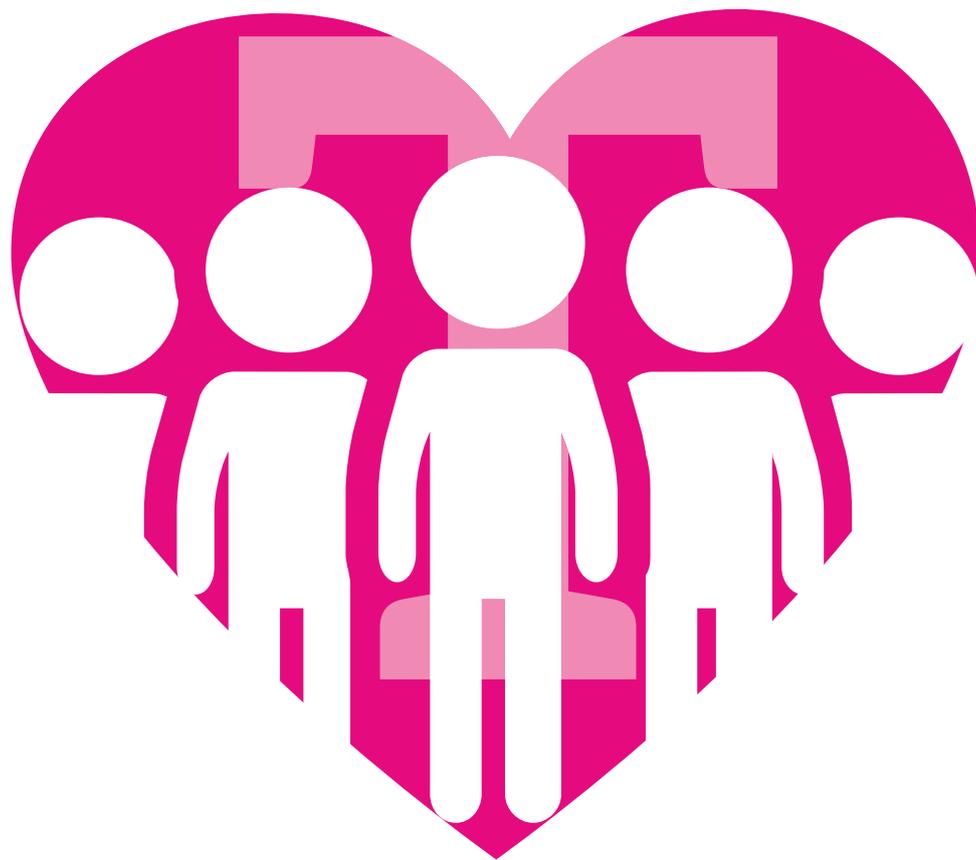
reduction targets. Our waste disposal locations are monitored to ensure minimal waste to landfill, and to track, increasing recycling rates. We work with our waste contractor to increase segregation to improve recycling rates, and with their subcontractors to increase clinical waste residues to R1¹ recovery facilities, instead of previous landfill sites. With the agreement of the Environment Agency, the waste contractors permit has been enhanced allowing offensive waste to also be disposed of and recovered, via R1 facilities. In accordance with the HM Treasury Sustainability Reporting Guidance, our Carbon Reduction Action Plan addresses the minimum requirements concerning Green House Gasses (GHG) both Scope 1, (direct GHG emissions), and Scope 2 (energy indirect emissions), as well as Finite Resource Consumption including estates water consumption, via our ERIC return (measured in cubic meters).

We are committed to sustainable procurement practices and all new contracts are issued in accordance with NHS Terms and Conditions. By ordering our goods via a supply chain we minimise fleet mileage, deliveries, congestion and associated pollutants. During the year ahead we aspire to further analyse our environmental information and data across our estate footprint more thoroughly to support the ERIC process and requirements under the Sustainable Development Unit, as well as more broadly ensuring sustainability is embedded within business practices across the organisation.

Further information about our environmental responsibilities can be found within the Annual Governance Statement.

SJHarriman

Sue Harriman
Chief Executive Officer



Teamwork



Section 2 Accountability and Corporate Governance Report

Accountability and Corporate Governance Report

Directors' report

Governing our services

Our Board of Directors

Accountable to the Secretary of State, the Board is responsible for the effective direction of the affairs of the organisation, setting the strategic direction and appetite for risk. The Board establishes arrangements for effective governance and management as well as holding management to account for delivery, with particular emphasis on the safety and quality of the trust's services and achievement of the required financial performance as outlined in its Terms of Reference.

The Board leads the trust by undertaking the following key roles:

- ensuring the management of staff welfare and patient safety
- formulating strategy, defining the organisation's purpose and identifying priorities
- ensuring accountability by holding the organisation to account for the delivery of the strategy and scrutinising performance
- seeking assurance that systems of governance and internal control are robust and reliable and to set the appetite for risk
- shaping a positive culture for the Board and the organisation.

The business to be conducted by the Board and its committees is set out in the respective Terms of Reference and underpinned by the Scheme of Delegation and Reservation of Powers.

The Board meets formally every other month In-Public. Additional meetings with Board members and invited attendees are held following in-public meetings to discuss confidential matters. The Board also holds confidential seminar (briefing) meetings every other month and development days every other month. All non-executive directors take an active role at the Board and board committees.

Balance, completeness and appropriateness of the membership of the Board of Directors

The Board of Directors comprises six non-executive directors (NEDs) including the Chairman and five voting executive directors. The executives with voting rights include the Chief Executive Officer, the Director of Finance and Performance, the Chief Medical Officer, Chief Nurse and Chief Operating Officer Southampton and County Services. Together with the Chief Operating Officer Portsmouth and Commercial Director and Director of Human Resources and Organisational Development they bring a wide range of skills and experience to the Trust enabling us to achieve balance at the highest level. The structure is statutorily compliant and considered to be appropriate. The composition, balance of skills and experience of the Board is reviewed annually by the Governance and Nominations Committee.

Appointments

Executive director appointments

There were no new Executive director appointments made in year; however the Chief Operating Officer for Southampton and County left the Trust in March 2017 and an Interim Director was appointed pending a substantive appointment being made following a formal and rigorous recruitment process.

Non-executive director appointment

During 2016/17 two Non-executive directors were appointed, supported by Odgers Berndtson, executive recruitment consultants. Interview panels were convened of representatives of NHS Improvement, an independent Trust Chair, the Lead Governor and the Trust's Chairman.

The People

Non Executive Directors



Dr Alistair Stokes, Chairman

Alistair was appointed to the Trust in April 2011. He has had a wide ranging career in marketing, business development and administration in the chemical and pharmaceutical industries including working as Commercial Director with Monsanto Company and as Managing Director for UK operations and subsequently Regional Director for the Far East and South East Asia for Glaxo PLC. From 2007, Alistair served as Chairman of the Ipsen Group's UK companies, retiring from that role in 2010. Alistair also served as Regional General Manager for the NHS in Yorkshire and for several years as a member and Vice Chairman of a District Health Authority and from 1992 until 1998 as Chairman of an NHS Trust. He is a Fellow of the Institute of Directors and a Chartered Director. Alistair is the lead NED for Health and Safety (including Local Security Management) as well as Safeguarding.



Mick Tutt, Deputy Chairman

Mick was appointed to the Trust in April 2011. He has more than 40 years' NHS experience, including 20 years in senior management and more than a decade at Executive Director (and equivalent) level. As a qualified nurse Mick has managed mental health and learning disabilities services and has overseen governance and management arrangements in a number of different Trusts and other organisations. He also has experience of working with the CQC and its predecessors, currently as a Specialist Advisor and Chair of Inspection. Mick has also acted as the Nurse/Manager representative on several independent inquiries and has undertaken many investigations into disciplinary and grievance matters and serious incidents. Mick was a former lay member of the Portsmouth Community and Mental Health Service Board before being appointed as non-executive director for Solent NHS Trust. He now acts as a manager for appeals against Mental Health Act detentions and also chairs the Mental Health Scrutiny Committee and Assurance Committee as well as being the Deputy Chairman



Jon Pittam, Senior Independent Director

Jon was appointed to the Trust in June 2012. Since 1997, until his retirement in 2010, Jon was the County Treasurer for Hampshire County Council as well as being Treasurer for the Hampshire Police and Fire Authorities. In these roles, Jon provided financial and strategic advice in support of the authorities' corporate strategies and was the chief financial officer for budgets approaching £2 billion. Jon was an elected council member of his chartered accountancy body and the national spending convenor for local government finance during several public expenditure rounds.

Jon is the chair of the Audit & Risk Committee, is the Senior Independent Director, acts as an Associate Hospital Manager and is the lead NED for whistleblowing (Freedom to Speak Up) and procurement.



Jane Sansome

Jane was appointed to the Trust in June 2015. Jane had an extensive and highly successful 21 year career in the NHS before joining the Ministry of Defence in 2000 to lead the operational planning and delivery of the strategy to transform Defence Medical Services. In 2004 with the first stage of the strategic plan delivered, Jane moved to the private sector to become the Chief Executive Officer of the project company delivering the £1.2billion redevelopment programme for Barts and the London Hospitals. In 2012 Jane joined Skanska UK as a Non-Executive Director. Jane supported the Managing Director of Skanska Facilities Services to develop the strategy, resource and contract delivery plans for the company. Jane left Skanska at the end of February 2015 to become a freelance management consultant. Jane chairs the Finance Committee and Remuneration Committee and is the lead NED for patient experience and oversight of medical fitness to practice issues.



Mike Watts

Mike was appointed to the Trust in October 2016. Mike grew up and went to school in Southampton, he is a Hampshire resident and has an extensive and wide ranging track record in organisational design and development that has driven business performance. Mike is currently a consultant with Capability and Performance Improvement Ltd and was, until earlier this year, the Head of Strategic Human Resources and Organisational Development at Southampton City Council. Mike has previously held senior HR roles at the Chartered Institute of Professional Development; Cabinet Office; Lloyds TSB and Scottish Widows. During his time in the Cabinet Office, Mike was recognised by HR Magazine as one of top 30 influencers of HR practice. He has also held a previous Non-Executive Director role with the Scottish Executive.



Francis Davis

Francis was appointed to the Trust in October 2016. Francis has, for 20 years, been active in founding, chairing and supporting community groups, voluntary organisations and social enterprises in health and social care across Hampshire especially in Portsmouth, Southampton and Gosport. He helped to launch the 'Hampshire Festival of the Mind' and also the first UK 'Mental Wealth Festival'. Formerly a private sector CEO Francis has chaired industry bodies for the South and South East and also worked as a senior civil servant at Cabinet level. He is currently Professor of Communities and Public Policy at the University of Birmingham and a member of the Department of Health's cross government Independent Advisory Group on Carers. Francis chairs the Charitable Funds Committee and is an Associate Hospital Manager.

Non-executive directors who left in year

David Batters

David is a Chartered Management Accountant who was appointed to the Trust in October 2015. He is the Chief Finance Officer (CFO) for the Nuclear Decommissioning Authority (NDA) which is a non-departmental-body sponsored by the Department for Energy and Climate Change (DECC). He joined the NDA in October 2010 where in addition to being the CFO he is also the Executive Director responsible for 14 nuclear sites across the UK. He is an Executive Board member of the NDA. His appointment with the NDA followed more than 20 years with BAE Systems and predecessor companies in which he held a variety of roles primarily in finance including Mergers & Acquisitions, Planning and Analysis, Reporting, Project Accounting and as a Finance Director of a number of businesses.

David left on 31 July 2016.

Executive Directors



Chief Executive Officer, Sue Harriman

Sue is a registered nurse who trained in the Royal Navy and enjoyed a 16 year military career. Sue joined the Trust in September 2014.

Since joining the NHS over 12 years ago, Sue has worked in the primary, secondary, community and mental health care sectors. Her previous roles included being a Nurse Consultant in Infection Prevention, Director of Nursing and Allied Health Professions (AHP), Managing Director, Executive lead for performance, planning and corporate governance as well as being appointed as Deputy Chief Executive.



Andrew Strevens, Director of Finance and Performance

Andrew joined the Trust in August 2015. He has worked within the health service since 2009 and brings a whole system view, having worked in senior positions for providers (Hampshire Community Health Care and Southern Health) and a commissioner (NHS England South Region). He also has a commercial background, having worked for KPMG and B&Q Plc.



Dan Meron, Chief Medical Officer

Dan joined the Trust in January 2016. Dan studied Medicine at the University of Southampton, and completed psychiatry training in Wessex. He went on to become a consultant in general adult psychiatry in Avon & Wiltshire, where he held consultant posts in community teams, Crisis Resolution and Home Treatment, Acute Inpatient, Assertive Outreach, and Primary Care Liaison. Over the years he developed a management and leadership portfolio and continued to combine senior management roles with active front-line clinical work. He is actively engaged in research at the School of Medicine, University of Southampton, where he is currently completing a Doctor of Medicine higher research degree. He has special interest in mood and anxiety disorders, trauma, addiction, recovery, and mindfulness. Dan undertook an Executive-MBA degree at Hult International Business School and graduated with distinction in 2014. Dan believes that integration between mental and physical, primary and secondary, and between health and social care in a community-based system, is the way to improve the lives of the people we are here to serve.



Mandy Rayani, Chief Nurse

Mandy trained in Swansea as a Registered Mental Health Nurse (RMN), she subsequently worked in mental health services for approximately 20 years. In 2005, Mandy became Regional Nurse for Mid and West Wales Regional Office working with the Welsh government. In 2007, Mandy took up the role of Deputy Nurse Director at Cardiff and Vale NHS Trust, one of the largest teaching hospitals in the UK. Following the NHS Wales reorganisation in 2009, she was appointed Deputy to the Executive Nurse Director of Cardiff and Vale University Health Board, a fully integrated healthcare organisation providing primary, community, secondary mental health and tertiary services. In her role, Mandy provides professional leadership to nurses and allied health professionals. She also has particular responsibility for patient experience, quality governance, risk management and regulatory compliance to ensure we continue to deliver safe, effective and sustainable services. Mandy joined the Trust in September 2014.



Sarah Austin, Chief Operating Officer Portsmouth and Commercial Director

Sarah joined Solent NHS Trust in autumn 2010 as the Transforming Community Services Programme Director before being appointed as Director of Strategy in November 2011. In December 2014 Sarah took on a wider remit for commercial activities and was appointed as the Chief Operating Officer of Portsmouth Care group and Commercial Director in July 2015.

Sarah originally trained as a nurse in London, specialising in renal care in Portsmouth and has undertaken both a teaching qualification and a BSc.

Her career to date includes 17 years in Portsmouth Hospitals NHS Trust latterly working as Director of Strategic Alliances which lead to the merger with Royal Hospital Haslar. Sarah also spent five years as Director of Central South Coast Cancer Network and three years in South Central Strategic Health Authority focusing on strategy, system reform and market development.

Executive directors who left in year

Julie Pennycook, Director of Human Resources and Organisational Development

Having worked in the independent healthcare sector for 15 years, Julie joined the NHS in Southampton in 2003 and Solent NHS Trust in April 2011. She led a comprehensive Human Resources and Organisational Development Department comprising HR Business Partners, Learning and Development, Workforce Information and Planning, Employment Administration, In-house Bank Staffing Service and Occupational Health. Julie left the Trust in December 2016.

Following Julie's departure, Andrew Strevens, Director of Finance and Performance has been providing interim leadership to the HR department. Our newly appointed Chief People Officer joins us in April 2017

Alex Whitfield, Chief Operating Officer Southampton and County Services

Alex joined the Trust in July 2012, prior to which Alex provided strong leadership as Chief Operating Officer to Winchester and Eastleigh Healthcare NHS Trust before its acquisition by Basingstoke and North Hants NHS Foundation Trust and the creation of Hampshire Hospitals FT. In her role as COO with us, Alex effectively led clinical services and had a sound understanding of the challenges faced by the local health and social care providers and actively engaged with our key partners. Alex left the Trust in March 2017 to become the Chief Executive Officer of Hampshire Hospitals NHS Foundation Trust.

Following Alex's departure, Lesley Munro has taken the Interim Chief Operating Officer responsibilities for Southampton and County wide services and is the executive lead for charitable funds and the Making Every Contact Count initiative. Lesley is also leading on Better Care Southampton.

The following summarises elements of Alex's former role currently being led on an interim basis by the executive team prior to a substantive position being recruited to:

- Dan Meron, Chief Medical Officer – interim executive lead for IT.
- Andrew Strevens, Director of Finance and Performance - interim accountable officer for Emergency Planning, Resilience and Response (EPRR).
- Mandy Rayani, Chief Nurse –interim Senior Information Risk Owner (SIRO) for the Trust

Board development and performance evaluation

The Board of Directors keeps its performance and effectiveness under on-going review.

The Board holds workshops every two months to focus on developmental and strategic topics. Due to a number of personnel changes the Board is planning for an external evaluation be conducted during 2017/18. The results, together with various board development activities and assessments undertaken in year via an external organisation, will inform a refresh of the Board Development Plan.

In addition, an annual governance review is conducted by the Governance and Nominations Committee and each Board committee completes a mid-year review against its agreed annual objectives and, at year end, presents an annual report to the Board on the business conducted.

The Board also reflected on the recommendations following external governance reviews including a clinical and quality governance diagnostic and a review relating to service line governance as well as internal audits concerning Risk Management. The Trust is implementing the recommendations identified.

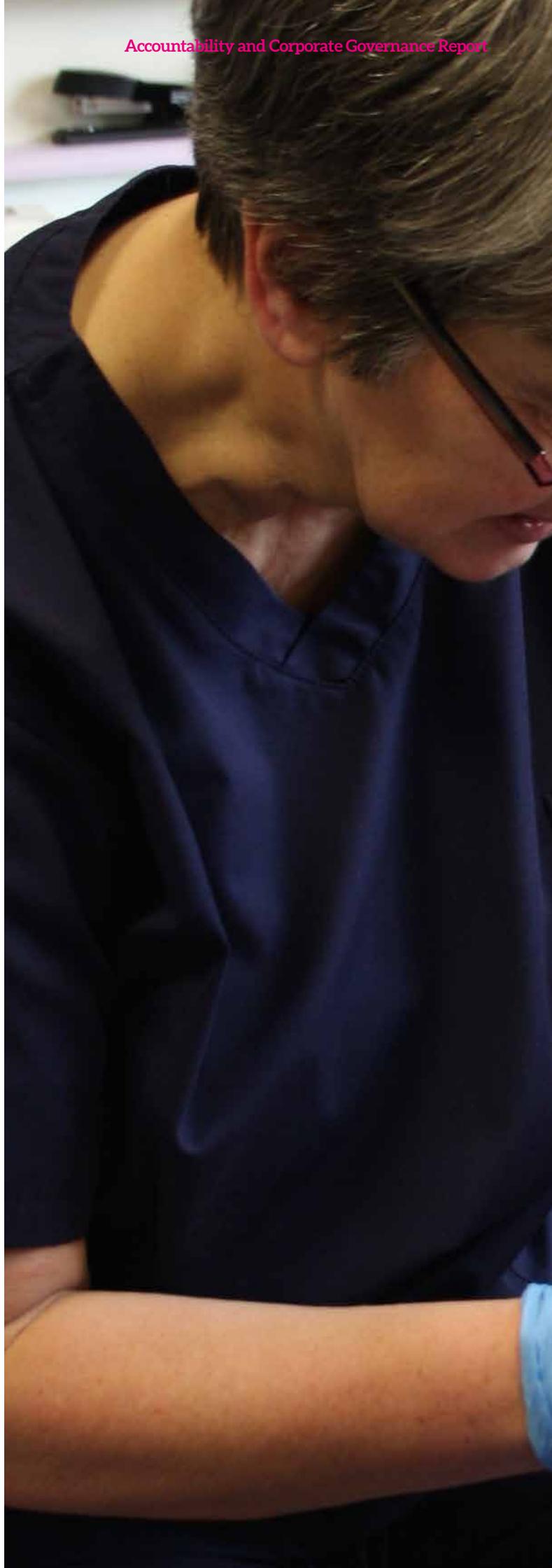
Individual Board members are appraised annually and mid-year reviews are conducted.

Information Governance

Incidents concerning personal data related incidents are formally reported to the Information Commissioners Office, in accordance with Information Governance requirements. Further information can be found within the Annual Governance Statement, page 95.

Statement of Accountable Officers Responsibilities

The Statement of Accountable Officers Responsibilities is located on page 94.





Declaration of interests and Non-Executive Director Independence

The Board of Directors is satisfied that the Non-Executive Directors, who serve on the Board for the period under review, are independent, with each Non-Executive Director self-declaring against a 'test of independence'.

The Board of Directors are also satisfied that there are no relationships or circumstances likely to affect independence and all Board members are required to update their declarations in relation to their interests held in accordance with public interest, openness and transparency.

Name	Interest registered
Dr Alistair Stokes Chairman	No interests to declare
Jon Pittam Non-executive director	No interests to declare
Mick Tutt Non-executive director	Regional director – Committed Network Specialist Advisor /Bank Inspector – Care Quality Commission Pelican Consulting - sole trader offering management advice and support to health and social care organisations
Jane Sansome Non-executive director	Director of Sansome & Co Ltd Interim Managing Director of MYFM Limited.
Francis Davis Non-executive director	Employed by University of Birmingham and St Mary's University , Twickenham Director of; Vivo Care Choices, Holocaust Memorial Day Trust, Near Neighbours, Power 2 Inspire, St Ethelburga's Centre, Aequus International Working with Minster of State at Department for Work and Pensions for Disabilities to enhance and develop the disability and enterprise policy. No financial interest or political affiliations. Trustee Cathedral Innovation Centre
Mike Watts Non-executive director	Director: Capability & Performance Improvement Ltd Project work for various external clients
Sue Harriman Chief Executive Officer	No interests to declare
Andrew Strevens Director of Finance and Performance	No interests to declare
Dan Meron Chief Medical Officer	All non- NHS activity completed outside of NHS contracted time No shares, direct financial interest, involvement or investments in any pharmaceutical company. Pinstriped Sandals Consulting Ltd - Sole director, - private practice offering consultancy, training and research services. Honorary Deputy Medical Director at the University Hospital Southampton NHS Foundation Trust Honorary Consultant Psychiatrist - Southern Health NHS Foundation Trust Secondment to CQC from 7th March 2017 to 6th March 2020- occasional participation in well-led inspection teams
Mandy Rayani Chief Nurse	No interests to declare

Name	Interest registered
Sarah Austin Chief Operating Officer - Portsmouth & Commercial Director	No interests to declare

Members that have left in year

Julie Pennycook Director of HR and OD	No interests to declare
David Batters Non-executive director	Full time Chief Financial Officer, Nuclear Decommissioning Authority
Alex Whitfield Chief Operating Officer - Southampton and County Services	Director of Wessex Academic Health Science Network (non paid)

The Board's committees

The Board has established the following committees:

Statutory committees

- Audit and Risk Committee
- Governance and Nominations Committee
- Remuneration Committee
- Charitable Funds Committee

Designated committees

- Assurance Committee
- Finance Committee
- Mental Health Act (MHA) Scrutiny Committee



Composition of Board committees at 31 March 2017

Director	Position	Board	Finance Committee	Remuneration Committee	Assurance Committee	MHA Scrutiny Committee	Governance & Nominations Committee	Audit and Risk Committee	Charitable Funds Committee
Alistair Stokes	Chairman	Chair	*	Member	*	Member	Chair	-	-
Mick Tutt	Non-Executive Director	Member	*	Member	Chair	Chair	Member	-	Member
Jon Pittam	Non-Executive Director	Member	-	Member	Member	Member	Member	Chair	-
Jane Sansome	Non-Executive Director	Member	Chair	Chair	-	-	-	Member	-
Francis Davis Started Oct 2016	Non-Executive Director	Member	Member	Member	Member	Member	-	-	Chair
Mike Watts Started Oct 2016	Non-Executive Director	Member	Member	Member	Member	-	-	Member	-
Sue Harriman	Chief Executive	Member	Member	*	Member	*	Member	*	-
Andrew Strevens	Director of Finance	Member	Member	*	*	-	-	*	-
Dan Meron	Chief Medical Officer	Member	-	-	Member	Member	-	-	-
Mandy Rayani	Chief Nurse	Member	*	-	Member	Member	-	*	-
Sarah Austin	COO Ports and Commercial Director	Non – voting	*	-	Member	Member	-	-	-
Lesley Munro Started Feb 2017	Interim – COO Southampton and County	Member	*	-	Member	Member	-	-	Member

Members that left in year

Alex Whitfield Left March 2017	COO Southampton and County	Member	*	-	Member	Member	-	-	Member
Julie Pennycook Left Dec 2016	Director of HR and OD	Non – voting	-	-	-	-	-	-	-
David Batters Left July 2016	Non-Executive Director	Member	Member	Member	-	-	-	Member	-

* Attends on invitation

Previous chair of Finance Committee until end Sept 2016 *Attended to ensure quoracy

Grey shaded boxes indicate attendees

¹Remuneration Committee February 2017 was inquorate however ratification was endorsed by virtual meeting.

Attendance of Board committees at 31 March 2017

Director	Position	Board (6 meetings)	Finance Committee (11 meetings)	Remuneration Committee ¹ (7 meetings)	Assurance Committee (10 meetings)	MHA Scrutiny Committee (4 meetings)	Governance &Nominations Committee (3 meetings)	Audit and Risk Committee (4 meetings)	Charitable Funds Committee (4 meetings)
Alistair Stokes	Chairman	4/6	4/11	6/7	4/10	4/4	3/3	-	-
Mick Tutt	Non-Executive Director	5/6	6/11	5/7	10/10	4/4	3/3	-	3/4
Jon Pittam	Non-Executive Director	6/6	7/11 **	6/7	8/10	3/4	3/3	4/4	1/4 ***
Jane Sansome	Non-Executive Director	6/6	9/11	7/7	-	-	-	4/4	-
Francis Davis Started Oct 2016	Non-Executive Director	3/3	2/4	0/3	4/5	1/1	-	-	1/1
Mike Watts Started Oct 2016	Non-Executive Director	3/3	3/4	2/3	3/5	-	-	1/1	-
Sue Harriman	Chief Executive	6/6	7/11	6/7	7/10	1/4	3/3	2/4	-
Andrew Strevens	Director of Finance	6/6	11/11	2/7	1/10	-	-	3/4	-
Dan Meron	Chief Medical Officer	5/6	-	-	8/10	2/4	-	-	-
Mandy Rayani	Chief Nurse	6/6	3/11	-	7/10	3/4	-	1/4	-
Sarah Austin	COO Ports and Commercial Director	6/6	6/11	-	8/10	3/4	-	-	-
Lesley Munro Started Feb 2017	Interim – COO Southampton and County	1/1	2/2	-	1/1	0/0	-	-	0/0

Members that left in year

Alex Whitfield *Left March 2017	COO Southampton and County	5/5	7/9	-	8/9	2/4	-	-	4/4
Julie Pennycook *Left Dec 2016	Director of HR and OD	3/4	-	-	-	-	-	-	-
David Batters *Left July 2016	Non-Executive Director	2/2	2/4	2/2	-	-	-	1/1	-



Audit and Risk Committee

Frequency of meeting: At least quarterly (plus private meeting with External Auditor). During 2016/17 the committee met four times and separately in private.

The purpose of the Audit Committee is to provide one of the key means by which the Board of Directors ensures that effective internal control arrangements are in place. The Committee operates in accordance with Terms of Reference set by the Board, which are consistent with the NHS Audit Committee Handbook. All issues and minutes of these meetings are reported to the Board. In order to carry out its duties, Committee meetings are attended by the Chief Executive, the Director of Finance and Performance and representatives from Internal Audit, External Audit and Counter Fraud on invitation. The Committee directs and receives reports from these representatives, and seeks assurances from trust officers. The Committee's duties can be categorised as follows:

- Governance, Risk Management and Internal Control
- Internal Audit
- External Audit
- Other Assurance Functions – including Counter Fraud
- Financial Reporting

In year the Committee has received progress reports against recommendations identified by Internal and External Auditors, committee specific health sector updates, and

received updates on financial governance processes, including single tenders, losses and special payments, whistleblowing, as well as receiving briefings on clinical audit and counter fraud investigations. In addition, the Committee requested deep dives on cyber security and our risk management processes.

No significant issues in relation to the financial statements of 2016/17, operations or compliance were raised by the Audit and Risk Committee during the year however a specific request was made by the Committee regarding assurance on the Trusts risk management processes.

Audit and Risk Committee composition and attendance 2016/17 is previously summarised.

Details of other committees of the Board are described in the Annual Governance Statement, page 95.

Internal audit

Our Internal Auditors during 2016/17 were Pricewaterhouse Coopers, PwC, and were appointed until 31st March 2018. Internal Audit provides an independent assurance with regards to the trust's systems of internal control to the Board. The Audit and Risk Committee considers and approves the internal audit plan and receives regular reports on progress against the plan, as well as the Head of Internal Audit Opinion which provides an opinion on the overall adequacy and effectiveness of the organisation's risk management,

control and governance processes. The Committee also receives and considers internal audit reports on specific areas, the opinions of which are summarised in the Annual Governance Statement (page 95).

The cost of the internal audit provision for 2016/17 was £55k.

External audit

Our External Auditors are Ernst & Young LLP (appointed from August 2012 following the transfer of audit function from the Audit Commission

A Local Counter Fraud Specialist (LCFS) is provided by Hampshire and Isle of Wight Fraud and Security Management Service

to private organisations). The main responsibility of External Audit is to plan and carry out an audit that meets the requirements of The Code of Audit Practice and the NHS Manual for Accounts.

External Audit is required to review and report on:

- Our financial statements (our accounts)
- Whether the trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources

The Audit and Risk Committee reviews the external audit annual audit plan at the start of the financial year and receives regular updates on progress. The Committee also receives an Annual Audit Letter.



The cost of the external audit for 2016/17 was £73k.

Ernst & Young (EY) provided VAT compliance services as well as ad-hoc VAT advice in respect of the year end processes for 2015/16. This included reviewing the Trust's VAT transactions for the financial year 2015/16 ensuring that they meet VAT compliance obligations required by HMRC. The Audit & Risk Committee considered the non-audit services conducted by the auditors and concluded that due to appropriately adopted safeguards there are no potential threats in relation to auditor independence and objectivity.

EY are appointed to 31st March 2018 and during 2017/18 a tender process will be held for external audit provision.

Counter fraud

A Local Counter Fraud Specialist (LCFS) is provided by Hampshire and Isle of Wight Fraud and Security Management Service. The role of the LCFS is to assist in creating an anti-fraud, corruption and bribery culture within the Trust; to deter, prevent and detect fraud, to investigate suspicions that arise, to seek to apply appropriate sanctions; and to seek redress in respect of monies obtained through fraud. The Audit and Risk Committee receives regular progress reports from the LCFS during the course of the year and also receives an annual report. Our Counter Fraud provision has received an overall rating of Green (the highest possible rating) from NHS Protect.

We have implemented agreed policies and procedures, such as the Fraud, Corruption and Anti-bribery Policy as well as a Freedom to Speak Up (Whistleblowing) Policy and issues of concern are referred to the LCFS for investigation.

Remuneration

Full details of remuneration are given in the remuneration report on page 68.





Members Council

Elections to our inaugural Council of Governors were announced in August 2013, however further to the announcement to step off the Foundation Trust pipeline back in December 2015, the Governors and Board took the opportunity to review their Terms of Reference. Under the revised Terms of Reference the name of the Council was amended to reflect the strengthening engagement with the membership to 'Members Council'.

The responsibilities of the Members Council and Governors are to:

- act as a critical friend and advisor, representing the interests of the organisation, staff, members and wider public
- support the Board in the development of the organisation's strategic plans (including the Annual Plan) seeking assurance and continued transparency on its delivery and implementation
- play a role in promoting integrated and partnership working and in assessing its effects
- provide third party expertise and advice, on invitation from Officers of the Trust
- be an advocate for the Trust providing support and bringing to the attention of the Trust any matters of broad concern

(not individual cases) raised by constituent members in relation to standards of care, safety, performance, value for money or any matter contrary to the Trust's values and in the spirit of the 'See something, say something' campaign.

- contribute to the development of; and approve the Membership Engagement Strategy
- work with the Board to establish a process for handling issues such as; the removal of Council members, dealing with disputes, tenure and other 'constitutional' matters

In addition, Governors are invited to participate in the Board level appointments process and observe a number of Board Committees.

The Council comprises 14 publicly elected governors and five staff elected governors representing the constituencies of Portsmouth, Southampton and Hampshire, as well as six appointed governors from partner organisations. However, the Council does have a number of vacancies as highlighted in the following table, which are currently being held.

In early 2017/18 the Council together with Board members will be reconsidering the role of governors in light of the changing external context and Sustainability and Transformation Plans. As part of this review the current vacancies will also be considered.

Composition of Members Council

Constituency	Name
Staff	Southampton Debra O'Brien Sarah Osborne
	Portsmouth Jenny Ford Vacancy
	Hampshire Lucy Foord
Public	Southampton Clive Clifford Jon Clark Vacancy Vacancy Vacancy
	Portsmouth Narcisse Kamga Michael North Sharon Ward David Stephen Butler Vacancy
	Hampshire Sharon Collins Harry Hellier Robert Blackman Vacancy
	Portsmouth City Council David Williams
	Southampton City Council Cllr. Warwick Payne
	Hampshire County Council Cllr. Peter Latham
Nominated Governors	NHS Southampton City CCG Beccy Willis
	University of Southampton * Prof. Paul Roderick
	NHS Portsmouth City CCG Vacancy

Michael North, Portsmouth Public Governor, is the current Lead Governor serving his third term (term ends 31st March 2017). The Lead Governor acts as the central point of engagement between the Trust and the Council.

*(rotational seat with University of Portsmouth)



Council attendance 2016/17

Governor	15/04/2016	12/07/2016	12/10/2016	10/03/2017
Christine Cassell	✓	✓	Apologies	Resigned Feb 2017
Clive Clifford	✓	✓	Apologies	✓
Hope Jackman	Apologies	Resigned 26 th May 2016		
David Lickman	Apologies	✓	Apologies	*
Jon Clark	✓			✓
Narcisse Kamga	✓	✓	✓	✓
Michael North	✓	✓	Apologies	✓
Graham Cox	✓	✓	Resigned 3 rd Oct 2016	
Sharon Ward	Apologies	Apologies	Apologies	Apologies
David Stephen Butler	✓		✓	✓
Sharon Collins	Apologies	Apologies	✓	✓
Harry Hellier	✓	✓	✓	✓
Robert Blackman	✓	✓	✓	✓
Debra O'Brien	Apologies	Apologies	Apologies	✓
Sarah Osborne	✓	Apologies	✓	Apologies
Jenny Ford	Apologies	Apologies	Apologies	Apologies
Fran Williams	✓	Apologies	Apologies	Resigned Dec 2016
Lucy Foord	Apologies	Apologies	Apologies	Apologies
David Williams – Portsmouth City Council	Apologies	Apologies	Apologies	Apologies
Councillor Dave Shields – Southampton City Council	✓	Resigned 15 th June 2016		
Councillor Peter Latham – Hampshire County Council	✓	Apologies	Apologies	Apologies
Professor Paul Roderick, University of Southampton	✓	Apologies	Apologies	Apologies
Warwick Payne – Southampton City Council	Nominated June 2016	Apologies	✓	✓
Becky Willis – Southampton City Clinical Commissioning Group	Apologies	Apologies	Apologies	Apologies

*Dave Lickman sadly passed away in December 2016.

Declarations of interest

Name	Interest registered
Debra O'Brien	Nil
Sarah Osborne	Member of St John Ambulance
Jenny Ford	Nil
Lucy Foord	Nil
Clive Clifford	Nil
Jon Clark	Wife works for Faculty of Medicine at the University of Southampton
Narcisse Kamga	The Sickle Cell Society MENCAP
Michael North	Chair of a Patients Participation Group – Drayton, Portsmouth Chair of a Patients Participation Group – Wootton Street Surgery, Cosham
Sharon Ward	Nil
David Stephen Butler	Portsmouth Royal Dockyard Historical Trust
Sharon Collins	Director – Collins Corporate Solutions Ltd Director – Shared Ventures Ltd, and facilitator of Solent Region Collaboration Hub – enabling conversations and collaboration opportunities across health, housing and social care across Hampshire, Portsmouth, Southampton and the Isle of Wight Volunteer on the Committee of Hampshire Hornets Wheelchair Basketball (a fully constituted, not-for-profit accessible basketball club with charitable aims)
Harry Hellier	Nil
Robert Blackman	Nil
David Williams	Board member of Portsmouth CCG Director of University Technical College Portsmouth (UTC Portsmouth)
Cllr Warwick Payne	Labour Party membership
Cllr Peter Latham	Member of Conservative Party
Professor Paul Roderick	Wife is the Director of Public Health for Hampshire HCC
Beccy Willis	Partner works for Southampton City Clinical Commissioning Group and is involved in the Solent contract



Our membership

Defining the membership constituencies

We have two membership constituencies as follows:

- Public constituency – people aged over 14 based in Southampton, Portsmouth and wider Hampshire and includes patients, service users and carers. We have a total of 7,144 public members.
- Staff constituency – all permanent members of staff, as well as bank staff over 12 months and temporary staff on a contract of over 12 months, unless they opt out. We have a total of 3,464 staff members.

The public constituency

The public constituency consists of three distinct constituencies, with no further subdivisions:

- Portsmouth city: 1,846
- Southampton city: 2,057
- Hampshire : 3,241

Staff constituency

Consistent with our values, it is assumed that all staff will be members, unless they choose to opt out. Staff members include all those who have worked with us for a period of 12 months or more, on a fixed term contract or as bank staff.

The staff constituency is subdivided into geographical constituencies to ensure a practical working link between members and governors.

The three staff constituencies are:

- Staff predominantly based in Portsmouth
- Staff predominantly based in Southampton
- Staff whose focus is in Hampshire

Membership targets

When we were actively part of the Foundation Trust pipeline, we had an agreed target for membership being 1% of the Portsmouth and Southampton populations and 0.25% of the Hampshire population.

However, since the decision was made to step off the FT pipeline back in December 2015 we shifted our focus from recruitment to membership engagement. In 2016/17 we reviewed our strategy for engagement whilst continuing to undertake membership engagement activity with our governors.

Membership engagement

We continued to explore opportunities to engage with our members during 2016/17.

During the year we:

- Continued with our programme of Health and Mind events with topics focussing on falls awareness, patient experience, diabetes and blood pressure.
- Held an event for members about the changes in the NHS and how we are working with other organisations to deliver great care.
- Involved members in the creation of our values, both online and via a targeted event.
- Published four, quarterly editions of Shine, our newsletter for both staff and public members. The quarterly publication keeps our members up to date with the latest news from the Trust and the wider NHS.
- Reinstated our monthly Members' Update – our e-newsletter for those members who have shared their email address with us.
- Invited members to attend our Annual General Meeting 2016.
- Asked members for feedback on a number of topics including: the proposal to move the Kite Unit to the Western Community Hospital and our Access Policy.
- Invited members to attend our Research Conference and take part in research.
- Share information on key topics including our Care Quality Commission inspection and Sustainability and Transformation Plans.
- Shared information about various health campaigns including Sepsis, Cervical Cancer and Smokefree, amongst others.

We have recently produced a Membership Engagement Framework for the year ahead building upon the work of our former Membership Strategy. The Framework sets out how we will engage with our current membership to ensure they are informed and involved in a planned and sustainable way. The Framework will be refined following any changes to the role of our governors pending review in early 2017/18.





Remuneration Report

Remuneration of the Chief Executive and Directors accountable to the Chief Executive is determined by the Remuneration Committee. The terms of reference of this Committee comply with the Secretary of State's "Code of Conduct and Accountability for NHS Boards".

The Remuneration Committee met seven times during 2016/17.

The committee considers the terms and conditions of appointment of all Executive Directors, and the appointment of the Chief Executive and other Executive Directors.

All Non Executive Directors and the Chairman are members of the Committee. Although the Chief Executive, Director of Human Resources, and Director of Finance & Performance attend the meetings by invitation, they are not members of the Committee.

The attendance by members is detailed below:

Member	27/06/2016	25/07/2016	14/11/2016	20/12/2016	20/01/2017	21/02/2017 ²	27/03/2017
Jane Sansome (Chair)	✓	✓	✓	✓	✓	✓	✓
David Batters - Resigned 31/07/16	✓	✓					
Alistair Stokes	✓	✓	✓	✓	✓	X	✓
Jonathan Pittam	✓	✓	✓	✓	X	✓	✓
Mick Tutt	✓	✓	✓	✓	✓	X	X
Francis Davis – Appointed 01/10/16					X	X	X
Michael Watts – Appointed 01/10/16					✓	X	✓

Although the Remuneration Committee has a general oversight of the Trust's pay policies, it determines the reward package of Senior Managers only. All Senior Managers are Executive Directors. Other staff are covered either by the national NHS Agenda for Change pay terms or the national Medical and Dental pay terms.

In year the Committee;

- re-evaluated a number of the executive team's remuneration as a consequence of individuals taking on additional responsibilities and as a consequence of an external benchmarking report
- considered and approved proposals concerning Mutually Agreed Resignation Schemes (MARS). Assurance was given to the Committee concerning the governance processes surrounding the MARS.
- supported nominations with regards to the Queen's Birthday Honours
- considered remuneration arrangements for individuals in interim executive positions and new appointees
- ratified the recommendations made by the Clinical Excellence Awards Panel

² Although the meeting was non quorate views from members were sought via email exchange prior to the committee meeting.





Senior Managers Remuneration Policy

Our policy on the remuneration of senior managers for the current and future financial year is based on principles agreed nationally by the Department of Health taking into account market forces and benchmarking. During 2016/17 GatenbySanderson undertook a benchmarking exercise on Executive Director and Non-Executive Director pay, which has been used to review the remuneration of the Chief Executive and Executive Directors.

Senior managers pay includes the following elements as set out by the Department of Health: Basic Pay, Additional Payments in respect of Recruitment and Retention, and Additional Responsibilities. All Recruitment and Retention additions are subject to benchmarking, whilst additional responsibilities additions are awarded in line with the requirements of the Pay Framework for Very Senior Managers in Strategic and Special Health Authorities, Primary Care Trusts and Ambulance Trusts. All elements of the executive directors' remuneration package are subject to performance conditions and achievement of specific targets. There are no Directors currently being paid a performance bonus.

Two Directors' receive a salary in excess of £142,500. Paying a salary above this threshold has been agreed by our Remuneration Committee and the NHS Improvement Remuneration Committee for one Director. The other Director is paid in accordance with the relevant national Medical and Dental terms as they also perform clinical duties.

Individual annual appraisals assess achievements and performance of Executive Directors. Directors are appraised by the Chief Executive and the outcome fed back to the Remuneration Committee. Individual executive performance appraisals and development plans are well established within the Trust and follow our agreed procedures. This is in line with both Trust and national strategy.

The Chairman undertakes the performance review of the Chief Executive and non-executive directors. Feedback is provided to our Regulator, NHSI, regarding the completion and outcome of annual appraisals concerning the Non-Executive Directors and the Chief Executive.

Our Non-Executive Directors, including the Chairman, are paid the rates set by the Secretary of State and NHS Improvement.

Service Contract Obligations

All senior manager contracts require them to meet the Fit and Proper Persons requirements specified in Section 7 of the Health and Social Care Act 2008. Failure to do so would be considered a breach of their contractual terms.

Loss of office payments for Senior Managers is determined in accordance with Sections 14-16 and 20 of the NHS Terms and Conditions of Employment. During 2016/17 there was one loss of office payment, details of which are included within the following section.

Duration of Contracts

All Executive Directors are employed without term in accordance with our Recruitment and Selection Policy.

All Executive Directors are required to give six months' notice in order to terminate their contract. Termination payments are on the grounds of ill health retirement, early retirement, or redundancy are on the same basis as for all other NHS employees as laid down in the National Terms and Conditions of Employment and the NHS Pension scheme procedures.

Within the 2016-17 financial year there were two early Executive Director terminations, one of whom received a non-contractual MARS payment of £42k. The MARS payment is calculated in accordance with Section 20 of the National Terms and Conditions as well as the Trust's MARs Policy and is shown on the following pages within the Exit Packages and Salaries and Allowances tables. No other termination payments were made to Executive Directors.

The tenure of the Chairperson and Non-Executive Directors are set by the Secretary of State. They are office holders and as such are not employees, so are not entitled to any notice periods or termination payments.

Awards Made to Previous Senior Managers

There have been no awards made to past Senior Managers in the last year and therefore no provisions were necessary.

The Trust's liability in the event of an early termination will be in accordance with the senior managers' terms and conditions.

Off payroll engagements

Following the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012, Trusts must publish information on their highly paid and or senior off-payroll engagements

In accordance with the Manual of Accounts Annual Reporting Guidance 2016-17, all public bodies are required to publish the following information within their 2016-17 Annual Report.

Off payroll engagements in place as at 31/03/17, for more than £220 per day that last longer than six months

Total number of off pay scale engagements in place as at 31 st March 2017	3
--	---

Of which, the number that have existed for:

less than one year at the time of reporting	3
between one and two years at the time of reporting	0
between two and three years at the time of reporting	0
between three and four years at the time of reporting	0
four or more years at the time of reporting	0

A review of all off-payroll engagements has been undertaken, and assurance has been sought on all contracts to ensure the individual is paying the right amount of tax. As a result we believe we are fully compliant with the requirements.

All new off-payroll engagements or those that reached six months in duration between 01/04/16 31/03/17, at a rate of £220 or more per day and that last longer than 6 months

Number new engagements, or those that reached six months in duration, between 1st April 2016 and 31st March 2017	3
Number of new engagements which include contractual clauses giving the Trust the right to request assurance in relation to the contractors Income Tax and National Insurance obligations	3
Number for whom assurance has been requested	3

Of which

assurance has been received	3
assurance has not been received	0
Engagements terminated as a result of assurance not being received.	0

Notes: In any case where, exceptionally, the Trust has engaged without including a contractual clause allowing the Trust to seek assurance as to their tax obligations – or where assurance has been requested and not received, without a contract termination – the Trust has set out the reasons for this.

When an individual leaves after assistance is requested but before assurance is received it has been included within the “No” for whom assurance has not been received.

Personal details for all engagements where assurance is requested but not received within the deadlines, have been passed to the HMRC tax evasion hotline.

If at the time of reporting the Trust is still awaiting information from the individual, it has been reported as “No” for whom assurance has not been received

Instances where the Trust is awaiting information from the individual at the time of reporting has been reported as not received.

Off payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 01/04/16 and 31/03/17.

Number of off-payroll engagements of board members, and or senior officers with significant financial responsibility, during the year	0
Number of individuals on payroll and off-payroll that have been deemed “board members, and/or senior officers with significant financial responsibility during the financial year. This figure includes both payroll and off-payroll engagements	14

Period and details of the exceptional circumstances that led to this appointment and period of appointment: There were no off payroll engagements of board members and or senior managers.

Expenditure on Consultancy

During the 2016/17 financial year £120k was sent on consultancy.



Expenses

During the 2015/16 financial year, subsistence and travel costs were paid as follows:

	Number	Number making a claim	2015-2016 £00	2016-2017 £00
Executive Directors	8	8	70-80	80-90
Non Executive Directors	7	3	40-50	30-40
Shadow Governors	24	3	8-9	8-9
Total	39	1	132,133	131-132

The salary, emoluments, allowances, exit packages, and pension entitlements of the Trust's Senior Managers are detailed in the following sections.

Fair Pay Multiples

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director/Member in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director/Member in Solent NHS Trust in the financial year, 2016/17 was £155k-£160k (2015/16, £165k-£170k). This was 5 times (2015/16, x5) the median remuneration of the workforce (£28,101), (2015/16, £27,901).

In the 2016/17 two (2015/16, nil) employees received remuneration in excess of the highest paid director/member. Remuneration ranged from £15k to £180k (2015/16, £15k-£167k)

Total remuneration includes salary, non-consolidated performance related pay, and benefits in kind, but does not include severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

When calculating the median figure, individuals employed via a bank contract who did not work in March 2017 have been excluded; as are those with honorary appointments, Non-executive directors who receive allowances only, and individuals who were not directly employed by the Trust.

Exit Packages

Changes have continued to take place within the organisation in the 2016/2017 financial year and whilst we endeavour to do all we can to ensure the continued employment of our staff there have been 42 severance payments totalling £737k made in the year. Eight of these payments relate to compulsory redundancies, and thirty-four have been due to other payments. One payment relates to a senior manager as detailed in the accounts and all payments have been made in accordance with the NHS Pension Scheme procedures and National Terms and Conditions, as a result Treasury Approval has not been required.

Exit Package cost band (including any special payment element)	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	£'s	Number	£s	Number	£s
Less than £10,000	1	4957	19	88,901	20	93,858
£10,000 - £25,000	4	63,504	7	123,088	11	186,593
£25,001 - £50,000	3	118,083	8	288,116	11	406,199
£50,001 - £100,000			2	115,906	2	115,906
Total number of exit packages by type	8	186,545	36	616,011	44	802,556

There were no departures where special payments were made.

This note provides an analysis of Exit Packages agreed during the year. Redundancy and other departure costs have been paid in accordance with the provisions of the NHS redundancy arrangements. Other departures have been paid in accordance with the Mutually Agreed Resignation Scheme (MARS). Where the Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

This disclosure reports the number and value of exit packages agreed in the year. Note: The expense associated with these departures may have been recognised in part or in full in a previous period. The following table reports the number and value of exit packages agreed in the year.

Other Departures	Number of exit package agreements	Total Value of agreements
	Number	£000s
Mutually agreed resignations (MARS) contractual costs	36	616
Total	36	616

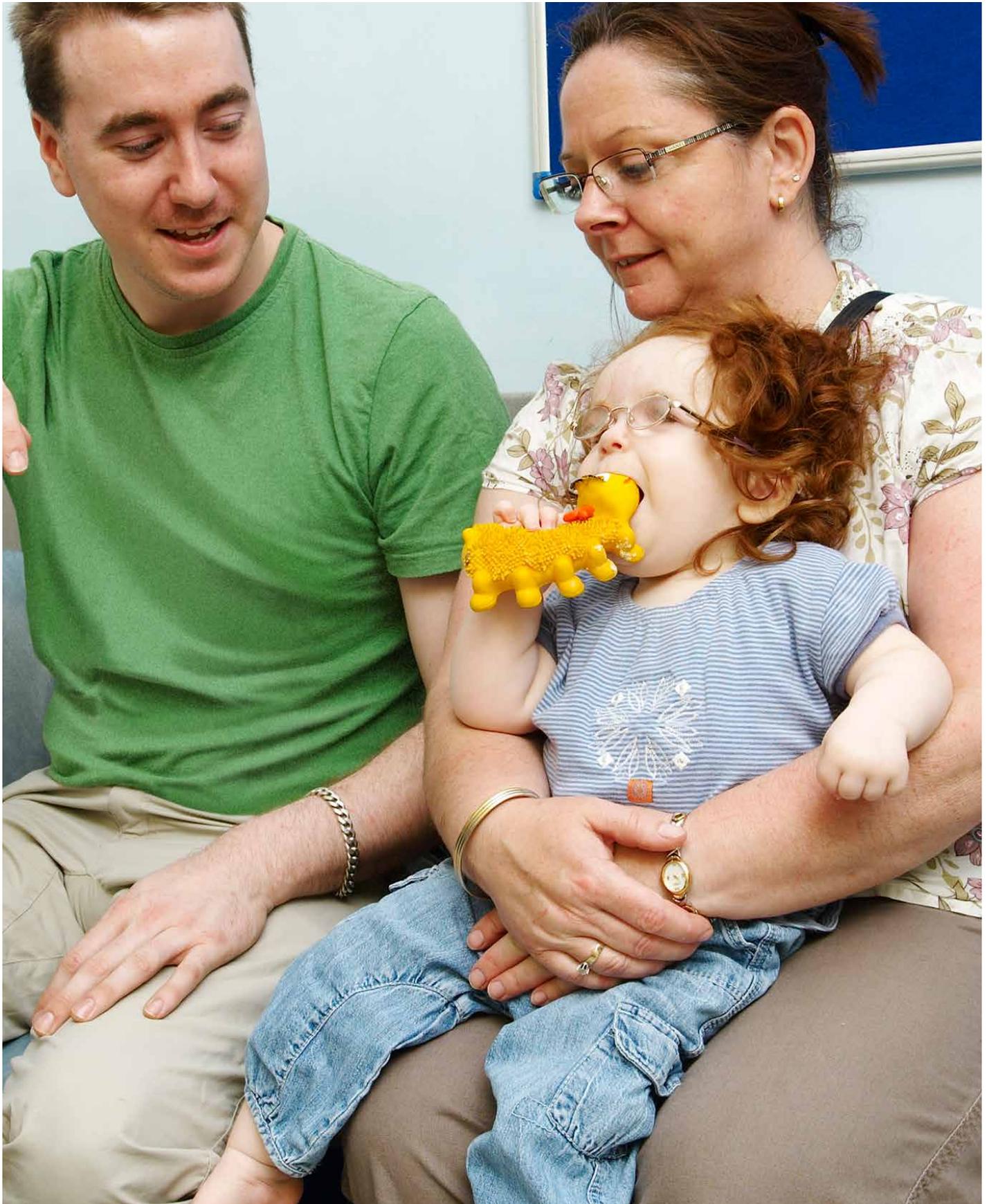
As single exit packages can be made up of several components each of which will be counted separately in this note, the total number above may not necessarily match the total number in table 1 which will be the number of individuals.

* Any non contractual payments in lieu of notice are disclosed under "non contractual payments requiring HMT approval"

** includes any non-contractual severance payment made following judicial mediation, and no amount relating to non-contractual payments in lieu of notice.



No non contractual payments were made to individuals where the payment value was more than 12 months of their annual salary. The Remuneration Report includes disclosure of exit payments payable to individuals named in the Report.



Salaries and Allowances (subject to audit):

Name and Title	2016 - 2017						
	(a) Salary and fees including R&R (bands of £5,000)	(b) Expense Payments (taxable) (total to nearest £100)	(c) Performance Pay and bonuses (bands of £5,000)	(d) Long term performance pay and bonuses (bands of £5,000)	(e) Other payments (bands of £5,000)	(f) All pension- related benefits (bands of £2,500)	Total (a to f) (bands of £5,000)
	£000	£000	£000	£000	£000	£000	£000
S Harriman – Chief Executive	155-160	0.2-0.3	0	0	0	20-22.5	175-180
J Pennycook- Director of Human Resources & Organisational Development Resigned 31/12/16	75-80	0-0.1	0	0	40-45	10-12.5	125-130
A Strevens – Director of Finance and Performance	100-105	0.1-0.2	0	0	0	12.5-15	115-120
D Meron – Chief Medical Officer*	135-140	0.2-0.3	0	0	0	17.5-20	155-160
A Whitfield – Chief Operating Officer Southampton and Hampshire Wide Resigned 12/03/17	100-105	0.1-0.2	0	0	0	12.5-15	115-120
M Rayani – Chief Nurse	105-110	0.2-0.3	0	0	0	15-17.5	120-125
S Austin – Chief Operating Officer Portsmouth	105-110	0	0	0	0	15-17.5	120-125
A Stokes – Chairman	15-20	0	0	0	0	0	15-20
D Batters – Non Executive Director Resigned 31/07/16	0	0	0	0	0	0	0
F Davis – Non Executive Director Commenced – 01/10/16	0-5	0	0	0	0	0	0-5
J Pittam – Non Executive Director	5-10	0.2-0.3	0	0	0	0	5-10
J Sansome – Non Executive Director	5-10	0-0.1	0	0	0	0	5-10
M Tutt – Non Executive Director	5-10	0.4-0.5	0	0	0	0	5-10
M Watts – Non Executive Director Commenced – 01/10/16	0-5	0	0	0	0	0	0-5

For individuals who joined or left the Trust part way through the year, the full time equivalent salary plus any additional remuneration, excluding severance payments have been used to calculate the rate of payment.

The expenses shown column (b) are different to those shown in the Expenses section as column (b) relates solely to taxable expenses, compared to all expenses shown in the Expenses Section.

* The Chief Medical officer role is combined with clinical duties. These figures include £45k-50k (expressed in bands of £5,000) relating to clinical duties.

** The Director of Human Resources and Organisation Development received a non contractual payment which is shown in column (e)

Previous year Salary and Allowances

Name and Title	2015 - 2016					
	(a) Salary (bands of £5,000)	(b) Expense payments (taxable) total to nearest £100	(c) Performance Pay and bonuses (bands of £5,000)	(d) Long term performance pay and bonuses (bands of £5,000)	(e) All pension- related benefits (bands of £2,500)	Total (a to e) (bands of £5,000)
	£000	£000	£000	£000	£000	£000
S Harriman – Chief Executive	155-160	0.2-0.3	0	0	20-22.5	175-180
J Pennycook- Director of Human Resources & Organisational Development	90-95	0-0.1	0	0	12.5-15	105-110
A Strevens – Director of Finance and Performance Commenced – 24/08/15	60-65	0-0.1	0	0	7.5-10	70-75
D Meron – Chief Medical Officer Commenced – 25/01/16 *	15-20	0-0.1	0	0	0-2.5	15-20
A Snell – Medical Director Retired – 31/08/15	55-60	0.1-0.2	0	0	0	55-60
A Whitfield – Chief Operating Officer	105-110	0.1-0.2	0	0	15-17.5	120-125
M Rayani – Chief Nurse	85-90	0.3-0.4	0	0	12.5-15	105-110
S Austin – Director of Strategy	95-100	0-0.1	0	0	12.5-15	110-115
R Steele – Director of Estates Resigned – 01/11/15	55-60	0.1-0.2	0	0	7.5-10	65-70
A Stokes – Chairman	15-20	0	0	0	0	15-20
D Batters – Non Executive Director Commenced 05/10/15	0	0	0	0	0	0
A Cameron – Non Executive Director Commenced – 01/06/15 Passed away - 22/03/16	5-10	0.1-0.2	0	0	0	5-10
B Neaves - Non Executive Director Resigned 30/09/15	0-5	0.1-0.2	0	0	0	0-5
J Pittam – Non Executive Director	5-10	0.2-0.3	0	0	0	5-10
B Roynon – Non Executive Director Resigned 31/05/15	0-5	0	0	0	0	0-5
J Sansome – Non Executive Director Commenced – 01/06/15	5-10	0-0.1	0	0	0	5-10
M Tutt – Non Executive Director	5-10	0.3-0.4	0	0	0	5-10

Pension Benefits (Subject to Audit) 2016-17

	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at aged 60 (bands of (2,500)	Total accrued pension at age 60 at 31.3.17 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31.3.17 (bands of £5,000)	Cash equivalent Transfer Value at 31.3.16	Cash equivalent Transfer Value at 31.3.17	Real increase in Cash Equivalent Transfer value	Employers Contribution to Stakeholder Pension to nearest £100
	£000	£000	£000	£000	£000	£000	£000	£000
S Harriman	2.5 - 5.0	(2.5) - 0.0	25 - 30	70-75	427	489	61	
J Pennycook- Director of Human Resources & Organisational Development	0.0 - 2.5	2.0 - 2.5	15 - 20	45 - 50	269	295	26	
A Strevens – Director of Finance and Performance	0.0 - 2.5	0	10 - 15	0	133	151	18	
D Meron – Chief Medical Officer	0.0 - 2.5	2.5 - 5.0	30 - 35	95 - 100	568	612	45	
A Whitfield – Chief Operating Officer – Chief Operating Officer Southampton & Hampshire Wide	0.0 - 2.5	(2.5) - 0.0	15 - 20	35 - 40	216	242	26	
M Rayani – Chief Nurse	7.5 - 10.0	22.5 - 25.0	45 - 50	135 - 140	685	852	167	
S Austin – Chief Operating Officer Portsmouth	2.5 - 5.0	5.0 - 7.5	50 - 55	95 - 100	690	784	95	

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's (or other allowable beneficiary's) pension payable from the scheme. CETVs are calculated in accordance with the Occupational Pension Schemes (transfer Values) Regulations 2008.

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 scheme or arrangement) and uses common market valuation factors for the start and end of the period.



Sue Harriman
Chief Executive Officer





Staff Report

Our Staff

Last year, we employed 3,476 clinical and non-clinical staff (including part time and bank staff) which equates to 2,833 whole time equivalents (WTE), all of whom contribute to providing high quality patient care across our local communities. Our staff work hard to improve efficiency, to meet national and local quality targets and to bring innovations in care to our patients.

The majority of our staff are permanently employed clinical staff directly involved in delivering patient care. We also employ a significant number of scientific, technical and administrative staff who also provide vital expertise and support. The following table provides a breakdown of our workforce at the end of the year (March 2017).

Staff Group	Permanently employed Female WTE	Permanently employed Male WTE	Total March 2017 WTE
Admin & Estates	511.98	82.96	594.94
Directors ³	3.00	2.00	5.00
Healthcare Assistants and Other Support Staff	545.14	132.37	677.51
Managers and Senior Managers	40.43	25.50	65.93
Medical & Dental	101.94	35.01	136.95
Nursing & Midwives	710.61	69.56	780.17
Scientific, Therapeutic & Technical	510.45	62.37	572.82
TOTAL	2423.55	409.77	2833.32

Our workforce is predominately female (86%) and this is the predominant gender in all of the staff groups, with a split in our staff usage as above. Males are markedly higher in the Manager group (39%).



³ At 31st March 2017 the Executive Team had 2 vacancies.

The following tables provide detail on staff numbers and expenditure. The staff expenditure is for the full year, the staff numbers represent average figures for the year as opposed to the month 12 (March 2017) position.

Employee Benefits – Gross Expenditure	Permanent	Other Agency	Total
	£000s	£000s	£000s
Salaries and wages	92,777	4,706	97,483
Social security costs	8,536		8,356
Employer contribution to NHS BSA – Pensions Division	11,760		11,760
Other pension costs	4		4
Termination benefits	63		63
Total employee benefits	113,140	4,706	117,846
Employee cost capitalised	216		216
Gross Employee Benefits excluding capitalised costs	112,924	4,706	117,630

Average Staff Numbers	Permanent	Other Agency	Total
	Number	Number	Number
Medical and dental	137	2	139
Administration and estates	593	42	635
Healthcare assistants and other support staff	664	75	739
Nursing, midwifery and health visiting staff	72	42	114
Nursing, midwifery and health visiting learners	790		790
Scientific, therapeutic and technical staff	551	12	563
Other	1		1
TOTAL	2,808	173	2,981

Of the above - staff engaged on capital projects	5		5
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Despite on-going challenges with regards to recruitment in certain professional disciplines and particular areas such as community nursing and mental health nurses, the overall level of vacancies are around 3% of the total workforce. The amount spent on bank and agency staff also remains a challenge with increasing demand for bank workers. The amount of spend on bank and agency staff is between 6 - 7% of the total pay bill; this is reflective of demand on our Mental Health and Community services and the national difficulty in recruiting to these posts.

New rules with regard to expenditure on agency staff were implemented this year and the Trust was allocated a ceiling of £3.5 million in relation to expenditure on agency usage. Performance remained within our set financial envelope until December 2016, whereby the increasing challenge of recruiting mental health and community nurses, has unfortunately increased our spend beyond our threshold and our closing spend on agency was £4.7 million.

However, workforce controls have been introduced internally to ensure that the vast majority of temporary staff are sourced through our in house bank, which has provided additional assurance in terms of the quality of temporary staff supply and an overall cost saving of £1 million of agency spend compared to 2015/16 spend.

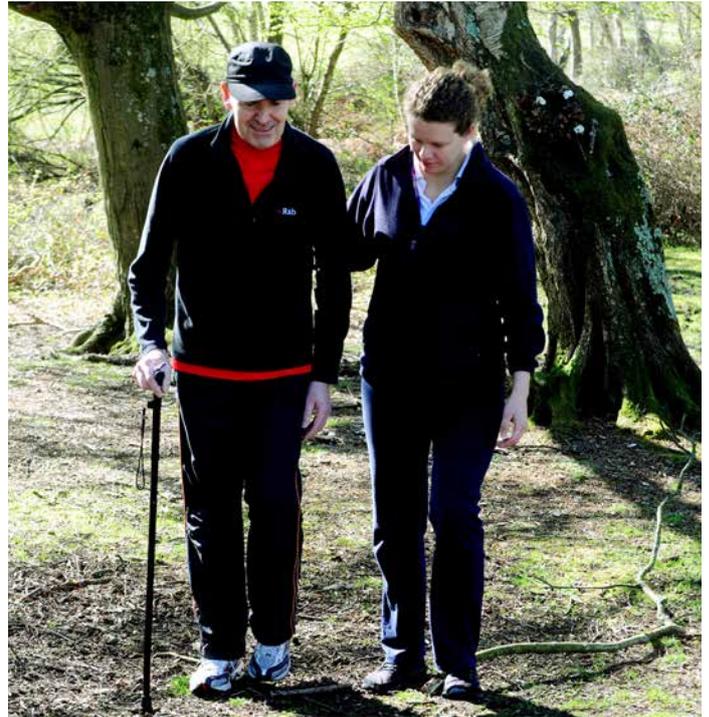
The introduction of our Recruitment and Retention strategy provided both a long term and short term view of how we can recruit and retain key staff. This year we have introduced a dedicated recruitment lead to ensure a proactive and rapid response to demand and to manage bulk recruitment drives. Our presence at university recruitment fairs, business talent opportunities and our own open day events has enabled us to maximise our opportunities to recruit.

When advertising nursing vacancies, our primary advertising media is NHS Jobs, where there is a link to other social media platforms such as Facebook with a dedicated nursing recruitment site. In partnership with our Communications Team, we have designed innovative advertising materials, which reflect both our overarching values and a brand specific to Solent.

Our presence at university recruitment fairs, business talent opportunities and our own open day events has enabled us to maximise our opportunities to recruit.

Equality and Diversity

Every effort is made to ensure that all our staff are treated fairly, inclusively and equitably regardless of their individual characteristics and circumstances. All new employees are given training in relation to our values and the principles of treating others with dignity and respect. Robust arrangements are also in place to deal with any reports of non-compliance and we continue to monitor trends and take action where necessary.



With regards to disabled employees or those who become disabled whilst working for us, we provide support, training and make reasonable adjustments as necessary to ensure our staff can enjoy a fulfilling career with us. We are also registered as a "Mindful Employer" and accredited with the Two Ticks disability symbol. We continue to encourage and support applications for employment from all individuals. For applicants who disclose a disability reasonable adjustments are put in place upon request and all applicants are selected on merit and performance.

Progress continues with the implementation of our Equality and Diversity Strategy including embedding our Equality Impact Group and staff engagement forums. We continually review our effectiveness alongside the diversity agenda ensuring that we are managing employee relations concerns appropriately. Our on-going campaign to 'Spot It, Stop It Anti bullying' addresses both patients and services users and internal issues regarding bullying and harassment aligned to our Dignity at Work policy. Our policies are developed with equality and diversity as one of the main considerations.



Partnership Working

We pride ourselves on having developed excellent partnership arrangements with our staff and staff side representatives. This is formally supported within the Joint Consultative Committee (JCC) and the local Doctors and Dentists Negotiating Committee (DDNC) that specifically deals with matters associated to medical staff. We also have a Policy Steering Group to ensure that we continue to develop partnership arrangements when renewing policies that affect the workforce to ensure fairness and equity.

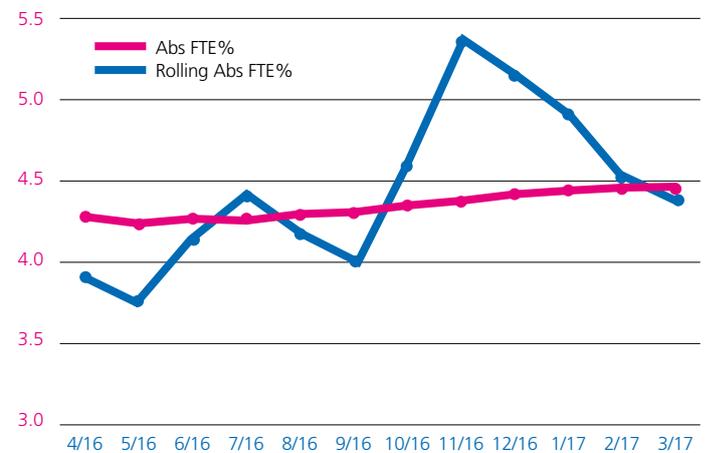
Reducing Sickness Absence

Recognising that our staff are our most valuable resource, the approach that we have taken to reduce sickness absence in the last year goes hand in hand with promoting staff wellbeing.

In 2016, we saw our sickness absence fluctuate between 3.92% and 5.25% with usual seasonal trends occurring. Overall, the rolling sickness rate rose 0.11% to 4.43%. Stress is the main cause of sickness at 23%; this is down 0.5% on the previous 12 month period.

The following graph shows sickness absence rates for April 2016 to March 2017. Sickness rates have fluctuated throughout the period, with a peak of 5.25% in November 2016. The rolling absence rate however emphasises the rate based on the preceding 12 month rolling average, and we are presently 4.43%, with the trend slightly rising. The average for community and mental health trusts for 12 months to April 2017 was 4.86%.

Solent Sickness 2016/17



In response to sickness absence data, various initiatives have been implemented and evaluated to improve staff health and wellbeing. These include the increased provision of self-referral and fast track physiotherapy. Emotional resilience workshops and self-care at work designed and developed to motivate and empower staff to promote self-care approaches that will help them to improve their lifestyle.

Managers are supported by HR and Occupational health and our Employee Assistance Programme (EAP) to manage sickness absence in line with our policy and supporting staff to attend work regularly or sustain a return to work following a period of absence.

Our Health and Wellbeing Steering Group is held bi-monthly and is attended by key stakeholders involved in supporting staff.

Employee Engagement

There is a clear relationship between employee satisfaction and patient satisfaction and we recognise that the highest quality of care for patients is delivered through a high quality and engaged workforce where staff feel empowered to really make a difference. Within Solent we operate a number of employee engagement and patient care measures throughout the year as demonstrated in figure 1 below, all with the primary purpose of measuring and enhancing employee engagement.

Figure 1: Annual Engagement Cycle



...we recognise that the highest quality of care for patients is delivered through a high quality and engaged workforce where staff feel empowered to really make a difference



We have a variety of employee engagement initiatives in place within our Great Place to Work programme shown in the following illustration, figure 2.

Figure 2: Great Place to Work programme



A summary of each element is outlined as follows:

Leading with Heart

- Leading with Heart Senior Leadership and Board development programme
- Management development programmes and workshops
- Back to the Floor – members of the Board spend time working with teams
- Director drop ins – Executive Directors join teams informally to listen and learn

At the Heart

- Engagement Forums – organised by Occupational Group to explore key workforce issues
- Focus Groups – in response to specific concerns raised by employees
- At the Heart team sessions – team engagement programme to strengthen the Heart values
- Communications Champions – employee communication and engagement network
- Power Hours – hour-long webinars to share knowledge and expertise
- Social Committee – charity fundraising and social events such as the Summer Party

The Way Forward

- Strategy communications - connecting employees with our vision, priorities and progress
- Monthly “Ask Sue” forums – staff are invited to contact the CEO in an online Q&A

The Difference

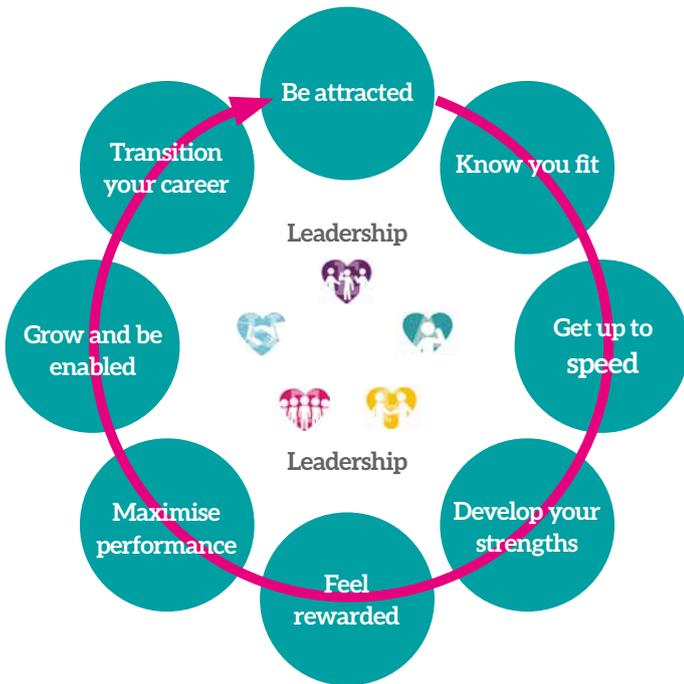
- Communication and Engagement programme – using the power of storytelling to involve people and recognise the difference our care makes
- Weekly Employee newsletter and regular Manager newsletter

People First

- We are working to continually improve our employee experience (see Figure 3) from the moment people express an interest in joining Solent throughout their entire career with us.



Figure 3: Employee Experience



- In support of employee experience, we have a robust Occupational Health and Wellbeing programme in place that proactively supports the health of our employees through initiatives such as the Global Corporate Challenge (GCC), which is a 100 day step challenge and the Optimising Wellbeing & Lived Experience of Staff (OWLES) group aimed at spreading the word on mental health.

Being Agile

- Continual quality improvement and innovation are supported through Dragon’s Den (where staff can apply for funds to fast track new initiatives) and the Quality Improvement (QI) Programme (development to support teams on their own quality improvement projects).
- Involvement and consultation with employees facing or affected by change is integral to the way we lead the organisation. With adherence to our Organisational Change Policy we seek to ensure our consultations are meaningful, fair, transparent and consistent. Our consultations are carried out in partnership with our staff side colleagues and we adhere to our policies throughout.
- Consultations completed this year have included changes to Band 5 and 6 notice periods, the merging of our three GP practices and service specific consultations concerning delivery contractual changes.

Staff Survey

The 2016 Annual Staff Survey was carried out by Pickers Institute Europe. 1,784 out of 3,225 eligible employees completed the survey. Our response rate was 55.3% compared to last year’s rate of 44.4%, which is a 10.9% increase. The national average response rate for combined Mental Health, Learning Disabilities and Community Trusts was 46.5%.

In the 2016 Annual Staff survey, the Trust engagement score was 3.83 which has increased from 3.69 since 2015. The national average score for community trusts was 3.80 as demonstrated below.

Figure 4: Overall Staff Engagement

(The higher the score the better)

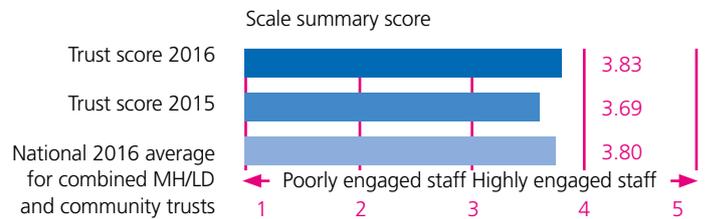


Table 5: Top 5 ranking scores compared with combined Mental Health, Learning Disabilities and Community Trusts in England

Key Findings	Solent 2016	Average MH/Comm Trusts
Staff confidence and security in reporting unsafe clinical practice	3.89	3.71
Percentage of staff experiencing physical violence from patients, relatives or the public in last 12 months	9%	15%
Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months	22%	28%
Percentage of staff appraised in last 12 months	96%	92%
Fairness and effectiveness of procedures for reporting errors, near misses and incidents	3.86	3.77

It is positive that people feel well able to report unsafe clinical practice and that procedures for reporting errors are considered to be fair and effective. Taken together, there is a strong indicator that we have an open and transparent climate for matters of patient quality and care. Harassment and bullying from patients, relatives or the public is 6% lower than the national average. Appraisal completion is 4% higher than the national average.

We have a low % of staff experiencing physical violence; however, from Table 5, we can also see that we have a low score on % of staff reporting the last incidence of violence. The same can be said of harassment and bullying. We have appointed Freedom to Speak Up Guardians across our Service Lines and early feedback indicates that this is a good opportunity to engage with employees.

Table 6: Bottom 5 ranking scores compared with combined Mental Health, Learning Disabilities and Community Trusts in England

Key Findings	Solent 2016	Average MH/ Comm Trusts
Percentage of staff/ colleagues reporting most recent experience of violence	74%	88%
Staff satisfaction with resourcing and support	3.28	3.33
Staff satisfaction with the quality of work and care they are able to deliver	3.81	3.89
Percentage of staff/ colleagues reporting most recent experience of harassment, bullying or abuse	57%	58%
Effective team working	3.86	3.87

There is an opportunity to improve staff satisfaction with resourcing and support, which may also be linked to effective team working and staff satisfaction with the quality of work and care they are able to deliver. Our organisational priorities for this year include safe staffing and productivity improvement. Each service line business plan has clear deliverables against these priority areas and will be monitored through the Board Performance Reporting process.

In response to this years' feedback from the survey, during the coming 12 months our focus will be on the following areas:

- Great Place to Work programme - development of leaders, teams and our culture through the HEART values
- Health & Wellbeing
- Learning and development
- Involvement and empowerment
- Internal communications

A new approach to action planning has been developed, which involves employees in setting their 'Top 3' for the team and the organisation. Progress against our organisational action plan will be monitored quarterly at the People & Organisational Development Group.

Exit Packages

Details of exit packages can be found on page 74.

Off Payroll engagements

Off Payroll engagements can be found on page 72.

Information on policies and procedures with respect to countering fraud and corruption

One of the basic principles of the NHS is the proper use of public funds. It is, therefore, important that all staff working for us and with us are aware of the risk of fraud, corruption, theft, and other illegal acts involving dishonesty. The ultimate aim of all counter fraud work is to support improved NHS services and ensure that fraud within the NHS is clearly seen as being unacceptable. All fraud, bribery and corruption (collectively referred to as economic crime) in the NHS is unacceptable and we are committed to supporting anti-bribery and corruption initiatives and recognise the importance of having appropriate policies and procedures in place to ensure that all staff are aware of their responsibilities.

We have anti-fraud and anti-bribery policies and we are committed to the elimination of fraud and illegal acts within our Trust; we ensure rigorous investigation, disciplinary and criminal sanctions as appropriate. We also ensure that there are various routes through which staff can raise any concerns or suspicions.

External Consultancy

At times it is necessary for us to make use of the skills of external consultants and at these times, we ensure that the arrangements comply with our standing financial instructions and offer good value for money. External consultancy is used within the Trust when we require objective advice and assistance relating to strategy, structure, management of our organisation, for example. This year we have sought advice and assistance from external consultants relating to Organisation Development and property related issues. The cost associated with consultancy can be found within the Remuneration Report.



Occupational Health & Wellbeing Service

Our Occupational Health & Wellbeing team assists staff and managers to create a safe and healthy work environment where the health and wellbeing of employees is highly valued and encourages and supports staff to maintain and adopt healthy lifestyles.

Our team offers a comprehensive Occupational Health and Wellbeing service and was SEQOHS accredited (Safe, Effective, Quality Occupational Health Service) in 2014. We have successfully maintained our accreditation as part of the annual review process in 2016.

We continue to focus on our staff health and wellbeing and with the additional support of CQUIN (Commissioning for Quality and Innovation) funds in 2016, we have seen significant improvements towards achieving our Staff Health & Wellbeing Strategy objectives. We have developed a number of new health and wellbeing schemes and been able to further develop existing ones to support our staff, some of which are summarised as follows;

- Our OWLES group was launched in April 2016. OWLES stands for 'Optimising the Wellbeing and Lived Experience of Staff'. The group is attended by people that are passionate about making a positive difference for their colleagues in the working environment, tackling stigma and raising awareness in support of staff mental wellbeing.
- A staff health and wellbeing calendar was produced and launched in January 2017. The calendar contains top tips and resources which aim to provide inspiration and health and wellbeing information as well as links to further resources. Its focus is on promoting a self-help approach.
- A programme of support was initiated to support staff musculoskeletal health. We recognise that our staff have busy and often physically demanding jobs which require extra care to avoid injury. The introduction of mobile working devices has also required staff to think and work differently. The programme is tailored to provide advice and support for those working in different working environments, from hospital, to clinics and patients' homes. We have also increased our physiotherapy capacity to support preventative programmes and a quick response when problems do arise.
- Our 'think healthy, choose wisely' food campaign was launched in November at the Western Community Hospital. This included the introduction of Rude Food vending machines that offer healthier options and our restaurant now provides daily healthier choices. This is part of an on-going programme to encourage healthy food and lifestyle choices, which we will be rolling out further during 2017/18.

- In May 2016 we set 63 staff teams off on a virtual journey to improve their health and wellbeing and work productivity. Virgin Pulse (formally GCC) supported us on this 100 day journey which focused on physical activity, healthy eating, mental wellbeing and sleep. Participants had great success as well as a lot of fun which was a great morale booster. Together we achieved the following:
 - A total of 425,785,481 steps
 - We walked, cycled or swam 272,503 miles – the equivalent of walking around the world 6.8 times
 - We burned 16,478,667 calories, adding up to 34,494 hamburgers
 - The total reported weight loss was 250kg
 - 61% of us exceeded 10,000 steps per day vs 12% Pre-GCC
 - 74% of staff are now getting the recommend 7 hours of sleep, 74% are feeling less stressed and 67% are concentrating better or feeling more productive

Our efforts will continue into 2017/18, taking even more steps to support staff health & wellbeing and deliver our Strategy.

Health and Safety

We are committed to the health, safety and welfare of our colleagues, and third parties that work within our operational footprint and have remained compliant with Health and Safety legislation in year. We have not been inspected or investigated by external authorities such as the Health and Safety Executive, Fire Authority or Environmental Officer as a result of any specific incidents or concerns.

The Chief Nurse is the executive lead for the Health and Safety agenda and chairs the Health and Safety Group, which meets quarterly.

NHS Constitution

The NHS Constitution was established in 2009 and revised in summer 2015. The constitution sets out the principles and values of the NHS. It also sets out the rights to which patients, service users, the public and staff are entitled, a range of pledges to achieve and the responsibilities which patients, service users, the public and staff owe to one another to ensure that the NHS operates fairly and effectively. We operate in accordance with the principles and pledges as set out in the NHS Constitution and undertake an annual review of our compliance, which is reported to our In-public Board meeting.

Enhanced quality governance reporting

CQC Comprehensive Inspection

In June 2016 we received a comprehensive Care Quality Commission (CQC) inspection, the overall outcome rating from which was 'Requires Improvement'. Whilst many of the services provided received separate ratings, the majority of which were rated as 'good' there were also three inadequate ratings and one outstanding rating. These ratings have been published and are clearly displayed within service areas.

The preparation for the CQC inspection enabled us to test our quality governance arrangements, seeking fresh assurance that the arrangements in place to govern quality and safety of services were fit for purpose, responsive and effective. This enabled us to prioritise governance activities and together with the outcome of the inspection itself, we have taken additional steps to strengthen our quality governance arrangements. The quality assurance scrutiny and reporting arrangements have been further developed with greater alignment to the CQC inspection standards so that at team, service and corporate level, compliance with the CQC five domains; safe, caring, responsive, effective and well-led, can be clearly articulated and evidenced.

Our Corporate Performance Management Office (CPMO) is supporting the quality team to monitor performance against the action plans developed in response to the CQC inspection findings, enabling escalation to executives and the Assurance Committee and through to Board as necessary.

Quality governance reporting

The Quality Improvement and Risk Group, established last year, has been reviewed, together with the Terms of Reference for the Assurance Committee, with the aim of providing a greater emphasis on shared learning and outcomes from actions taken to improve quality. Risks identified through the Quality Improvement and Risk Group are escalated through to the Assurance Committee and then onto Board, as appropriate. The quality dashboards developed last year to support monitoring of key quality and safety indicators at service and corporate level have been embedded and are considered at service level performance meetings. The Quality Improvement and Risk Group also considers themes and risks identified through the review of the quality dashboards and the Trust Risk Register.

The Quality Account provides more detail of the governance arrangements in place and reflects the achievements against the quality priorities set for 2016/2017. The Quality Account also sets out the annual quality priorities identified for 2017/2018 which are intended to support the delivery of the Quality Goals outlined in the our Quality Improvement Strategic Framework.

The Quality Account can be found on page 127.

Quality Improvement

2016/2017 has seen a high level of activity focused on improving patient/service user experience and outcomes. Implementation of the Friends and Family Test (FFT) has continued to be supported across all of our service lines and a new approach using e-mail has also been piloted in one of our service areas with initial success. The overall feedback received through FFT and other local feedback mechanisms has been positive. In addition, feedback received through the formal complaints process has been used to inform further improvement initiatives such as a review of our Customer Care Training programme.

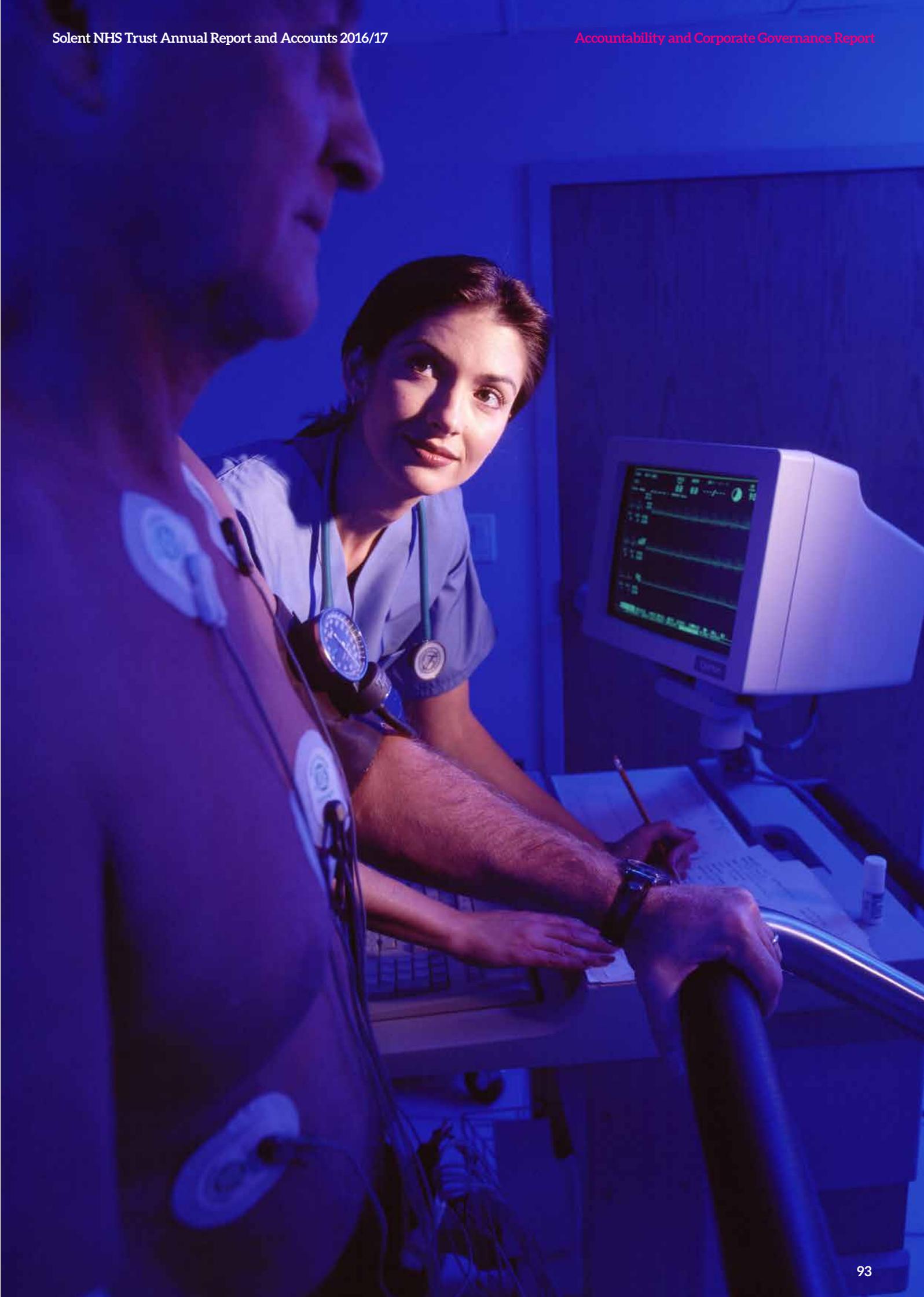
Other developments as a result of feedback include improvements in patient information and changes to appointment arrangements. Recognition of carers has been a key piece of work undertaken within the Trust, including the publication of the Trust Carer's pledge, so that carers are signposted to assessment and supported when necessary - this work will continue throughout the coming year. 2017/2018 will also see a further focus on co-production: a genuine involvement of patients and carers in designing, developing and evaluation services building on the work started by services as part of our Quality Improvement Programme.

A number of our teams and individual staff members have once again received recognition for their work in supporting patient care and progress has also continued to be made against clinical audit, research and development plans at service and corporate levels; the details of which are outlined in the Quality Account.

It is particularly pleasing to note that we have continued to be an exemplar organisation in the level and quality of research and development activity being undertaken with contribution recognised through national publications.

NHS Foundation Trust Code of Governance

Although as an NHS Trust, the NHS Foundation Trust Code of Governance does not directly apply, the principles are seen as good governance practice. Solent NHS Trust has, therefore, applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis, where applicable. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.



Statement of Chief Executive's responsibilities as the Accountable Officer of Solent NHS Trust

The Secretary of State has designated the Chief Executive as Accountable Officer of Solent NHS Trust.

The relevant responsibilities of the Accountable 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 *Managing Public Money* published by the HM Treasury.

Under the NHS Act 2006, the Secretary of State has directed Solent NHS 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 Solent NHS Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

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

- observe the Accounts Direction issued by the Secretary of State 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 *Department of Health Group Accounting Manual* have been followed, and disclose and explain any material departures in the financial statements;
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance; and
- prepare the financial statements on a going concern basis.

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

The directors consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the trust's performance, business model and strategy.

Disclosure of information to auditors

The directors and I confirm that, so far as we are aware, there is no relevant audit information of which the trust's external auditors are unaware. We also confirm that we have taken all steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the *Accountable Officer Memorandum*.



Sue Harriman
Chief Executive Officer
 Date: 30 May 2017

Annual Governance Statement

Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the 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 Trust is administered prudently and economically and that resources are applied efficiently and effectively.

I also acknowledge my responsibilities as set out in the Accountable Officer Memorandum.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore

only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Solent NHS 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 Solent NHS Trust for the year ended 31 March 2017 and up to the date of approval of the annual report and accounts.

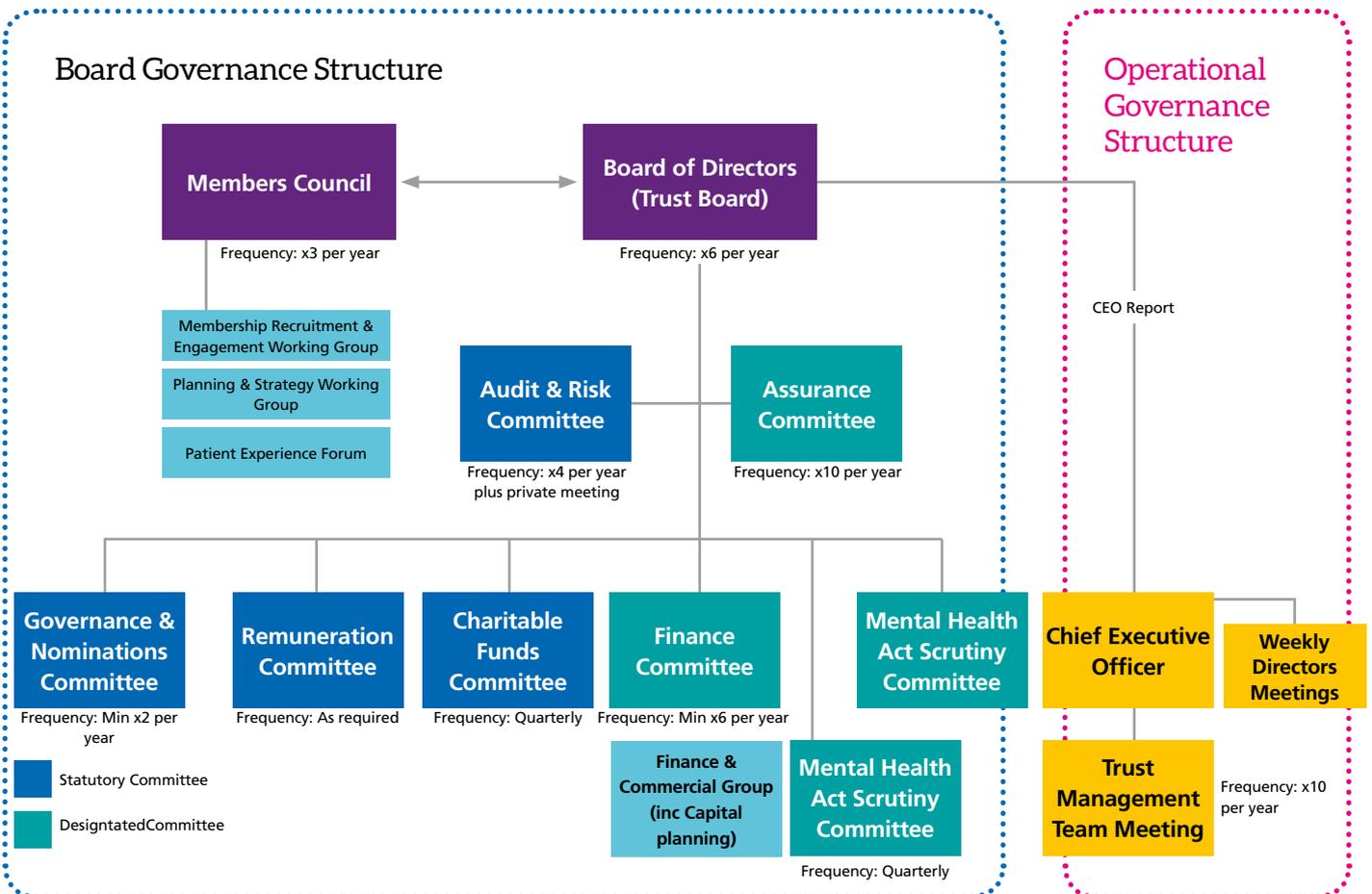
The governance framework of the organisation

The role of the Board and its duties are explained on page 43 of the Annual Report.

The individuals who serve on the Board and changes to appointments can be found on pg 44 of the Annual Report.

Figure 1 illustrates the Committees of the Board.

Figure 1



A summary of the role of the Audit & Risk Committee is found on page [n] of the Annual Report and internal audit opinions for the audits carried out in year are as follows:

Audit title	Opinion
Risk Management	Medium risk
Key Financial Systems	Low risk - General Ledger
	Low risk – invoicing and accounts receivable
	Low risk – Payroll, HR & Expenses
	Low risk – Purchasing and accounts payable
Nursing staff arrangements and workforce capacity	Medium risk
Information Governance Toolkit 2016/17	Low risk
IT Risk Assessment	No risk rating given

Governance and Nominations Committee

Frequency of meeting: At least twice a year and as required. During 2016-17 the Committee met three times.

The Committee's main purpose is to lead in the identification and recommendation of candidates to Executive vacancies to the Trust Board. The Committee also considers and keeps under review governance arrangements for the Trust including, Fit and Proper Person processes, Committee Structure and Committee Terms of Reference and to make proposals to Trust Board as appropriate.

The Committee is responsible for assessing the size, structure and skill requirements of the Board, and for considering any changes necessary or new appointments. If a need is identified, the Committee will consider if external recruitment consultants are required to assist in the process and instruct the selected agency, shortlist and interview candidates. If the vacancy is for a Non-Executive Director the recruitment process is handled by NHS Improvement. The Chairman, Non-Executive Directors and the Chief Executive (except in the case of the appointment of a new Chief Executive) are responsible for deciding the appointment of Executive Directors. The Chairman and the Non-Executive Directors are responsible for the appointment and removal of the Chief Executive. All new appointees received an appropriate induction.

Remuneration Committee

Frequency of meeting: At least annually and as required. During 2016-17 the Committee met seven times.

The Remuneration Committee is comprised of the Non-Executive Directors (and others by invitation). The Committee reports to Confidential Board meetings regarding recommendations and the basis for its decisions. The Committee makes decisions on behalf of the Board

about appropriate remuneration (including consideration of performance related pay and to ratify decisions of the Clinical Excellence Awards Panel), allowances and terms of service for the Chief Executive and other Executive Directors.

Charitable Funds Committee

Frequency of meeting: Quarterly (or as required). During 2016-17 the Committee met four times.

The Corporate Trustee (Solent NHS Trust), through its Board, has delegated day to day management of the charity (Solent NHS Charity) to the Committee. The Committee ensures that funds are spent in accordance with the original intention of the donor (where specified), oversees and reviews the strategic and operational management of the Charitable Trust Fund as well as ensuring legislative requirements in accordance with the Charity Commission are met. The Committee is also responsible for developing and managing policies and procedures in relation to the management of Charitable Funds, monitoring the investment portfolio and the development of the fundraising strategy.

Assurance Committee

Frequency of meeting: Ten times a year. During 2016-17 the Committee met ten times.

Following the successful development of the Quality Improvement & Risk Group, the Assurance Committee amended its terms of reference in year. The Committee is responsible for providing the Trust Board with assurance on all aspects of quality of care. This includes quality governance systems, ensuring regulatory standards of quality and safety are met and that risk across the organisation is mitigated. In particular the Committee provides assurance to the Board regarding:

- Regulatory compliance (including Safeguarding) and the

provision of services in accordance with statute, best practice and guidance

- High standards of healthcare governance and high quality service provision.
- Risk – ensuring that risks are identified, prioritised and appropriately managed.
- a culture of continuous improvement across the Trust exists and learning is shared and embedded

The Committee also seeks assurance that the development of all clinical governance activities within the service lines improve the quality of care throughout the Trust. A programme of annual assurance reporting and deep dives are scheduled annually.

Finance Committee

Frequency of meeting: At least six times a year. During 2016-17 the Committee met eleven times.

The Finance Committee is responsible for ensuring appropriate financial frameworks are in place to drive the financial strategy, and provide assurance to the Board on financial matters as directed. The Committee focuses on the following areas; strategic financial planning, business planning processes, annual budget setting and monitoring, treasury management and financial control, business management as well as conducting in depth reviews of aspects of financial performance as directed by the Board. The Finance Committee has been integral to the Board in providing scrutiny and oversight concerning the delivery of the financial plan.

Mental Health Act Scrutiny Committee (MHAS Committee)

Frequency of meeting: Quarterly. During 2016-17 the Committee met four times.

The central purpose of the Committee is to oversee the implementation of the Mental Health Act (MHA) 1983 functions within the Trust principally within Adult and Older Persons Mental Health, and Learning Disabilities services. The Committee has primary responsibility for seeing that the requirements of the Act are followed. In particular, to seek assurance that service users are detained only as the Mental Health Act 1983 allows, that their treatment and care accord fully with its provisions, and that they are fully informed of, and are supported in exercising, their statutory rights. In addition, on an annual basis the Trusts external legal advisors provide update training in relation to the Mental Health Act. In year the Committee expanded its remit to seeking assurance concerning appropriate application for Deprivation of Liberties Safeguards (DoLS) as well as seeking

assurance regarding adequacy of training and development opportunities provided for front-line practitioners and of the monitoring of competence regarding the application of the MHA and DoLS.

Attendance records at the Board and its committees are included within the Annual Report pg 55.

Highlights of Board Committee Reports

The Board has an agreed annual cycle of business and receives monthly exception reports via the relevant Chair in relation to recent meetings of its Committees. The Board, as a standing item at each meeting, also considers whether additional assurance is sought from its Committees on any items of concern. The Chief Executive Report to Board includes commentary on significant changes recorded in the Board Assurance Framework and Corporate Risk Register. Progress on corporate and strategic objectives is reported quarterly within the performance report. In addition, a number of internal audits were completed, as described on page 96 and annually each Board Committee presents an annual report to the Board detailing a summary of business transacted and achievements against the agreed Committee objectives. The Committee annual reports will be available via the Trust website.

Performance Evaluation of Board

Details can be found within the Annual Report of the processes undertaken in year in relation to Board Effectiveness, pg 50.

Capacity to handle risk

Risk management and quality governance accountability and leadership

As Chief Executive, I am ultimately accountable for governance and risks relating to the operational delivery of all clinical and non-clinical services provided by the Trust including its subcontracts.

The Board sets the Trust's risk appetite and is briefed through the monthly CEO report on all significant risks.

Key roles in relation to risk management and quality governance include;

- Chief Nurse - nominated Executive Lead Director for risk management, quality governance and health and safety compliance
- The Head of Patient Safety working with the Clinical Risk Manager is responsible for ensuring the development and oversight of implementation of the Trust Risk Management Framework, risk procedures and administration of the Corporate Risk Register

- Clinical Directors - accountable for risk and clinical governance within their respective service lines, supported by the Operational Directors and Clinical Governance Leads.
- Service Line Clinical Governance Groups, chaired by the Clinical Director - responsible for the oversight of quality and risks, triangulating performance information to monitor and address service quality. The groups provide exception reporting to the Quality Improvement and Risk Group which is chaired by the Chief Nurse and these are then scrutinised at the Assurance Committee. A rolling programme of service line deep dive reports are also scheduled. The service line structure provides high levels of autonomy increasing the effectiveness and accountability of the clinical services.
- Care Group Meetings, chaired by Chief Operating Officers, general performance of quality and other operational issues
- Operational Directors and Heads of Service – responsible for managing operational risks originating within their service areas.
- Trust Management Team - oversees operational responses to risks contained in the Corporate Risk Register. The roles of the Assurance Committee and Audit and Risk Committee are described previously.
- Executive oversight ensuring emergency planning and disaster recovery plans are established and regularly tested.
- Performance reviews are held with care groups and corporate teams to seek assurance regarding the management of operational risk
- Each service line has a documented local Annual Governance Statement which outlines the internal control and risk management processes under the leadership of each Clinical Director. The Service Line Annual Governance Statements are presented annually to the Assurance Committee and underpin assurance to the overarching Annual Governance Statement with regard to the internal control and clinical governance processes within our clinical services.

The Trust has established processes to formally assess all Cost Improvement Plans (CIPs) and other transformation schemes through a Quality Impact Assessment (QIA) process. Within the QIA process, foreseeable or potential risks which could impact on quality are considered and key leading indicators are identified to help highlight the realisation of any actual risks. A gateway approach to the agreement of CIPs and QIAs has been embedded with sign-off by the applicable service line Clinical and Operational Directors in consultation with services prior to review by the Chief Medical Officer and Chief Nurse. The Service Line Clinical Governance Groups

are responsible for the management and monitoring of the leading indicators identified within signed off QIAs and for ensuring that in collaboration with the Chief Medical Officer and Chief Nurse, risks associated with QIAs are escalated to the Assurance Committee.

Risk management training

An introduction to risk management, Serious Incidents (SI) and Duty of Candour is provided at every Corporate Induction. A two day training package for SI Investigators is now provided in collaboration with neighbouring organisations. This training provides in depth training on root cause analysis, identification of hazards and the SI process.

Formal training is also provided for staff through the Risk Management and Learning and Development Teams to ensure staff are equipped to manage risk appropriately. Training includes; the legal framework, risk management principles, escalation processes, accountabilities, risk assessment, hazard identification, root cause analysis, investigator training, risk management and the principles of being open/duty of candour.

Risk assurance

The Board Assurance Framework (BAF) provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been identified and where gaps exist, that appropriate mitigating actions are in place to reduce the risk to a tolerable level. The Audit and Risk Committee tests the effectiveness of this system annually.

The risk and control framework

I am assured that risk management processes are becoming increasingly embedded within the Trust and incident reporting is openly and actively encouraged to ensure a culture of continuous improvement and learning. I am also assured that there are appropriate deterrents in place concerning fraud and corruption. The organisation understands that successful risk management requires participation, commitment and collaboration from all staff.

The Risk Management Framework (including strategy, policy and processes) provides an overarching framework for the management of internal and external risk and describes the accountability arrangements, processes and the Trust's risk tolerance. The Trust's approach to risk management encompasses the breadth of the organisation by considering financial, organisational, reputational and project risks, both clinical and non-clinical. This is achieved through:

- an appropriate framework; delegating authority, seeking competent advice and assurance

- a clear risk appetite, risk culture, philosophy and resources for risk management
- the integration of risk management into all strategic and operational activities
- the identification and analysis, active management, monitoring and reporting of risk across the Trust
- the appropriate and timely escalation of risks
- an environment of continuous learning from risks, complaints and incidents in a fair blame/non-punitive culture underpinned by open communication
- consistent compliance with relevant standards, targets and best practice
- business continuity plans and recovery plans that are established and regularly tested; and
- Fraud deterrence including the proactive work conducted by the Local Counter Fraud Service, policies on Fraud, Corruption and Anti-bribery, debt recovery and the threat of prosecution. Fraud deterrence is integral to the management of risk across the organisation especially as there could be clinical or health and safety implications which could then impact upon the organisation. Staff are encouraged to report any potential fraud using the online incident reporting process appropriately including anonymous reporting if necessary. We are not aware of any specific areas within the organisation that are at risk of fraud, however we cannot be complacent. Notifications from the Counter Fraud team improve our knowledge and awareness of the risk of fraud.

The wider public via their elected governors, can raise concerns or issues concerning risk via the various meetings the governors attend and observe and via the established communication channels.

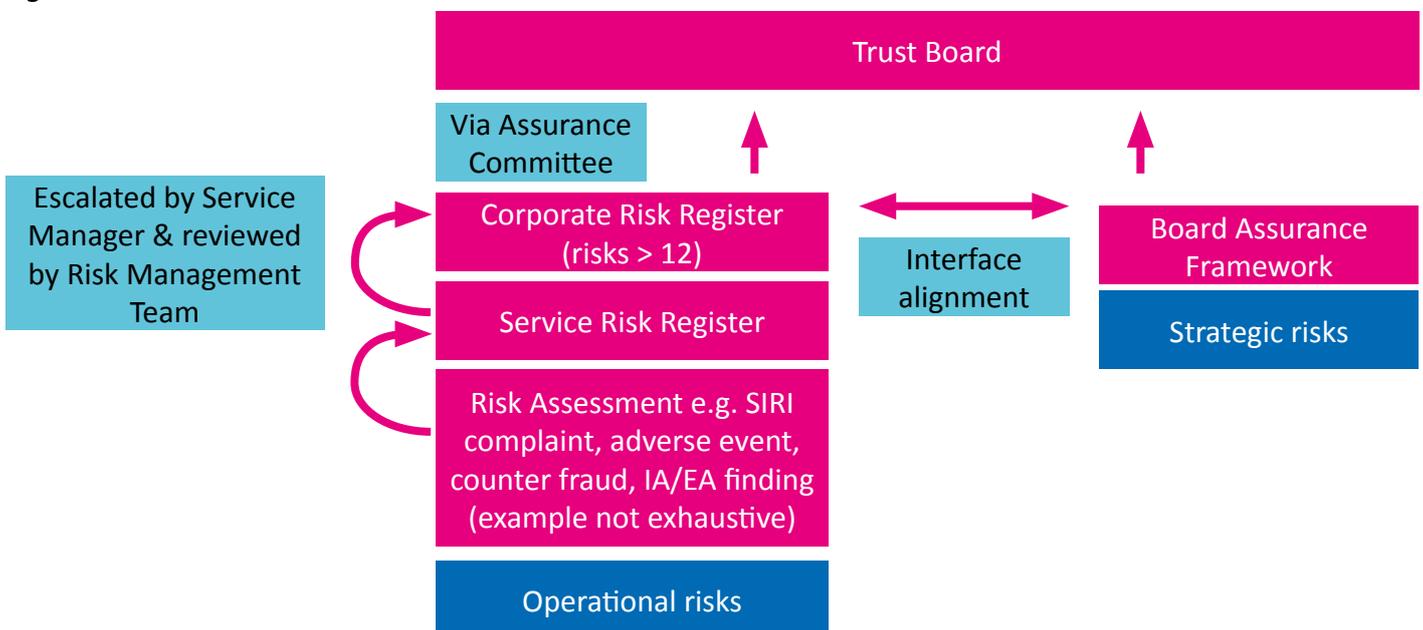
Equality impact assessments are carried out to assess the impact of the Trust’s decisions and design of services as part of the Trust’s legal duty under the Equality Act 2010. The Trust also considers how using the assessments, Trust policies, procedures and service planning supports us to take into account the diverse needs of those intended to benefit from them. Following the completion of the equality impact assessment any issues identified would be appropriately reported through the risk management process.

Risk assessment process

The organisation has structured risk assessment and management processes in place. This also includes having trained, service-based risk assessors in place to undertake assessment to support local management. Service Managers are responsible for managing action planning against identified risks and for escalating those risks with additional resource implications via service risk registers. The Risk Management Team receives and centrally records risk assessments to identify commonalities for organisational risk treatment and escalation.

Risk registers operate at service line level for all identified risks. Risks assessed as scoring 12 or above are escalated to the corporate risk register, in accordance with the risk appetite, agreed by Board. Figure 2 illustrates the risk reporting structure. The management of Risk Registers at service and corporate levels is currently under review and any revisions will be reflected in an update to the Trust Risk Management Policy.

Figure 2



Risk identification and measurement

Risk identification establishes the organisation's exposure to risk and uncertainty. The processes used by the Trust include, but is not limited to; risk assessments, adverse event reports including trends and data analysis, Serious Incidents requiring investigation (SI), claims and complaints data, business decision making and project planning, strategy and policy development analysis, external/internal audit findings / recommendations and whistle blowing in accordance with the Trusts Freedom to Speak Up policy.

As the organisation has implemented online web incident and risk reporting, this has provided the ability for real time reporting and escalation and aligns existing systems used for incident, complaints and claims reporting. In turn this has enabled the Risk Team (and service managers) to provide swift response and support to services. The use of the online system supports the triangulation of data from incidents, claims and complaints for further analysis and assurance.

The Trust uses the National Patient Safety Agency likelihood and severity matrix to assign a risk score and we recognise that in all cases it is vital to set the risk into context for evaluation. Risks which fall outside of the remit of routine clinical assessment or are potentially significant for the organisation are approached and managed in line with the Risk Management Framework. The Trust is aware and encourages a proactive safety culture, good communication and teamwork, all of which are inherent in the improvement of risk and the implementation of good clinical risk assessments. To ensure clinical risk assessments are appropriate they are always reviewed as part of all serious or high risk investigations so that lessons can be learnt and assessments improved if necessary.

The positive risk management culture and risk management processes have enabled the Trust to proactively identify, assess, treat and monitor significant risks in year.



The organisations strategic risks (scoring 12 or over), at the end of the current financial year and as detailed within the Board Assurance Framework relate to:

- Future organisational function – clarification on structure, leadership and multi-agency accountability will be required as the organisation responds to the Sustainability & Transformation Plan and associated work streams as well as the rapidly changing external environment.
- Information Management and Technology - as described within the operational risk context.
- Workforce Capacity – as described within the operational context. In addition, work is progressing to further understand the workforce baseline as well as plans to progress and develop staff, aligned to our Recruitment and Retention strategy.
- Quality Governance and quality improvement – the Trust continues to implement action plans to address issues raised as a consequence of the comprehensive CQC inspection and further embed the Solent Quality Improvement Programme.
- Business as Usual - in periods of such complex change, it is essential that the Trust is sighted on maintaining safe and effective services. There is a risk that the Trust fails to evidence valid activity and performance due to deficiencies in data quality. To mitigate this a data assurance programme continues to be implemented.

There is clear alignment between the Board Assurance Framework and operational risks.

The highest operational risks in year concern:

- Staffing – we have continued to experience staffing pressures across a number of our service lines, and in particular within our Mental Health services and Community Nursing teams risking impact on patient experience and safety. Whilst teams remain under significant pressure due to vacancies (including nationally recognised shortages in some staffing groups) and sickness, the services continue to address the staffing challenge with comprehensive action plans including recruitment, retention, staff engagement and service redesign. The risk to patient safety is managed daily; however at times we have had to exceed the NHS Improvement Agency ceiling ⁴ to ensure quality and safety are maintained.
- Information Management and Technology – whilst we have seen significant improvement in the stability of our network and have successfully migrated our staff onto new devices, we acknowledge that IT still causes frustrations for some of our colleagues. The majority of disruption experienced in the last 12 months has been caused by network stability issues which have impacted

the ability of clinicians to readily access and update information – mitigations have been implemented when these incidents occurred. Work to migrate to the fully managed Solent network is now largely complete with any remaining dependencies on other partners being identified and documented to optimise response times. Improving data quality has also been a focus for the Trust to ensure management information is complete and valid, to assist with reporting against contractual performance. The Data Assurance Programme will continue to be implemented during 2017/18.

- Our electronic Patient Systems - part of our 2015/16 plan when migrating from BT RiO (our previous patient system) to TPP SystemOne (our new patient system) was to ensure existing information reporting was ready for the new financial year of 16/17 onwards. A statutory reporting service commenced as planned, but local information reporting requirements were not delivered. It took us much longer than anticipated to understand the nature of the SystemOne data and this therefore impacted on our ability to provide data returns to commissioners; there were delays in providing contractual activity and performance information. Commissioners were notified in advance and clauses in contracts were put in place to manage this during this financial year. This did not impact the use of SystemOne from a user's perspective, but has delayed our plans to present management information to clinical services.
- Service specific risks concerning access, for example within our dental general anaesthetic lists, podiatric surgery and speech and language therapy. However, we have seen improvements in year concerning our Paediatric therapy and continence waits. Further details of operational issues of significance can be found on pg 108.

⁴ NHS Improvement implemented a set of rules to support Trusts to reduce their agency expenditure. Further information is available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/510391/agency_rules__23_March_2016.pdf

We will continue to monitor and mitigate all significant risks associated with Cost Improvement Plans identified via the Quality Impact Assessment process.

Serious Incidents Requiring Investigation and incidents involving Information Governance (IG) matters

A total of 216 Serious incidents requiring Investigation (SI) were raised 133 of which related to incidents concerning pressure ulcer management/care. Other SIs concerned unexpected deaths (41), suboptimal care (2), patient accident (2), Slips/Trips and Falls (6), as well as delayed diagnosis, treatment delays, concerning communication, safeguarding adults, Venous thromboembolism (VTE).

We also investigated and responded to eleven Information Governance SIs, all of which are categorised as:

- Contractor Breach
- Personally Identifiable Data sent to wrong person / address
- Security of information – change in processes required

Our commissioners provide scrutiny to our SI process and confirm closure on investigations once appropriate assurance has been sought.

Our Caldicott Guardian and Senior Information Risk Officer are consulted with whenever there is an Information Governance Serious Incident.

Information Governance Toolkit and data security

In March 2017 the Trust achieved Level 2 or above standard in relation to the forty-five requirements outlined in the national Information Governance Toolkit, which requires a considerable number of requirements and arrangements which must be achieved. This includes ensuring that at least 95% of staff have completed Information Governance Training annually, which is nationally recognised as an extremely challenging standard. Data Security is a significant part of the IG Toolkit in terms of providing assurance and compliance at a Level 2. All Information Governance SIRI's, which includes personal data incidents, are also reported and monitored using the IG Toolkit, which automatically reports these incidents to the Information Commissioner's Office, for investigation.

The IG Toolkit and all risks/incidents are closely monitored by the Trust's Senior Information Risk Owner (SIRO) and the Trust's Caldicott Guardian⁵.

Care Quality Commission (CQC) Compliance

The Trust has reported full compliance with the registration requirements of the Care Quality Commission through the year and routinely receives visits and inspections from the CQC. There are no outstanding issues recorded against the Trust. The Trust is fully compliant with the registration requirements of the Care Quality Commission.

The CQC undertook a comprehensive inspection of the Trust in June 2016, the outcome of which was a 'Requires Improvement' rating. Whilst a number of core services were rated as 'Good' and the Learning Disability service was rated as 'Outstanding' an action plan is being implemented to address the key 'must do' and 'should do' areas identified for improvement. A number of actions identified by the CQC require the Trust to work collaboratively with commissioners and other organisations, these are:

- Work with NHS England to agree a formal escalation policy for patients who require mental health forensic services
- Work with the local authority takes place to improve access to social work support
- Work with the external provider of wheelchairs to provide a more responsive and timely service and that this service is appropriately monitored to reduce risk to patients.

Monitoring the implementation of the actions taken within service lines is via the individual service line governance groups, Quality Improvement & Risk Group through to the Assurance Committee. This is supplemented by Board oversight through activities such as Board to Floor visits, Quality Review Visits, review of performance management information and Friends and Family Test feedback.

⁵ The SIRO was Alex Whitfield until March 2017, after which Mandy Rayani, Chief Nurse, became the interim SIRO. The Trust's Caldicott Guardian is Dr. Dan Meron, Chief Medical Officer.

Quality Governance Arrangements

The Trust has a range of arrangements in place which provide monitoring and assurance on matters relating to quality, safety and regulatory matters. Each Service Line has an identified lead for Clinical Governance who is responsible for supporting the Service Line Clinical Director in the delivery of the quality, safety and governance agenda. The Clinical Governance leads also liaise with the Trust Quality Risk and Professional Standards team to support cross organisational work streams and learning arising from incidents. Each Service Line has a governance structure in place which reports through to a newly established Quality Improvement & Risk Group and the Assurance Committee.

Specific Trust wide arrangements are in place which support robust quality governance and assurance include:

- A Quality Impact Assessment process- for all CIP schemes and service changes/reconfiguration
- SI (Serious Incident requiring investigation) process including Root Cause Analysis (RCA) investigation and SIRI panel arrangement
- Mortality Review process for unexpected deaths
- CQRM (Contract, Quality & Risk Management Meeting) monthly meetings with commissioners
- An audit programme (Trust wide and Service level covering standards and topic specific issues)
- Board to Floor visits (includes Executives, Non-Executives and Governors) to engage with frontline staff and patients
- Service review visits by Commissioners
- Announced and unannounced visits to clinical areas/teams by the Quality Risk & Professional Standards team
- Patient and service user feedback (Friends and Family Test and other local mechanisms)
- Patient-Led Assessments of the Care Environments
- Patient and carer stories to Board
- Monthly reporting and publication of safe staffing status (with sign off by Matrons and oversight by the Quality Risk and Professional Standards Team)
- Monitoring of quality indicators through the Service Line performance sub-committee meetings
- Monthly review of the Corporate Risk Register
- Care Group level performance review meetings.

In addition the Board is apprised of any key quality and safety matters at the beginning of each Board meeting.





The Patient Experience Strategy was approved following consultation with a wide range of service users and partner agencies. The Trust Patient Experience forum continues to meet quarterly and oversees the delivery and implementation of the strategy.

A Quality Account is produced annually which outlines the progress made and action taken to improve and maintain quality and safety within and across Trust services. The Annual Quality Account is developed in consultation with key stakeholders and serves as an additional validation mechanism for determining the quality of services. More information on the Quality Account is provided on page 127 (of the Annual Report)

NHS pension scheme

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, employers 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.

Equality, Diversity and Human Rights

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

Environmental responsibilities

We undertook a review of the impacts of climate change for delivering our services back in 2015/16 and in response to the Sustainable Development Unit guidance implemented a Sustainability and Carbon Management Strategy. The strategy incorporates a Sustainable Development Management Action Plan and a Carbon Reduction Action Plan, which are reviewed at least annually to ensure they remain relevant and reflect the changing estate.

We are now currently developing a Sustainable Development Management Plan that will fully align with the NHS Standard Contract, specifically Service Contract item SC18 – Sustainable Development.

This plan recognises the challenge in meeting our carbon reduction targets and sets out the measures to be taken and establishes our commitment in meeting carbon reduction obligations. A number of initiatives are already in place delivering improvements with new measures in progress as part of our management plan and regular monitoring against our baseline is in place to record the achieved reductions against target. This also accords with the emergency preparedness and civil contingency requirements ensuring that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

The following key processes are in place to ensure that resources are used economically, efficiently and effectively:

- Scheme of Delegation and Reservation of Powers, Standing Orders and Standing Financial Instructions approved by the Board and were refreshed in 2016/17. These key governance documents include explicit arrangements for:
 - Setting and monitoring financial budgets;
 - Delegation of authority;
 - Performance management; and
 - Achieving value for money in procurement.
- A financial plan approved and monitored by the Board.
- The Trust operates a hierarchy of control, commencing at the Board and cascading downwards to Budget managers in relation to budgetary control, balance sheet reconciliations, and periodic review of Service Level income with commissioners. In addition, the Finance Committee provides scrutiny and oversight which has been supplemented this year by independent commissioned reviews.
- Robust competitive processes used for procuring non-staff expenditure items. Above £5,000 procurement involves competitive tendering. The Trust has agreed procedures to override internal controls in relation to competitive tendering in exceptional circumstances and with prior approval obtained.
- Cost Improvement Plans (CIPs), which are assessed for their impact on quality with local clinical ownership and accountability
- Strict controls on vacancy management and recruitment
- Devolved financial management with the continuation of service line reporting and service line management
- The Trust participated in the National Benchmarking Network's Children's & Adolescent Mental Health Services (CAMHS), Corporate Services, Learning Disabilities, Intermediate Care (NAIC), Mental Health, and Pathology projects during 2016/17. In addition to this, we have been a stakeholder in the development of the NHS Improvement Community Indicator Benchmarking Programme and the aspirant community foundation trust network.

The Trust Board gains assurance from the Finance Committee in respect of ensuring appropriate financial frameworks are in place to drive the financial strategy and provide assurance to the Board on financial matters as directed, including to review the impact of CIPs on forward financial planning.

The Audit and Risk Committee also receives reports regarding Losses and Compensations, SFI breaches, financial adjustments and single tender waivers. The Board gains assurance from the Assurance Committee regarding the quality of services and compliance with regulatory control. The Audit & Risk Committee test the effectiveness of these systems.

Performance reporting

During 2016/17, the performance governance structure was refreshed to optimise escalations of significant performance to the senior leadership team and Trust Board. This required a two tiered meeting structure where the Chief Operating Officers meet with their service line senior managers on a monthly basis and review performance against quality, workforce, finance, business plans, operations, data quality and any other issues pertinent at that time. The exceptions from that meeting form the agenda at a later monthly meeting chaired by the Director of Finance and Performance where these are discussed in-depth and necessary mitigations implemented, and assurance sought where appropriate.

We also have established a Corporate Performance Subcommittee which convenes on a monthly basis. At this meeting Executives review and scrutinise the performance under their respective areas of responsibility. A summary of all operational and corporate exceptions are then submitted through to the monthly Trust Management Team Meeting ensuring oversight.

In addition to standard performance monitoring, other significant areas of risk can be requested for review at the performance meetings, for example, progress against the CQC Action Plan, agency spend and contract performance notice remedial action plans. Similarly, the Chief Operating Officers and Director of Finance and Performance have discretion to include agenda items, where appropriate, to ensure all necessary and required items for performance assurance are considered. Star Chambers are also held periodically to provide additional scrutiny and support to managers where escalation is required.

We have implemented an internal waiting list tool across our services allowing us to have visibility of our elective waiting times; however it is acknowledged that there are issues associated with data quality as stated within the section detailing our operational risks.

As stated within the Annual Results Report for the year ended 31 March 2017, our external Auditors anticipate issuing an unqualified Value for Money opinion and an unqualified opinion concerning the Trust's financial statements.

Annual Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. NHS Improvement has issued guidance to 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.

Solent NHS Trust has produced its annual Quality Account in compliance with these requirements, and in doing so has consulted with our membership and key stakeholders.

The Account includes a summary of the arrangements in place to assure the Board that the reporting of quality presents a balanced view and that appropriate controls are in place to ensure the accuracy of data.

The Trust has in place a number of systems and processes to ensure that we are focusing upon the right quality indicators and that quality reports are integral to the overall performance monitoring of the Trust. This is led by executive leadership to ensure that quality and other performance information is triangulated and presented in a balanced view.

Quality indicators are based upon a range of sources, including regulatory, national, best practice and locally agreed improvement targets. Many indicators are established internally in collaboration with clinical services to help achieve the highest possible standards of quality and care.

All quality metrics have systems to appropriately capture the information, analyse and onward reporting to the applicable stakeholders, including internally (the Board, Care Group Performance Subcommittees) or externally (for example the Trust Development Authority and local commissioners). A copy of the Quality Account is available on page 127 of the Annual Report.

The Quality Improvement Strategy is currently being reviewed to reflect the refreshed value statements being developed within the Trust and the work planned for 2016/17 in supporting an enhanced focus on quality improvement linked to embedding cultural change.

Significant issues during 2016/17

As part of its role in ensuring effective direction of the Trust, the Board continuously seeks assurances on the detection and management of significant issues. As Accountable Officer, I ensure that Board members are apprised of real or potential significant issues on a no-surprises basis, both within formal Board meetings and as required between meetings. Electronic briefings are circulated to Non-Executive Directors to inform them of any emerging issues in between Board meetings. The Board Assurance Framework is updated to reflect significant issues and the mitigation thereof.

In year the following significant issues occurred:

- As previously identified in relation to our operational risks a number of our services experienced staffing pressures due to sickness, vacancies and difficulties recruiting due to national staff shortages, such as paediatric occupational therapists and community and mental health nurses, which has resulted in the over reliance on agency staff. As a consequence we continue to actively recruit to our in-house bank service although this is proving more problematic in Portsmouth, we are progressing with ways to recruit and retain our staff and where necessary liaise, with commissioners to review service specifications.
- Problems in recruitment and retention in community nursing Portsmouth have been mainly resolved with vacancies now running at single figures and the workforce gradually returning to a more stable position.
- Staffing issues have been exacerbated in acute mental health wards by an increase in acuity, and delays in transferring to secure beds. These matters are under active discussion with local and national commissioners.
- Following our CQC comprehensive inspection we actively implemented action plans to address priority areas including medicines management practices in some of our services and ensuring consistent risk assessment approaches are applied within our Community Mental Health Services for Children and Young People. We have also reviewed with our Commissioner colleagues the future provision of our Substance Misuse Service in Southampton – we remain in discussion with regards to the best approach
- The IT infrastructure has been identified as a high risk to us for some time, to mitigate this, we have been working with CGI, our IT partner, to implement a managed IT service to include network, telephone, server and upgrading the hardware and devices our staff use. Our legacy infrastructure is vulnerable to failure due to its age and complexity. Over the last 12 months there have been a number of server and network failures which have resulted in the loss of access to various systems and telephones. We are not aware of any patient harm occurrences as a result of these incidents. The first phase of the transition, which was to replace the application servers and IT hardware/ devices was completed in 2016 and the network migration was fully completed February 2017; this has increased our resilience and stability. The final phase of the infrastructure refresh is to replace the telephony system, this work is underway at the moment.
- We continued to constructively support system working, and have developed in partnership both the frailty interface and discharge to assess services. At this early stage of implementation, pressure continues to reduce the backlog of medically fit patients and at the same time prioritise admission avoidance. The system is not yet in balance resulting in acute pressures in some community services.
- In addition, our Delayed Transfers of Care (DTOCs) were higher than forecasted in Quarter 4 2016/17 predominantly due to delays in social care support and domiciliary care across both Southampton and Portsmouth.
- Serious Incident reporting arrangements have been reviewed during the last year in line with emerging guidance and national report. Whilst the Trust identified a backlog and issues concerning the timeliness of serious incident investigation closures, the standard of investigation has consistently improved. The number of serious incident investigation reports that breach the closure deadline has significantly reduced.
- In response to concerns with the provider of section 136 services, the contract was terminated and a new provider selected following a rigorous quality assurance process. The short term contract with the new provider will be followed by a substantive contract during 2017/18.
- The implementation of our new Clinical Record System compromised the validity of our management data, and subsequently a programme of Data Assurance has been implemented.
- Budget reductions by our Local Authority partners planned for implementation during 2017/18, which will undoubtedly affect our service users and our services provided







- Operational performance was also impacted in year as summarised as follows:
 - Dental General Anaesthetic List – due to a reduction in theatre lists at University Hospital Southampton NHS Foundation Trust, we have had to reduce the number of theatre lists we run and consequently children that cannot be treated in Southampton are being referred to our clinic in Portsmouth. The theatre list reductions are also impacting adult waiting times.
 - Podiatric Surgery – Due to limited available theatre space, the service stopped accepting new referrals. All patients remaining on the waiting list were then prioritised for treatment, with patients under the block contract arrangement with Portsmouth City CCG treated by April 2017 and any patients under the chose and book element from other CCGs will be treated during Q1/Q2 2016-17. All patients were offered alternatives arrangements or providers to reduce waiting times.
 - Children's Therapy Waits Our service across Hampshire continues to work on reducing the number of children waiting over 18 weeks for appointments and the numbers waiting, and length of waits have improved overall in recent months.
 - Changes over the last few years to school nursing budgets have undermined this service and in Portsmouth this has impacted on delivery. Recruitment planned will assist the position to an extent from March 2017, but the service remains vulnerable until a complete redesign is in place.
 - Our Adults Speech and Language Therapies service in West Hampshire had insufficient capacity to manage high levels of referrals and waiting times increased. Following extensive discussions with commissioners we gave notice on the service and handed over provision in November 2016.

We will participate in the development of associated governance frameworks to ensure appropriate risk management and internal control arrangements are established relating to the Hampshire and Isle of Wight Sustainability and Transformation Plan.



Review of effectiveness

As Accountable 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 Trust who have responsibility for the development and maintenance of the internal control framework.

I have drawn on the content of the Quality Account and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit & Risk Committee, Assurance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The following key processes have been applied in maintaining and reviewing the effectiveness of the system of internal control:

- a review of Committee governance by the Governance and Nominations Committee. The Board consider recommendations made by the Committee and is ultimately responsible for approving and monitoring systems to ensure proper governance and the management of risk
- reviews of key governance documentation such as Standing Orders, SFIs, Scheme of Delegation and the Board Assurance Framework
- the oversight by the Audit & Risk Committee of the effectiveness of the Trust's systems for internal control, including the Board Assurance Framework (BAF). In discharging their duties the Committee takes independent advice from the Trust's internal auditors (PwC) and external auditors (Ernst & Young). The BAF is also reviewed and challenged by the Board and updates are presented monthly via the Chief Executive's report to the Board
- the internal audit plan, which has been adapted in year to address areas of potential weakness in order that the Trust can benefit from insight and the implementation of best practice recommendations
- the findings of relevant internal audits, including an assessment of significant assurance with minor improvement opportunities concerning the effectiveness of our governance processes in a recent audit.
- the scrutiny given to the Clinical Audit programme by the Audit and Risk Committee
- the periodic review of the Well Led Framework and associated action plan
- the scrutiny given by the Mental Health Act Scrutiny Committee in relation to the implementation of the Mental Health Act the review of serious untoward incidents and learning by SIRI Panel and Service Line Clinical Governance Groups.

The Head of Internal Audit Opinion (HOIA) concluded an opinion of 'general satisfaction with some improvements required' and that governance, risk management and controls in relation to business critical areas is generally satisfactory. It was noted however that there are some areas of weakness and as such the Trust is actively addressing these; particularly concerning those raised within the Risk Management audit report.

I therefore believe that the necessary arrangements are in place for the discharge of statutory functions, that the Trust is legally compliant and there are no irregularities.

Conclusion

In conclusion, I believe Solent NHS Trust has a generally sound system of internal controls that supports the achievement of its objectives.



Sue Harriman
Chief Executive Officer

30 May 2017





Section 3 The Auditors Report

The Auditors Report

Independent Auditors report to the Directors of Solent NHS Trust

We have audited the financial statements of Solent NHS Trust for the year ended 31 March 2017 under the Local Audit and Accountability Act 2014. The financial statements comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, Statement of Cash Flows and the related notes 1 to 40. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2016-17 Government Financial Reporting Manual (the 2016-17 FRM) as contained in the Department of Health Group Accounting Manual 2016-17 and the Accounts Direction issued by the Secretary of State with the approval of HM Treasury as relevant to the National Health Service in England (the Accounts Direction).

We have also audited the information in the Remuneration and Staff Report that is subject to audit, being:

- the table of salaries and allowances of senior managers and related narrative notes on page 77;
- the table of pension benefits of senior managers and related narrative notes on page 79;
- disclosure of payments for loss of office on page 71;
- disclosure of payments to past senior managers on page 72;
- the tables of exit packages and related notes on pages 74 and 75;
- the analysis of staff numbers and costs and related notes on pages 82 and 83; and
- the table of pay multiples and related narrative notes on page 74.

This report is made solely to the Board of Directors of Solent NHS Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Directors of the Trust 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 Directors, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors, the Accountable Officer and auditor

As explained more fully in the Statement of Directors' Responsibilities in respect of the Accounts, set out on page 119, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards also require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

As explained in the statement of the Chief Executive's responsibilities, as the Accountable Officer of the Trust, the Accountable Officer is responsible for the arrangements to secure economy, efficiency and effectiveness in the use of the Trust's resources.

We are required under section 21(3)(c), as amended by schedule 13 paragraph 10(a), of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Section 21(5)(b) of the Local Audit and Accountability Act 2014 requires that our report must not contain our opinion if we are satisfied that proper arrangements are in place.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

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 directors; and
- the overall presentation of the financial statements.

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

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2016, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of Solent NHS Trust as at 31 March 2017 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the National Health Service Act 2006 and the Accounts Directions issued thereunder.

Opinion on other matters

In our opinion:

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with the Accounts Direction made under the National Health Service Act 2006; and

- the other information published together with the audited financial statements in the annual report and accounts is consistent with the financial statements.

Matters on which we are required to report by exception

We are required to report to you if:

- in our opinion the governance statement does not comply with the NHS Improvement's guidance; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Trust under section 24 of the Local Audit and Accountability Act 2014.
- we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017

We have nothing to report in these respects.

In respect of the following we have a matter to report by exception:

- Referral to the Secretary of State

We refer a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

On 25 May 2017 we referred a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014. The statutory accounts indicate the Trust has a cumulative deficit at 31 March 2017 of £8.9 million over the three year period from 1 April 2014 to 31 March 2017, and therefore has not met its rolling breakeven duty.

Certificate

We certify that we have completed the audit of the accounts of Solent NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Helen Thompson

for and on behalf of Ernst & Young LLP
19 Threefield Lane, Southampton SO14 3QB
30 May 2017

Section 4 The Summary Accounts



Foreword and Statement on Financial Performance

We have ended 2016-17 by achieving three of our four financial statutory duties:

- External Financing Limit (EFL) which is an overall cash management control. The Trust was set an EFL of £7.8m cash outflow for 2016-17, actual EFL was £2.4m cash outflow and therefore the Trust achieved the EFL target with a positive variance of £5.4m.
- Capital Cost absorption rate is based on actual (rather than forecast) average net relevant assets and therefore the actual capital cost absorption rate is automatically 3.5%.
- Capital Resource Limit (CRL) which represents investments in fixed assets throughout the year. The Trusts fixed asset investment for 2016-17 was £4.1m a £0.8m underspend against the target of £4.9m.

The Trust did not achieve its breakeven duty, a measure of financial stability, with an adjusted retained deficit of £2.1m reported in 2016-17.

The 2016-17 financial statements have been prepared in accordance with the Department of Health Group Manual for Accounts 2016-17. The accounting policies contained in that manual follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS. Where the Manual for Accounts permits choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected.



Sue Harriman
Chief Executive Officer

Financial Review & Statutory Duties in relation to the Accounts

Directors' responsibility statement in relation to the accounts

The Directors are required under the National Health Service Act 2006 to prepare financial statements for each financial year. The Secretary of State, with the approval of the Treasury, directs that these financial statements give a true and fair view of the state of affairs of the NHS Trust and of the income and expenditure of the NHS Trust for that period. In preparing those financial statements, the Directors are required to apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury; make judgements and estimates which are reasonable and prudent; and state whether applicable International Financial Reporting Standards have been followed, as detailed in the Statement of Accountable Officers Responsibilities on page 94, subject to any material departures disclosed and explained in the financial statements.

We have complied with HM Treasury's guidance on cost allocation and setting charges for information as required.

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

Financial Review & Statutory Duties in relation to the Accounts

Break-even position (a measure of financial stability)

The Trust has a statutory duty to achieve break-even in the year. The Trust has not achieved this as it reported an adjusted deficit of £2.1m in 2016-17. Our regulators were aware of this position and continue to support us in our delivery of key community and mental health local services.

Capital Costs Absorption Rate (a measure of Statement of Financial Position Management)

The Trust is required to absorb the cost of capital at a rate of 3.5% of actual average relevant net assets. The average net relevant assets exclude balances held in the Government Banking Service bank accounts. The dividend payable on public dividend capital is based on actual (rather than forecast) average relevant net assets and therefore the actual cost absorption rate is automatically 3.5%.

External Financing Limit (an overall cash management control)

The Trust was set an External Finance Limit of £7.8m cash outflow for 2016-17 which it is permitted to undershoot. Actual external financing requirements for 2016-17 were £2.4m cash outflow and therefore the Trust achieved the target with a positive variance of £5.4m.

Capital Resource Limit (Investment in fixed assets during the year)

The Capital Resource Limit is the amount that the Trust can invest in fixed assets during the year; a target with the Trust is not permitted to overspend. The Trust was set a capital resource limit of £4.9m for 2016-17. Its actual fixed asset investment was £4.1m, an £0.8m underspend against target.

Want to find out more?

Included on these pages are the 'summary accounts' of the Trust and an overall picture of our fiscal performance.

A copy of our full accounts are available in Appendix 1.





Statement of Comprehensive Income for year ended 31 March 2017

	2016-17 £000	2015-16 £000
Employee benefits	(117,630)	(118,911)
Other costs	(64,454)	(71,662)
Revenue from patient care activities	162,247	161,968
Other Operating revenue	18,428	16,886
Operating surplus/(deficit)	(1,409)	(11,719)
Investment revenue	23	21
Other gains and (losses)	(11)	(94)
Finance costs	(159)	(133)
Surplus/(deficit) for the financial year	(1,556)	(11,925)
Public dividend capital dividends payable	(2,314)	(3,239)
Retained surplus/(deficit) for the year	(3,870)	(15,164)
Impairments and reversals taken to the revaluation reserve	(4,032)	(17,207)
Net gain/(loss) on revaluation of property, plant & equipment	0	419
Total comprehensive income for the year	(7,902)	(31,952)

Financial performance for the year

Retained surplus/(deficit) for the year	(3,870)	(15,164)
Impairments (excluding IFRIC 12 impairments)	1,740	10,165
Adjustments in respect of donated asset respect elimination	46	(63)
Adjusted retained surplus/(deficit)	(2,084)	(5,062)

Statement of Financial Position as at 31 March 2017

	31 March 2017 £000	31 March 2016 £000
Non-current assets	82,958	88,721
Current assets	19,909	17,038
Current liabilities	(24,213)	(18,019)
NET CURRENT ASSETS / (LIABILITIES)	(4,304)	(981)
TOTAL ASSETS LESS CURRENT LIABILITIES	78,654	87,740
Non-current liabilities	(4,126)	(5,310)
TOTAL ASSETS EMPLOYED	74,528	82,430
FINANCED BY TAXPAYERS' EQUITY	74,528	82,430

Statement of Changes in Taxpayers' Equity for year ended 31 March 2017

	Public Dividend capital £000	Retained earnings £000	Revaluation reserve £000	Total reserves £000
Balance at 1 April 2016	6,435	63,438	12,557	82,430
Changes in taxpayers' equity for 2016-17				
Retained surplus/(deficit) for the year		(3,870)		(3,870)
Impairments and reversals			(4,032)	(4,032)
Transfers between reserves		362	(362)	0
Net recognised revenue/(expense) for the year	0	(3,508)	(4,394)	(7,902)
Balance at 31 March 2017	6,435	59,930	8,163	74,528
Balance at 1 April 2015	6,435	77,690	30,257	114,382
Changes in taxpayers' equity for 2015-16				
Retained surplus/(deficit) for the year		(15,164)		(15,164)
Net gain / (loss) on revaluation of property, plant, equipment			419	419
Impairments and reversals			(17,207)	(17,207)
Transfers between reserves		912	(912)	0
Net recognised revenue/(expense) for the year	0	(14,252)	(17,700)	(31,952)
Balance at 31 March 2016	6,435	63,438	12,557	82,430

Statement of cash flows for year ended 31 March 2017

	2016-17 £000	2015-16 £000
Net cash inflow (outflow) from outflow activities	4,308	10,500
Net cash inflow (outflow) from outflow activities	(4,002)	(6,523)
NET CASH INFLOW / (OUTFLOW) BEFORE FINANCING	306	3,977
Net cash inflow (from financing activities)	410	813
INCREASE / (DECREASE) IN CASH	716	4,790
Cash at the beginning of the period	5,575	785
Cash at year end	6,291	5,575

Better Payment Practice Code : Measure of Compliance 31 March 2017

	2016-17		2015-16	
	Number	£000	Number	£000
Total non-NHS trade invoices paid in the year	28,529	56,003	26,399	51,159
Total non-NHS trade invoices paid within target	26,648	48,637	24,109	46,770
% non-NHS trade invoices paid within target	93%	87%	91%	91%
Total NHS trade invoices paid in the year	1,912	16,365	1,395	18,376
Total NHS trade invoices paid within target	1,589	15,630	1,196	14,778
Percentage of NHS trade invoices paid within target	83%	96%	86%	80%

The **Better Payment Practice Code** requires the Trust to aim to pay all undisputed invoices by the due date, or within 30 days of receipt of goods or a valid invoice, whichever is later.

Challenges ahead

The challenges we face as we head in to the new financial year are continuing to improve our financial strength, service quality and performance within a financial envelope subject to year on year cost reductions.

We ended 2016-17 reporting an adjusted deficit of £2.1m with Board recognition that there are more challenging years ahead. We delivered cost savings of £10.9m in the year and we acknowledge that it will be necessary for some service areas to transform and redesign the way services are provided, without compromising quality in order to achieve future cost saving targets.

The key challenges we face in 2017-18 are as follows:

- Delivery of the deficit target of £1.5m
- Delivery of the efficiency savings programme
- Delivery of key programmes including estates rationalisation
- Working within the Sustainability and Transformation Programme, Local Delivery Systems and Accountable Care System

The internal control processes for managing risks are outlined in the Annual Governance Statement found on page 95.

Going concern

The 2016/17 deficit is an agreed and expected deficit and the financial statements will be prepared on a going concern basis, as management have no significant reasons to believe otherwise. This is supported by the recent contract negotiations with NHS and Local Authority organisations to provide continuing services throughout 2017/18 within an agreed Control Total.

In conclusion, having considered the challenges we face, particularly with reference to our operating plan for the next twelve months, and having reviewed with our external auditors, the Board has a reasonable expectation that the Trust has access to adequate resources to continue in operational existence in the foreseeable future. For this reason the Trust continues to adopt the going concern basis in preparing the annual accounts. However, as the Trust has not achieved a cumulative breakeven position over the last three years, it is acknowledged that our Auditors have referred a matter to the Secretary of State in accordance with Section 30 of the Local Audit and Accountability Act 2014.

The financial statements included within Section 4 were approved by the Trust Board and signed on its behalf by



Sue Harriman
Chief Executive

30 May 2017

Section 5

QualityAccounts 2016/17

(our priorities for quality improvement in 2017/18)



Part 1

Welcome and introduction to the Quality Account

About our Trust

We are one of the largest specialist community and mental health providers in the NHS with an annual revenue of over £180m for 2016/17. Last year, we employed 3,476 clinical and non-clinical staff (including part time and bank staff) which equates to 2,833 whole time equivalents (WTE) and delivered over 800,000 service user contacts.

We help people stay safe and well at, or close to, home. We do this by supporting families and working with partners to ensure children get the best start in life, providing services for people with complex care needs and helping older people keep their independence. We also provide screening and health promotion services which support people to lead a healthier lifestyle.

We actively promote strong out of hospital services, and we work closely with other trusts, primary care, social care providers and the voluntary sector to make sure care is joined-up and organised around the individual.

Our vision and values

Last year we refreshed our vision and values. Our shared vision is to provide great care, be a great place to work and deliver great value for money.

Our 'HEART' values describe the way we would like our staff to work together and care for the people we serve, our patients, their families and carers.

We are committed to:

- People in our communities
- Our staff
- Organisations we work with

Our values are:



Honesty

Open & honest



Everyone counts

Inclusive and valuing everyone



Accountable

Accountable for our actions



Respectful

Showing respect, dignity & compassion



Teamwork

Working together

Statement of Quality from Sue Harriman, Chief Executive

Thank you for taking the time to read our 2016/17 Quality Account.

Each year all providers of NHS healthcare services are required to produce an annual Quality Account for publication. We welcome the opportunity to share how we performed during 2016/17, as well as the opportunity to reflect on the areas for further improvement. I hope that you find this report a useful guide to our performance and achievements in quality, safety and patient experience over the past year, and our plans and priorities for the year ahead.

I am proud to be the Chief Executive of a Trust that puts quality at the centre of everything we do. We have a team of dedicated and committed staff, who each make a difference and strive to deliver consistently great care.

We always endeavour to maintain our focus on providing safe, effective and quality services, whilst meeting the challenges of rising demand for healthcare services with limited financial resources. Our commitment to quality is strengthened by our Quality Improvement Programme. We are creating a culture of continuous improvement, providing our staff with the tools, capability and capacity to continuously improve to ensure we provide people with the best, and most effective, services we can.

During 2016/17, we welcomed a team of inspectors from the Care Quality Commission who, as a result of the inspection, have helped us on our quality improvement journey. As well as highlighting areas of good practice, they also identified areas for improvement. They awarded us an overall rating of 'Requires improvement'. However, we were delighted that many of our CQC domains were rated as 'Good' and our Learning Disability Service was rated as 'Outstanding'. The inspection outcomes drew our attention to some areas for improvement. Whilst we have already acted to make changes, we recognise that real sustainable change will take time. Our quality priorities have been developed using the outcomes from our inspection, as well as feedback from the people who use our services and our learning from incidents and concerns.

In common with other health and care organisations, we continued to face rising demand for healthcare services as people are generally living longer and many of us are also living with long-term physical and mental health conditions. The demand for our services has continued to rise at a greater rate than the funding available.

To help us face these challenges and, in light of the Five Year Forward View, we have placed even greater emphasis on working with other organisations and are actively participating in the Sustainability and Transformation Plan for Hampshire and the Isle of Wight. Collectively we have more strength to make a difference. We continue to work with others to help people to stay well and be cared for in the community with the aim of ensuring that people only get treated and admitted into hospitals when is absolutely necessary.

I would like to reiterate our unwavering commitment to continually improving the quality and safety of the care we provide. We recognise that much of our learning can come from listening to our service users, their carers and families, and our partners and in care. A key priority going forward will be to ensure that we continue to involve people in the development and improvement of our services, and we will continue to work with other organisations to make a difference together.

I hope you will find the information in the document useful.



Sue Harriman

Chief Executive



Some of our 2016/17 achievements:

The CQC told us that we demonstrate compassionate care and treat people with dignity and respect. They observed us supporting patients with care and kindness. It was recognised that we are very focussed on bringing care closer to peoples' homes, supporting early interventions and promoting self-management.

Successful retention of Sexual Health Services tender

Learning Disability Services rated 'Outstanding'. The CGC inspectors observed that 'the service was focussed on the needs of the people using it and valued their participation in their care'. They said that the 'leadership within the service drove a positive, valuing and learning culture that staff thrive in.'

Winner of an Elizabeth Garrett award

2 Older Peoples Fellowships

3 GP surgeries merged into one

Nomination of a Nurse Leader of the Year

Integration and colocation of teams in Southampton and Portsmouth

Nationally recognised as leader in Community and MH research

Nationally recognised as leader in Community and MH research

Quality Improvement Programme successfully launched

SHINE Awards

Inspiring Educator of the Year
Dr Lyndsey Cherry,

Hearing the Patients Voice
Accessible Information Awareness DVD -
Keith's story: Dr Clare Mander,

Public and Patient Involvement Group:
for Leading on showcasing research &
improvement: Ranj Parmar,

Statement from Mandy Rayani, Chief Nurse, and Dr Dan Meron, Chief Medical Officer

As a Trust we are committed to providing care that is safe and effective. It is important that people are assured of the quality of our services and can see easily the ways in which we strive, year on year, to improve what we offer to those who need our services. To help us continue to improve our services we gather feedback using a variety of mechanisms, including the Friends and Family Test (FFT).

Using this feedback, we have identified a number of quality priorities for 2017/18. Some of these are new for this year and some are a continuation of our 2016/17 priorities which have been embedded into our day-to-day ways of working. The priorities we set each year are intended to help us achieve the five quality goals we set ourselves in 2016.

Looking ahead we will maintain our focus on the quality of care, safety and the wellbeing of our staff and the people who use our services. This remains our highest priority. The purpose of this Quality Account is to re-confirm this pledge and demonstrate how we have achieved this to date. It holds our organisation to account to ensure we deliver these standards across all those services we directly provide and in those services where we work in partnership with others.



Our approach to quality improvement

In May 2016 the Board agreed a three year Quality Improvement Strategic Framework. This Framework sets out our ambitions for quality improvement. We identified five quality goals which we aim to demonstrate achievement against over a three year period (2016-2019):

Quality goal 1: No avoidable deaths

Quality goal 2: To reduce patient harm

Quality goal 3: To reduce duplication and eliminate waste in the care process

Quality goal 4: To reduce variation and improve reliability

Quality goal 5: To focus on what matters to our patients/ service users and carers

Each year we set a small number of quality priorities to help us achieve our quality goals.

We measure achievement against the annual quality priorities, and we also reflect upon the impact our work has had on delivering our overarching quality goals. Therefore, as well as setting out our priorities for next year, this Quality Account examines our achievement against both our quality priorities and our quality goals.

Part 2a

Looking ahead – Our Quality Priorities for Improvement 2017/18

How we choose our priorities

We identify our priorities in partnership with staff and based on feedback from the people who use our services, their carers and families. We also use information from incidents, complaints and patient experience measures. They are developed in line with our Quality Improvement Strategic Framework and our Trust vision: to provide great care, create a great place to work and deliver great value for money.

We are fully committed to achieving our priorities. Some are similar to last year's as many of our priorities are major areas of work which will take several years to fully implement and embed.

**Trust vision:
to provide great
care, create
a great place
to work and
deliver great
value for money.**

Priority 1: We will implement the Trust's professional frameworks so that our nurses and allied health professionals continue to deliver great care.

We will do this by: publishing both a career framework and strategies by December 2017

Priority 2: We will deliver the Quality Improvement Programme to enhance patient experience and make a difference to people's health and wellbeing.

We will do this by: having 2 groups of staff completing the programme and publishing newsletters and programme outcomes every quarter

Priority 3: We will continue to improve our services by using the learning from incidents, complaints and feedback.

We will do this by: launching an Organisational Learning Framework by September 2017

Priority 4: We will implement the Trust's competency assessment framework to support our staff to consistently deliver safe and effective care.

We will do this by: developing a Trust library of competencies for Nursing and AHP workforce by July 2017

Priority 5: We will have a consistent approach to involving people in the development of our services.

We will do this by: launching our volunteer strategy and web site for volunteers by December 2017

These priorities guide the work of our services and are used to set service-specific quality activities.

Part 2b

Looking back – A review of our performance in 2016/17 against our Quality Priorities

Our 2016/17 Quality Account included five quality priorities:

- **Priority 1:** Develop a culture of continuous quality improvement, building workforce capacity and capability through a focussed programme of quality improvement skills development.
- **Priority 2:** To provide services which ensure that mental health and physical health needs are assessed and given equality of consideration when planning and delivering care.
- **Priority 3:** We will create the environment in which service users/patient and carer involvement (co-production) is embedded at all levels: from individual care planning to service transformation change.
- **Priority 4:** To provide agreed tools for use within the Trust which enable nurses to manage staffing levels and respond to the changing complexity and levels of the care of patients on their caseload or in their ward.
- **Priority 5:** To support staff, within the Trust, to deliver care and services which demonstrate our values and enable clinical staff to meet the professional standards set by their regulatory body.

Details of our progress against each of our 2016/17 priorities are shown in the following tables.



Priority 1

Quality Domain	Patient safety and effectiveness
Priority for Improvement	Quality Improvement (QI) Develop a culture of continuous quality improvement, building workforce capacity and capability through a focussed programme of quality improvement skills development.
Aim	To enable and empower staff to identify opportunities for improvement and implement changes. To enable and empower staff to demonstrate improvement via a range of formal measurement techniques.
Progress	During 2016/17 we implemented our Quality Improvement Programme. Seven teams (70 members of staff) joined Cohort 1 in July 2016 and seven teams joined Cohort 2 in December 2016.
Continuation for 2017/18 – aligned to Priority 2	In total, five cohorts of teams will participate in the Quality Improvement Programme over the course of three years. This is a priority for 2017/18, the programme for which includes: <ul style="list-style-type: none"> • Regular “Pocket-sized Quality Improvement” training available to all • Developing a Trust quality improvement hub • Supporting teams to use the online British Medical Journal (BMJ) quality tool to publish their work • Developing a network of quality improvement champions, coaches and trainers.



Priority 2

Quality Domain	Effectiveness
Priority for Improvement	Parity of Esteem: To provide services which ensure that mental health and physical health needs are assessed, and given equal consideration, when planning and delivering care.
Aim	For patients/service users to experience services which provide holistic care, ensuring that physical and psychological wellbeing needs are recognised.
Progress	<p>During 2016/17 patients accessing mental health services have been screened for physical health needs and their care has been planned in-line with guidance.</p> <p>Adult Mental Health wards</p> <p>An audit of patient records showed that, during October – December 2016, our adult mental health wards screened between 95-100 percent of patients to identify their physical health needs and care for these alongside their mental health needs.</p> <p>Health and Wellbeing team (adult mental health community team)</p> <p>The Health and Wellbeing team includes seven nurses who monitor the physical healthcare needs of patients at specific clinics. They contact the patient’s GP if there are concerns and also undertake home visits to patients who find it difficult to attend clinics.</p> <p>Through monitoring of patients, the team has detected undiagnosed hypotension, diabetes and heart problems. The team will build on this next year by working with GPs and consultants to review patients on specific medication and those living in supported accommodation.</p> <p>Older Persons Mental Health wards</p> <p>An audit of patient records showed that, during October – December 2016, 100 percent of patients admitted to the ward were assessed for physical health needs within 48 hours of admission.</p> <p>Dementia screening</p> <p>We have experienced a number of recording and reporting challenges throughout the year relating to dementia screening. The service and the performance team have made joint recommendations for improvements to the clinical templates to ensure compliance can be accurately demonstrated. The service has also identified areas where the staff could benefit from some additional training and education around screening for patients. Audits completed during the year have produced varied results with some localities achieving 100 percent compliance. However the most recent audit highlights the need for additional support to ensure dementia screening is part of the core offer to all eligible patients.</p>
Continuation for 2017/18	<p>The physical health needs of patients will continue to be monitored within mental health services and this screening is being incorporated as part of our routine care for those accessing the services.</p> <p>We will continue to implement the dementia screening action plan to ensure all items are implemented and an improvement can be seen in Portsmouth and Southampton during the coming year.</p>



Priority 3

Quality Domain Service user experience

Priority for Improvement We will create the environment in which service user/patient and carer involvement (co-production) is embedded at all levels, from individual care planning to service transformation change.
We will promote a culture where the value, contribution and rights of carers are recognised and respected by our staff.

- Aim**
- To ensure that the service user/patient/carer voice is heard and used to inform service delivery
 - To support staff to be confident in engaging service users /patients / arers in service change
 - To enable patients to be equal partners in care
 - To have a mechanism for identifying and signposting carers so that support can be accessed

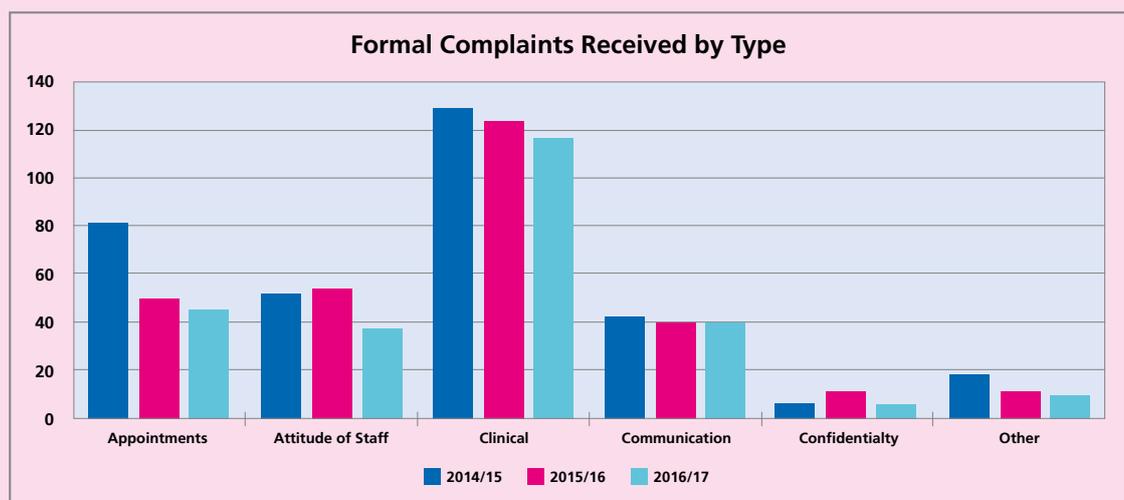
Progress

Palliative Care:
One of our Community Sisters for Palliative Care was nominated for a national WOW award for her outstanding customer service and was one of 75 finalists to be shortlisted from nearly 20,000 nominations. She was selected in the Judges' Choice Category and attended the Gala Awards Ceremony in November 2016.

Sexual Health Service:
At the beginning of December 2016, our Sexual Health Service rolled out an email pilot for capturing patient feedback and the friends and family test (FFT) responses. December 2016 showed a 50 percent increase in responses for the service compared to November 2016. Of those responding, over 95 percent said they would recommend the service to their friends and family.

Childrens' Services:
Our Children's Services have increased their friends and family test (FFT) response rate with the role out of 'Monkey', a pictorial survey specifically designed for children to encourage them to share their own views. This approach has strengthened the voice of the child/young person in their care.

Complaints regarding communication (YTD)
We regularly review the complaints and concerns we receive looking for common themes and trends. 'Communication / providing information to patients' remains in the top five categories of complaints received however this reflects national trends and a slight reduction has been seen over the past three years. Where any common themes are identified within this category, learning is shared across services. A number of teams have received additional training and support to address particular areas of concern.



Continuation in 2017/18 – aligned to Priority 3 and 5

- During 2017/18 we will:
- Demonstrate the involvement of users and carers in different aspects of our work
 - Refresh the patient experience action plan
 - Implement recording of carer identification and signposting within our patient records system
 - Launch our volunteer strategy and a website for volunteers.



Priority 4

Quality Domain	Patient Safety and Effectiveness
Priority for Improvement	To provide agreed tools for use within the Trust which enable nurses to manage staffing levels and respond to the changing complexity and levels of the care of patients on their caseload or in their ward.
Aim	To provide safe, effective and responsive care to patients whilst supporting staff, and reporting safe staffing levels.
Progress	<p>We have piloted a workload/acuity tool within the Adult Mental Health services to support nurses to manage staffing levels within inpatient wards. An escalation framework has also been established in our Adults Portsmouth and Southampton service lines.</p> <p>Reports on our staffing position continue to go to Board, however our approach to staffing has continued to develop as new guidance and resources/tools have been published by the National Quality Board (NQB) during 2016/17.</p> <p>In-line with this new guidance, we have started to benchmark our position against the duration of care we provide to patients in a day (i.e. care hours per patient day).</p>
Continuation in 2017/18 – linked to Priority 3 and 5	<p>During 2017/18 we will:</p> <ul style="list-style-type: none"> • Make a catalogue of acuity and dependency tools available to services. The tools for mental health services will be available by June 17 and the community tool will be available by September 17. • Continue to review national guidance as issued by NQB, amending our reporting/tools where applicable.





Priority 5

Quality Domain	Experience
Priority for Improvement	<p>Professional standards</p> <p>To support staff to deliver care and services demonstrating the Trust values, whilst enabling clinical staff to meet the professional standards set by their regulatory body.</p>
Aim	<ul style="list-style-type: none"> • To embed our values in all aspects of work • To support clinical staff to demonstrate compliance with regulatory standards • To receive feedback from patients / service users / carers that staff have acted professionally, demonstrated honesty, valued and respected them, and engaged them in all aspects of their care and treatment
Progress	<p>All our clinical staff are aware of who their professional lead is with clear professional escalation routes for reporting any regulatory matters. We have also established a Professional Advisory Group which is a forum for professional leads to escalate and discuss matters associated with professional standards and regulations.</p> <p>We have commenced the review and standardisation of nursing and allied health professionals (AHP) job descriptions.</p> <p>We have created strategic frameworks for the nursing and AHP workforce which set out the contribution our nurses and allied health professionals make in delivering quality care and improving patient experience. These frameworks focus on competencies relating to interventions to ensure standardised practice within each professional group.</p> <p>We have introduced tools to support nurses to revalidate, maintaining their registration with the Nursing and Midwifery Council (NMC). A series of road shows has given further support in reinforcing professional standards to clinical, and in particular nursing, teams.</p> <p>We have supported students on the NMC approved return to practice course in partnership with the local universities allowing former nurses to re-join the NMC register and start working with us as qualified practitioners.</p> <p>As part of their inspection, the Care Quality Commission (CQC) reflected on the caring nature of our staff commenting that we treat patients with care and kindness.</p>
Continuation in 2017/18	<p>In 2017/18 we will incorporate this into our day-to-day ways of working and:</p> <ul style="list-style-type: none"> • Continue to use the tools introduced to support revalidation • Continue to support students on the NMC approved return to practice course • Embed the Nursing and Allied Health Professionals Strategic Frameworks • Continue to review and standardise nursing and allied health professional job descriptions, developing competency frameworks to support this

Part 2c

Looking back – A review of our performance in 2016/17 against our Quality Goals

The progress we have made against each of our five quality goals is shown below. For each goal we have indicated the work we will undertake in 2017/18, and the quality priority this links to, to help us further work towards achieving the goal.

No avoidable deaths

What it means in practice

We have recognised the importance of mortality reviews and are actively engaged in developing innovative processes for identifying, reviewing, investigating and learning from deaths. We participated in the national work led by the Care Quality Commission (CQC) which led to the production of the first national guidance on learning from deaths (National Quality Board, March 2017). In line with this report we are further developing a range of processes including the:

- criteria for selecting deaths to review and investigate
- recording of mortality reviews
- involvement of families
- extraction, dissemination, and implementation of learning
- reporting on mortality in-line with latest national guidance.

The emphasis of this work is to ensure there is a culture and focus on learning, family experience and proportionality.

Progress and successes so far

- Our Learning Disability Service is participating in a national pilot for a Learning Disability Mortality Review process. This is coordinated by the University of Bristol and commissioned by NHS England.
- In the last six months of 2016/17 every unexpected, unnatural death has been reviewed, either through the mortality review process or as a Serious / High Risk Incident (SI/HRI).
- Our Chief Medical Officer is contributing to the expert team with the Department of Health and the Care Quality Commission.
- Learning from serious and high risk incidents is shared every month, across all services, at Serious Incident panel meetings.

Our Quality Improvement actions for 2017/18 (linked to Priority 3):

In 2017/18 we will:

- Further develop Board-level leadership in the area of learning from deaths. We will explicitly designate an executive director as the patient safety director and a non-executive director to take oversight of the process.
- Develop and adopt a Mortality Review Policy which incorporates the National Quality Board (NQB) recommendations on learning from deaths
- Develop our approach for engaging with bereaved families and carers to improve the experience of families who experience loss or where harm has occurred as a result of care or treatment provided by the Trust. This work will involve service users and their families, the Patient Experience team, the Trust's legal services manager, clinical directors and clinical governance leads.
- Further embed the principles of shared learning: we already identify learning from mortality reviews and serious incident (SI) and high risk incident investigations through the SI process; however we need to further develop processes to ensure the learning is embedded across all relevant services, and action plans are audited and delivered. This will be considered in light of the national guidance.
- Develop quarterly mortality reporting in-line with national guidance.

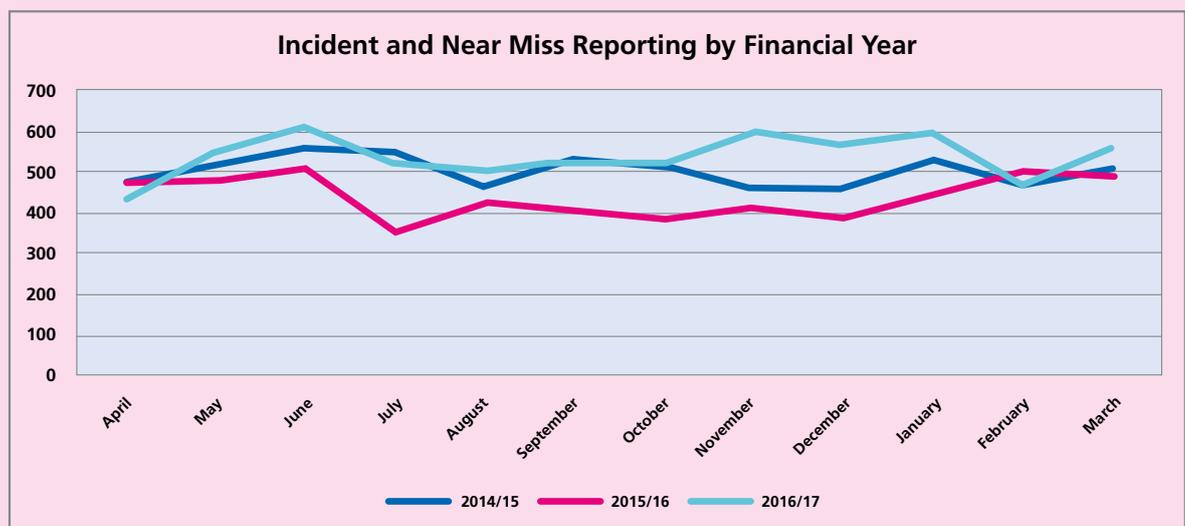
Reducing Patient Harm

What it means in practice

We are committed to reducing patient harm and, as such, continue to develop a positive incident reporting culture to ensure lessons can be learned from all incidents and near misses and appropriate changes to practice made. Particular focus has been given to reducing unavoidable harm through improved reporting, shared learning and appropriate interventions. Further work is required to streamline the incident reporting system and strengthening the lessons learnt mechanisms.

Progress so far

Incident Reporting: we use an electronic system to report and review incidents and near misses. During 2015/16 we experienced significant issues with this system resulting in a reduction in the number of low harm incidents and near misses reported. Incidents resulting in harm continued to be reported during this time, either through the electronic system or via contingency arrangements. During 2016/17, with the issues having been resolved and training and support for staff re-introduced, reporting has increased.



- **Lessons Learnt:** The serious incident (SI) process and panels have been further developed to ensure lessons learnt from SI and high risk incidents (HRI) are shared across the services and that staff feel able to report and learn from mistakes.
- **NHS Safety Thermometer:** We have maintained 95% compliance in harm free care as measured by the NHS safety thermometer tool. This monitors the proportion of patients that are 'harm free' from pressure ulcers; falls; venous thromboembolism; and urine infections for those with a catheter.
- **Development of quality dashboards:** This year we have further developed the monthly quality dashboards to allow service lines access to service line, sub-service line group, department and team level data within the same report through drop-down menus. These reports can be used by services individually, or in governance meetings to identify and discuss trends or outliers. Each month the reports are accompanied by raw datasets so these trends or outliers can be reviewed in detail if required. In addition, new graphs are being introduced, where applicable, to better display the data and allow more meaningful comparison, such as the number of compliments received compared to complaints, and benchmarks with similar trusts are being explored as a next step.
- **Service Line Quality Newsletters:** Please see Appendix B for examples of quality newsletters from our service lines.
- **Participation in the Wessex Patient Safety Collaborative Breakthrough Series Collaborative on the (Physically) Deteriorating Patient:** The aim of the collaborative is to enable all staff, involved in the pilot, to identify and recognise the deteriorating patient, to implement preventable measures and to improve outcomes.
- **The following Quality Improvement Projects have also contributed towards a reduction in patient harm:**
 - Urinary catheter quality improvement project (Trust-wide). More information about this is available in Part 5, page 160.
 - Improving ward processes to support timely, safe and effective patient discharge within the Adults Southampton inpatient wards.

Reducing Patient Harm *Continued*

Our Quality Improvement actions for 2017/18 (linked to Priorities 1, 2 and 4):

During 2017/18 we will:

- Adopt the new competency framework for nurses and Allied Health Professionals across all of our services
- Complete the following quality improvement projects:
 - **Primary Care Musculoskeletal services** – ensuring the outcomes of all patients receiving physiotherapy treatment from the musculoskeletal services are evaluated.
 - **Mental health services (The Limes)** – reducing rates and severity of falls.
 - **Mental health services (community services)** – ensuring all patients prescribed olanzapine receive appropriate physical health checks.
 - **Sexual health services** – standardising brief interventions for ChemSex patients ('ChemSex' is a term commonly used by gay men and men who have sex with men to describe the use of certain drugs in a sexual context).

Reducing duplication and eliminating waste in the care process

What it means in practice

In order to reduce duplication and waste we need to empower our staff. Through leadership we need to build staff confidence to challenge when they can identify that a change in process is needed.

Progress so far

During the year we have seen a reduction in complaints regarding the efficiency of our staff and have received positive feedback, from our staff, within the staff FFT and Annual Staff Survey- 5% more staff said that they would recommend our services to friends or family that needed treatment than in the previous year.

Our Quality Improvement actions for 2017/18 (linked to priority 2)

During 2017/18 we will:

- Continue to improve upon the response rate and satisfaction levels within our staff friends and family test (SFFT) and national Annual Staff Survey.
- Continue to reduce the number of complaints we receive about the efficiency of our staff by embedding lessons learnt
- Undertake the following Quality Improvement projects
 - Sexual Health Services – Improving accessing to the Fareham and Gosport services to reduce the number of patients who do not attend appointments
 - Nursing – Creating effective team processes
 - Primary Care Musculoskeletal services - Evaluation of musculoskeletal diagnostic imaging utilisation across Musculoskeletal Specialist Services

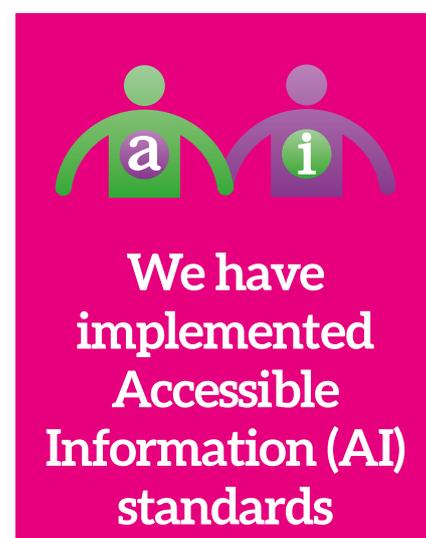
Reducing variation and improving reliability of care

What it means in practice	To realise this goal we need to have clear, evidence based pathways and models of care within each service, and to reduce variation we need to review and develop pathways and develop care bundles.
Progress so far	<p>The following quality improvement projects have helped us make progress toward achieving this goals:</p> <ul style="list-style-type: none"> • Specialist Dental Services – improving processes for recalling patients for follow up appointments • Children’s services – streamlining the process for health contributions to Education Health Care Plans
Our Quality Improvement actions for 2017/18 (linked to priority 2)	<p>In 2017/18 we will:</p> <ul style="list-style-type: none"> • Complete the following quality improvement projects: <ul style="list-style-type: none"> - Adults Southampton (community neurological) – improving the new patient referral process - Children’s services (looked after children’s services) – improving processes to ensure all new referrals for assessments are conducted in a timely fashion



Focusing on what matters to our patients/ service users and carers

What it means in practice	We will seek to understand what matters to our patients, service users and carers so we can better meet their expectations. As well as engaging with users of our services, we will seek to involve them in service design.
Progress so far	<ul style="list-style-type: none"> • We have implemented Accessible Information (AI) standards – more information can be found in our Spotlight on AI in Part 5, page 160. • We have introduced web-based feedback in our Sexual Health Services so patients can now provide feedback online. This has seen a significant increase in response rates. • We drafted our volunteer strategic framework which will be issued for consultation in quarter 1 of 2017/18.
Our Quality Improvement actions for 2017/18 (linked to priority 2)	<p>In 2017/18 we will:</p> <ul style="list-style-type: none"> • Implement the recording of carer identification and signposting in our electronic patient record. • Introduce ‘Always Events’ in primary care. Always events are aspects of the patient experience that are so important to patients and family members that health care providers must aim to perform them consistently for every individual, every time. This can be linked to the quality improvement programme for rollout. • Maximise the use and development of volunteers.



Part 2d

Openness and honesty when things go wrong

Duty of Candour

All healthcare professionals have a duty of candour. This is a professional responsibility to be honest when things go wrong with a patient's treatment or care which causes, or has the potential to cause, harm or distress. This responsibility extends to service users, carers, advocates and families. Professionals are expected to:

- tell the service user or, when appropriate, the service user's carers/advocates when something has gone wrong
- apologise and offer an immediate appropriate remedy or support to put matters right (if possible)
- explain fully any short or long term effects (if appropriate)

The Duty of Candour responsibilities are explained to staff during their induction and when they start working for us. Being open and honest is an integral part of our incident reporting culture - all staff are encouraged to discuss incidents with patients, services users and carers as they occur.

In 2016-17, we have complied with the duty of candour regulation for all appropriate serious incidents (SI) and high risk incidents (HRI) reported through the SI panel in 2016/17. In those instances where the Trust has not had the appropriate contact details or patients have explicitly declined receipt of a written letter following an incident this has been clearly recorded. In addition we have:

- ensured that duty of candour is considered at every strategy meeting
- ensured the duty of candour requirements have been met
- considered the service user/family's involvement in the serious incident report
- shared all findings and lessons learnt from incidents across the Organisation - an example of how we have done this can be found in the Quality Newsletters in Appendix B

Complaints

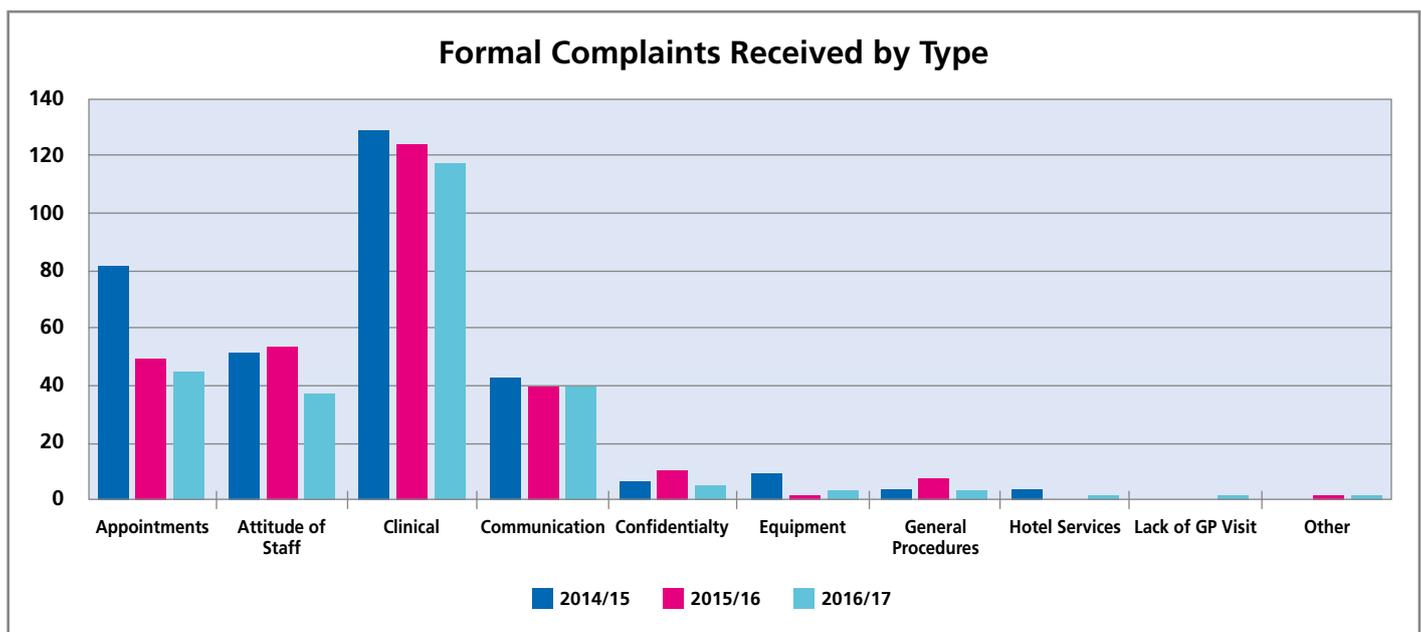
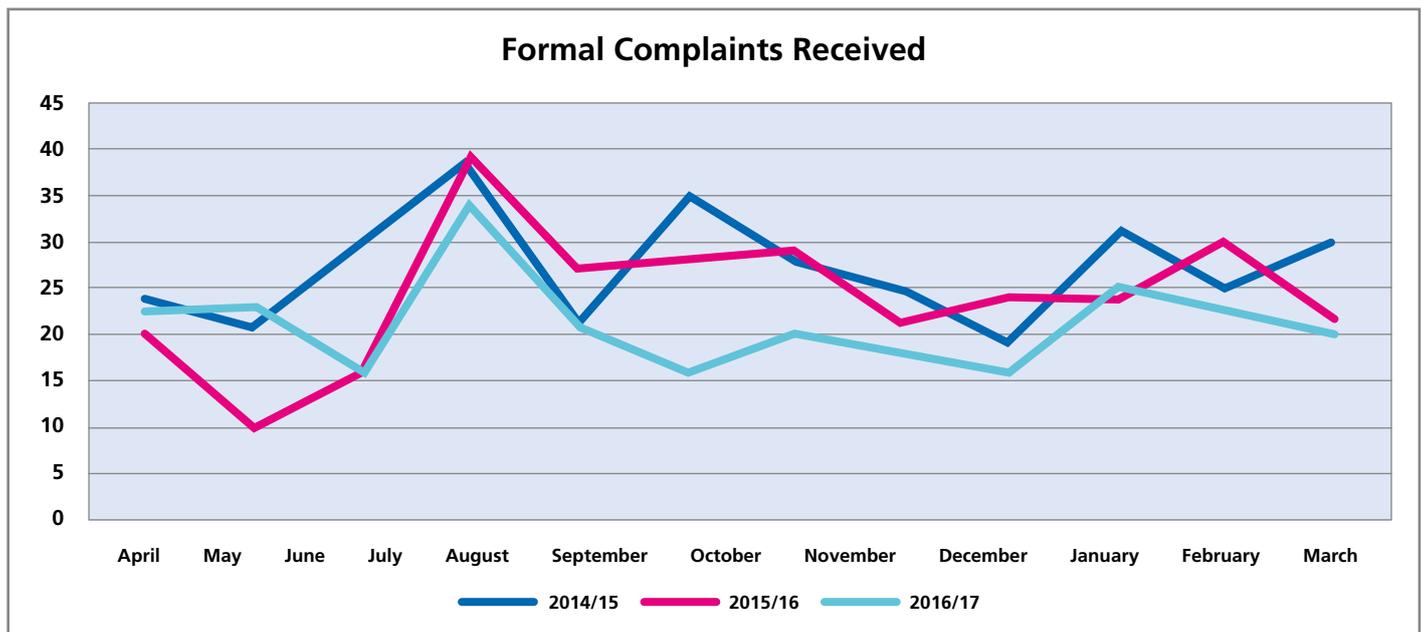
The Trust encourages the staff closest to the people receiving our services to, wherever possible and with the service users' consent, to deal with concerns and problems as they arise so that issues can be resolved quickly and in a way that is responsive to the service user's needs and circumstances. Timely intervention can prevent escalation of issues raised and achieve a more satisfactory outcome for all concerned. The approach to complaints handling in the Trust is based on the principles published by the Parliamentary and Health Service Ombudsman (PHSO).

These are:

- getting it right
- being customer focused
- being open and accountable
- acting fairly and proportionately
- putting things right
- seeking continuous improvement.

Training has been provided to staff to ensure that anyone making a complaint is supported; receives honest, timely communication; and is clear about the actions we are going to take next.

By working with staff, closest to the person receiving the service, to help them to respond to concerns and problems as they arise we have seen a reduction in the number of formal complaints received (from 290 in 2015/16 to 253 in 2016/17). We have also seen an increase in the number of issues resolved as 'service concerns' (from 201 in 2015/16 to 251 in 2016/17). During 2016/17 we also saw an increase in the number of people making contact with our Patient Advice and Liaison Service (PALS) for advice, signposting and general queries. We received approximately 682 calls this year compared to 479 last year.



Our Trust Board receives regular reports on the number, themes and learning from complaints and our Chief Executive personally reviews all complaint responses. In addition our quarterly patient experience report, which includes details of complaints received and the associated learning and outcomes, is made available to the public via our website.

We strive to embed and sustain the changes made as a result of complaints and concerns to enable long term improvement. These changes are monitored within the services concerned and via our complaints review panel which was introduced to drive quality improvement and act as a mechanism for Trust-wide learning. This panel is chaired by one of our non-executive directors and our Chief Nurse with members including a Healthwatch colleague (the

consumer champion for health and social care) and senior clinical representatives from each of our service lines.

Some examples of learning shared through the panel include:

- Sharing Accessible Information about the services patients are referred to
- Offering a meeting with the service, known as a local resolution meeting, at the earliest opportunity after a concern is raised. This may allow concerns to be resolved early, improving both the patient and staff experience.
- Terms used in complaint response letters should be clear and specific, for example instead of stating something is 'rare', the letter should provide context such as the number of times this has occurred in the past year.

Part 3

Mandatory statements relating to the Quality of NHS services provided

Participation in clinical audits and national confidential enquires

Clinical audit

During 2016/17, we participated in 9 out of 11 national clinical audits and national confidential enquiries, covering health services that we provide. The audits and enquiries that we were eligible to participate in during 2016 /17 are included in Appendix A, together with the number of cases submitted to each audit or enquiry.

Examples of some of the outcomes of our local audits are detailed below:

We participated in 9 out of 11 national clinical audits and national confidential enquiries

Audit title	Improvement as a result of the audit
Re-audit: Dementia screening	Improvement in assessment of memory, functioning and care needs and care plan documentation as a result of actions from previous audit.
Bimanual examination prior to intrauterine contraceptive device fitting	100% compliance but further actions identified to maintain this compliance
Bare Below The Elbows	Compliance has increased to 95% Since the audit was undertaken further work has been completed regarding jewellery
Regional re-audit: Podiatry use of PGD (Patient Group Directions) for the provision of antibiotic therapy	During the audit, informal training occurred as staff started to apply what they had learnt even before the audit was fully completed.
Re-audit: Discharge and Disengagement Pathways 2016	An improvement on the previous audit was seen due to child and parent friendly discharge letters introduced by service as well as good documentation
Re-audit with initial audit: Use of patient identifiers in handover on rehabilitation wards	The use of patient ID stickers in the job book resulted in 98.5% compliance rate.
Looked after Children Review Audit; Consent and information submitted prior to Initial Health Assessment	Since the first re-audit in 2014, we have introduced a new consent form for young people with capacity, and a "blue card" process. The blue card captures basic consent from parent at the point of the child's care entry. This now also includes permission for the statutory health assessment (meaning that as a team we are covered to see the child); although this doesn't cover us for gathering and sharing information. In addition, since the last audit, the proportion of health assessments attended by Social workers has improved significantly which means information is available to us at the appointment in more than half of cases.
Parent Experience of Therapy SPA	A keyword image is generated from the comments/quotes received from parents about the service. This provides a visual 'snap shot' of the feedback obtained. These results demonstrate a positive response from parents participating in the audit, with the highest frequency descriptors including "helpful", "friendly" and "happy".

Audit title	Improvement as a result of the audit
Child Protection Case Conference attendance	An audit on the effect of service attendance at child protection case conferences was undertaken. This revealed the process for inviting clinicians to the conferences had broken down. The audit also found that clinician attendance at the panel was significant to the outcome for the child. These findings resulted in a review of the administration process for inviting clinicians to conferences, not just within the department but also within Children's Services and there is now a robust system in place.
Was Not Brought (WNB)	This audit found that not every parent was contacted with a WNB letter when an appointment was missed and, while most late cancellations had a further appointment arranged, not all had a reason recorded for the cancellation. However the audit also found that all patients under 18 who were noted as requiring safeguarding steps had the appropriate action recorded. As a result of these findings a local operating procedure was written and the actions identified in the audit incorporated. A flowchart outlining the recommended steps has been sent to all clinicians.
Acceptability of Digital Ano-Rectal Examination (DARE) as anal cancer screening in HIV positive Men who have Sex with Men (MSM)	All MSMs are now offered this as part of standard screening and the service has produced a leaflet to explain the benefits.
Re-audit: Management of Pelvic Inflammatory Disease (PID) in GU (NICE PH 3 & BASHH standards)-	Identified that documentation was below standard, areas of concern noted- clinicians identified and messaged via their line managers; service wide sharing of lessons learned from audit and reminder of importance (and regulatory obligation) to ensure good standard of record keeping.
Management of Gonorrhoea	To improve the management of gonorrhoea guidance and training was developed to enable health advisors to undertake a test of cure.
Vasectomy operations including failure rate	The service is exploring a new postal method to improve the return rate of post-operative samples for analysis (to confirm the operation has been a success). The current process is too patient intensive and time consuming. It has been identified that the current failure rates are within national guidance.
Impact of combined intervention of physical activity and cognitive stimulation on the wellbeing of patients admitted in older people mental health services	The two objectives of this audit were achieved with the result that the 'Ethogram' tool is being used for all patients taking part in the group during admission as this was found to result in a higher level of engagement with tasks, more smiles and more laughter.

To date 112 local projects have been completed from our service audit plans. These projects are determined by each service, based on their priorities, and are as a result of business plans, complaints investigations, and serious incident and high risk incident investigations.

Research

The number of patients receiving NHS services provided or sub-contracted by us in 2016/17 that were recruited during that period to participate in research approved by a research ethics committee was 1513. We have recruited to 47 studies on the National Institute of Health Research portfolio across a range of services. Solent NHS Trust was listed as the most research active Care Trust in the National League tables this year. The research culture and its impact on patient care was listed by the CQC this year as an area of outstanding practice.

Our research priorities:



Increasing Access

We aim to make it easier for staff and patients to be involved in research, and to work in partnership with our team.



Developing capability

We run a number of training programmes to support research. This includes workshops and masterclasses, and a clinical academic career pathway.



Working in Partnership

We work in partnership with Universities across the country on research studies. We also have formal partnerships for research with care homes, schools and charities.



Supporting growth

We ensure that we can continue to grow via new grants and opportunities to generate income. We are also supporting staff to build an evidence base to support increased care in the community/ at home.

Investigating antibiotic resistance – the Solent SMART study

This year, we have worked with the University of Southampton to look at levels of bacterial transmission in different populations and implications for antibiotic resistance. We have taken samples from volunteers in all age groups and in a specific care home population. This has given us the opportunity not only to work on a key public health issue, but to work with partners around Southampton and Portsmouth. We have extended the number of homes in our Research Care Home Partnership and started to work with a number of schools and colleges. This helps us to educate young people on antibiotic use, and also on the science behind clinical research. The University have been running education workshops in schools. This is a programme we will continue to build in the next year.

Integrating clinical practice and research into Dementia Care

A physiotherapist working in a joint clinical and academic role (with the University of Southampton) on our Dementia ward has been supporting the team to use research to improve care. There are a range of projects. One is looking at maintaining mobility amongst older patients on acute wards, and the development of outcome measurements to track this. Another is looking at how to reduce falls amongst this group of patients. A final example is standardising the objective assessment of all the patients on the ward. This has helped the clinical team to monitor mobility and frailty of all the patients while in hospital. These projects have received national recognition, were presented at the UK Dementia congress in November 2016 and have been showcased as an example of good practice in dementia care by NHS England.

Improving equality of access to research, Homeless Healthcare

The Homeless Healthcare team have been working with our research nurse to enable those who are Homeless to access research studies. Being involved in studies often requires multiple visits to a care team, on scheduled days, which can make it difficult for this group to participate. The team found ways to adjust to the needs of these patients, and this year, they have participated in a study on Hepatitis and another on antibiotic resistance. The healthcare team were recent winners of the Wessex Clinical Research Network Award for Best Clinical Team Engagement.



Goals agreed with commissioners

The Commission for Quality & Innovation (CQUIN) framework aims to embed quality improvement and innovation at the heart of provider commissioner discussions. It also ensures that local quality improvements are discussed and agreed at Board level, and enables commissioners to reward excellence by linking a proportion of English healthcare provider's income to the achievement of local quality goals.

A proportion of our income in 2016/17 was conditional upon achieving quality improvement and innovation goals, agreed between ourselves and any person or body we enter into a contract, agreement or arrangement with for the provision of relevant health services, through the CQUIN payment framework. For 2016/17 the value of the CQUIN payment was £2.698m.

We are pleased to report that we achieved a significant number of our agreed CQUIN schemes. This is a reflection of the hard work of staff across the organisation.

The CQUIN schemes agreed with our CCG commissioners for 2016/17 are detailed below:

CQUIN Compliance Summary

	STATUS SUMMARY											
	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Spt 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17
PORTSMOUTH												
Local												
Total Contact Cast			Met			Met			Met			Met
ECR Case Management			Met			Met			Met			Met
Respiratory (6 months)	Partially Met	Met	Met	Met	Met	Partially Met	Met	Met	Met	Partially Met	Met	Met
In Reach (6 months)	Met	Met	Met	Met	Met	Met						
National												
Improving the health and wellbeing of NHS Staff			Met						Not Met			Met
Physical Health of People with Serious Mental illness (PSMI)			Met				Met			Met		Met
SOUTHAMPTON/WEST HANTS CCGs												
Local												
Implementing Making Every Contact Count (MECC)			Met			Met			Met			Met
Frequent Users of Acute & Urgent Services			Met			Met			Met			Met
Supported Discharge			Met			Met			Met			Met
Stroke						Met			Met			Met
National												
Improving the health and wellbeing of NHS Staff			Met						Not Met			Met
NHS ENGLAND												
GE2 Activation System for Patients with Long Term Conditions			Met			Met			Met			Met

Registration with the Care Quality Commission (CQC)

We are required to register with the Care Quality Commission (CQC). Our current registration status is “registered without conditions”; we are therefore licenced to provide services. The Care Quality Commissioner has not taken any enforcement action against us during 2016/17.

The CQC registers and licences us as a provider of care services as long as we meet the fundamental standards of quality and safety. In June this year we welcomed a team of inspectors from the CQC who highlighted areas of good practice and identified areas for improvement. We were awarded an overall rating of ‘Requires Improvement’, however we were delighted to be rated as ‘Good’ for providing caring and responsive services and our Learning Disability Service was rated as ‘Outstanding’. The inspectors observed that ‘the service was focussed on the needs of the people using it and valued their participation in their care’. They said that the ‘leadership within the service drove a positive, valuing and learning culture that staff thrive in.’

The CQC told us that we demonstrate compassionate care and treat people with dignity and respect. They observed many of our staff supporting patients with care and kindness. It was recognised that we are very focussed on bringing care closer to peoples’ homes, supporting early interventions and promoting self-management. The inspectors also said that we work well with people from other organisations to help keep people out of hospital. Lots of innovative practice was found across the Trust, especially in our adults and children’s community services.

During the inspection the CQC provided daily feedback on their key findings, drawing our attention to any areas requiring improvement, enabling us to take immediate action where possible. Areas requiring more detailed response and the ‘Must Do’ and ‘Should Do’ actions identified by the CQC in the final report were included in a comprehensive action plan which is embedded within services. Whilst we have already acted to make these changes, we recognise that real sustainable change will take time and this is reflected in our quality priorities.

This action plan is reviewed regularly within services and through our governance structure at the Quality Improvement and Risk Group (QIR) and our Assurance Committee, a sub-committee of Trust Board. Actions taken to date include:

- refreshing our medicine management arrangements, including in special schools
- achievement of 95% compliance in documenting risk assessments of children and young people within the child and adolescent mental health services (CAMHS)

- completing home visits for all Substance Misuse service users with replacement drug therapy in the home who have children resident in or visiting the home
- working with our commissioners to identify opportunities for improvement in the provision of the external wheelchair services
- working with our commissioners and partners to ensure that the provision of the 136 Suite (a place of safety for those who have been detained under Section 136 of the Mental Health Act by the police following concerns that they are suffering from a mental disorder) is robust and accessible
- ensuring that Substance Misuse Services have signed patient group direction forms (PGD) in place
- reviewing our safeguarding training
- developing our chaperone policy and training for staff in primary care
- reviewing our clinical and safeguarding supervision arrangements
- appointing a new Resuscitation Officer and reviewed the standardisation of training and equipment.



Part 1:
**Getting prepared for the
 Care Quality Commission (CQC)
 inspection**
Staff Handbook




Solent community service ratings

	Safe	Effective	Caring	Responsive	Well-led	Overall
Community health services for adults	Requires Improvement	Good	Good	Good	Good	Good
Community health services for children, young people and families	Inadequate	Requires Improvement	Good	Requires Improvement	Requires Improvement	Requires Improvement
Community health inpatient services	Good	Good	Good	Good	Good	Good
End of life care	Good	Good	Good	Good	Good	Good
Sexual Health	Good	Good	Good	Good	Good	Good
Overall	Requires Improvement	Good	Good	Good	Good	Good

Solent mental health ratings

	Safe	Effective	Caring	Responsive	Well-led	Overall
Acute wards for adults of working age and psychiatric intensive care units (PICU's)	Requires Improvement	Good	Good	Good	Good	Good
Long stay/rehabilitation mental health wards for working age adults	Requires Improvement	Good	Good	Good	Good	Good
Wards for older people with mental health problems	Requires improvement	Requires Improvement	Good	Good	Requires Improvement	Requires Improvement
Community-based mental health services for adults of working age	Good	Good	Good	Good	Good	Good
Mental health crisis services and health-based places of safety	Good	Good	Good	Good	Requires Improvement	Good
Specialist community mental health services for children and young people	Inadequate	Requires Improvement	Good	Requires Improvement	Requires Improvement	Requires Improvement
Community-based mental health services for older people	Requires Improvement	Requires Improvement	Inspected but not rated	Good	Requires Improvement	Requires Improvement
Community mental health services for people with a learning disability or autism	Good	Outstanding	Outstanding	Outstanding	Outstanding	Outstanding
Community Substance Misuse	Inadequate	Requires Improvement	Good	Requires Improvement	Requires Improvement	Requires Improvement
Overall	Requires Improvement	Requires Improvement	Good	Good	Requires Improvement	Requires Improvement

Solent Primary Medical services ratings

	Safe	Effective	Caring	Responsive	Well-led	Overall
Portswood Solent GP Practice	Good	Good	Good	Good	Requires improvement	Good
Adelaide Health Centre	Good	Good	Good	Good	Good	Good
Royal South Hants Hospital - Nicholstown	Requires improvement	Good	Good	Good	Requires Improvement	Requires Improvement

Solent NHS Trust overall ratings

Overall	Requires Improvement	Requires Improvement	Good	Good	Requires Improvement	Requires Improvement
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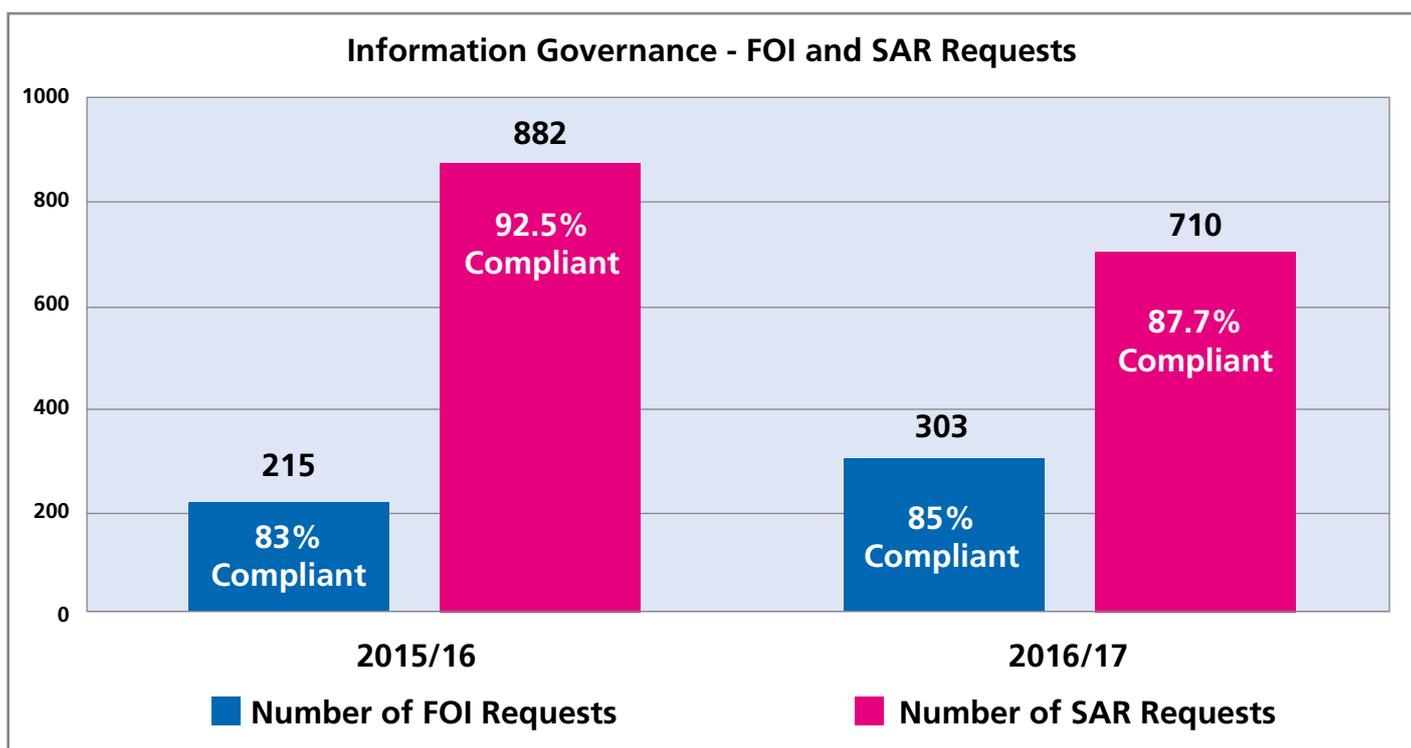
Information Governance

Information Governance Toolkit attainment - the organisation has completed an annual Information Governance Toolkit Assessment achieving 70% compliance, which has been graded as 'Green – Satisfactory'. Further information about the IG Toolkit can be found www.igt.hscic.gov.uk

Freedom of Information (FOI) Requests – the number of FOI requests received within a financial year has increased by 41% when comparing 2016/17 to 2015/16. This year we have achieved 87.7% compliance with the 20 working day response target. This is a reduction on 2015/16 when we achieved 92.5% compliance. At this time, 10 requests are not currently due and have therefore been excluded from these figures. This reduction in compliance is due to the increasing number of requests which have also increased in complexity. The Trust will be reviewing the processing of requests to improve compliance.

Subject Access Requests (SARs) – the number of subject access requests received within a financial year has decreased slightly as the Trust no longer manages the Walk in Centre and Minor Injury Unit which were previously subject to a high volume of requests. At this time, 91 requests are not currently due and have therefore been excluded from these figures.

This year we achieved 85% compliance with the 40 day response target which is a slight increase on 2015/16 when we achieved 83% compliance. The Information Governance Team is currently reviewing the process of handling these requests to continue to increase compliance.



Clinical coding

Clinical coding is the translation of written medical terminology into alphanumeric codes. Each code is a set of characters that classify a given entity. Clinical coders extract the relevant information from a source document and assign the appropriate codes that represent the complete picture of a patient spell in hospital. This is in accordance with the NHS Data Dictionary and World Health Organisation standards set out in the Clinical Coding Instruction Manual - International Classification of Diseases version 10.

Clinical coding is important for local and national monitoring of incidence of diseases and in acute trusts is used in the development of reference costing for contractual purposes. We are responsible for providing accurate, complete, timely coded clinical information to support commissioning, local information requirements and the information required for the Commissioning Data Set (CDS) and central returns.

Each year the coding process is audited by an external accredited auditor. The audit examines the quality and completeness of clinical information available for coding as well as the completeness and accuracy of the coding itself. We have achieved a top level three rating for the past two years.

Department of Health Mandatory Quality Indicators

We have reviewed the required core set of quality indicators which we are required to report against in their Quality Accounts and are pleased to provide you with our position against all indicators relevant to our services for the last two reporting periods (years).

Preventing people from dying prematurely - Seven day follow-up

The data made available with regard to the percentage of patients on Care Programme Approach who were followed up within seven days after discharge from psychiatric inpatient care. This allows us to ensure our service users' needs are cared for and they remain safe following discharge from hospital to community care.

NHS Organisation(s)	2015-16	2016/17 (Q2 for info awaiting year end figure)	National Average	Other Trusts – Highest	Other Trusts – Lowest
Solent NHS Trust	99 percent	100 percent	96.5 percent (Q2 16-17)	100 percent (Q2 16-17)	76.9 percent (Q2 16-17)

Enhancing quality of life for people with long-term conditions – Gatekeeping

The percentage of admissions to acute wards for which the Crisis Resolution Home

Treatment team acted as a gatekeeper during the reporting period. The Crisis Resolution teams provide prompt and effective home treatment for people in mental health crisis and quickly determine whether service users should be admitted to hospital, or are suitable for home treatment. It is important to our service users that they are treated effectively and promptly in the most appropriate settings of care.

NHS Organisation(s)	2015-16	2016/17 (Q2 for info awaiting year end figure)	National Average	Other Trusts – Highest	Other Trusts – Lowest
Solent NHS Trust	100 percent	100 percent	98.2 percent (Q2 16-17)	100 percent (Q2 16-17)	76.0 percent (Q2 16-17)

Ensuring that people have a positive experience of care – Community Mental Health Patient Survey

The Health and Social Care Information Centre (HSCIC) provides patient experience indicator data for the annual national Community Mental Health (CMH) Survey. The CQC does not provide a single overall rating for each trust for this survey, as it assesses a number of different aspects of people's care and results vary across the questions and sections.

In the patient survey report published by the Care Quality Commission (CQC), the results are presented as standardised scores on a scale of 0 to 10. The higher the score for each question, the better the Trust is performing. As can be seen from the table below, the CQC have rated as 'about the same' as most other trusts.

We consider that this data is as described as this Care Quality Commission (CQC) national survey was developed and coordinated by the Picker Institute Europe, a charity specialising in the measurement of people's experiences of care.

Survey Section	2015-16			CQC Comparison with Other Trusts	2016/17	
	Solent Patient Responses	Lowest Trust Score	Highest Trust Score		Solent Patient Responses	CQC Comparison with Other Trusts
Health & social care workers	7.4/10	6.8	8.2	About the same	7.4/10	About the same
Organising Care	8.4/10	7.9	9.0	About the same	8.7/10	About the same
Planning Care	6.8/10	6.1	7.6	About the same	6.8/10	About the same
Reviewing Care	7.3/10	6.8	8.2	About the same	7.3/10	About the same
Changes in Who People See	5.8/10	4.7	7.3	About the same	6.0/10	About the same
Crisis Care	5.8/10	5.1	7.2	About the same	6.1/10	About the same
Treatments	7.0/10	6.3	7.9	About the same	7.1/10	About the same
Support & Wellbeing					5.0/10	About the same
Overall Views of Care & Services	7.2/10	6.5	7.8	About the same	7.2/10	About the same
Overall Experience	6.9/10	6.2	7.3	About the same	6.8/10	About the same

We have implemented an action plan to improve the quality of our mental health service. This includes:

- writing Care plans in the first person - care plan training commenced in March
- making the CRHTT service more accessible by opening up to direct referrals from the police and ambulance services
- talking about our customers in team meetings
- reviewing the Friends and Family Test (FFT), analysing comments and identifying any issues requiring investigation - every month in our Governance Group, we ask a service to go through recent results and look at any issues
- improving patient involvement: our Patient Forum has been running for two years providing a conduit for patient engagement in service developments and is consulted on for a number of issues such as going Smoke free
- recruiting to the post of a physical health nurse to provide education and advice to service users and staff in the community teams
- increasing the number of whole time equivalent (WTE) staff in our physical health and well-being team by one
- ensuring all clinic rooms have physical health monitoring equipment available
- co-locating Solent Mind with the community teams
- continuing to review housing provision placements and the local housing available through the transformation project
- reviewing the pathway for people who use our services to ensure interventions happen in a timely way

Treating and caring for people in a safe environment and protecting them from avoidable harm – Patient safety incidents

The purpose of this indicator is to help monitor shifts in the risk of severe harm or death to patients and to identify new emerging risks so that we are able to proactively identify potential impacts on patient care. Trusts that have high reporting figures have a better safety culture.

Patient safety incident data is collected centrally by the National Reporting and Learning Service (NRLS). Two measures are reported below for the rate of incidents reported per 1000 bed days and the rate of incidents which are categorised as causing severe harm or death.

The NRLS considers high levels of incident reporting by Trusts to be an indicator of a positive reporting culture. Consequently, high numbers of incidents are viewed positively, particularly when the proportion of serious incidents is low and the proportion of no harm incidents is high.

Please note that the full report for April-September 2016 is not currently available due to a delay of six months from when data is submitted to the NRLS to it being published.

	October 2014 to March 2015	April 2015 to September 2015	October 2015 –March 2016	April 2016 to September 2016
Patient safety incidents per 1,000 provider bed days				
Solent NHS Trust	83.93	65.57	28.46	67.1
National Average (Mental Health Trusts)	38.92	42.00	42.03	42.45
Patient safety incidents resulting in severe harm or death				
Solent NHS Trust	1.34%	2.14%	6.01%	14.29%
National Average (Mental Health Trusts)	1.06 percent	1.14%	1.14%	Currently unavailable



Part 4

Review of Quality Performance

In this section we report on the quality of the service we provide.

Same sex accommodation requirements

Why did we choose this measure? Reducing mixed sex accommodation is a national priority and Department of Health requirement

Performance: There have been no reportable breaches during this year.

Patient Experience

Why did we choose this measure? The Friends and Family Test is a nationally mandated tool which allows services users and staff to give their feedback on NHS services

Performance:

	Recommend	Not Recommend	Total Responses	Extremely Likely	Likely	Neither Likely or Unlikely	Unlikely	Extremely Unlikely	Don't Know
16/17	95.79 percent	1.65 percent	15335	11711	2978	264	96	157	129
15/16	94.95 percent	2.17 percent	13927	10474	2749	263	116	186	139

The positive feedback from our service users last year has been sustained and improved this year, with an increase in the proportion of respondents who would recommend our services and a reduction in the proportion who would not recommend.

This shows that the majority of our service users are reporting a positive experience of care and the free text comments detail the complimentary feedback provided. Themes include comments related to our caring and professional staff. Services share the feedback with staff who are often personally named by service users and review comments for planning quality improvements.

Patient Led Assessment of the Care Environment (PLACE)

Why did we choose this measure? Department of Health requirements

Performance:

2015	Cleanliness	Food	Organisational food	Ward food	Privacy and Dignity	Condition and appearance	Dementia	Disability was not scored until 2016
Western Community Hospital	100.00%	99.76%	99.50%	100.00%	95.10%	100.00%	98.73%	
Royal South Hants Hospital	94.66%	98.36%	99.50%	97.32%	89.42%	90.91%	85.04%	
St Marys Hospital Health Campus	98.99%	93.27%	99.50%	88.85%	94.33%	93.71%	98.30%	
Jubilee House	100.00%	98.83%	99.50%	98.23%	94.05%	95.14%	95.10%	
St James Hospital	98.48%	98.81%	97.70%	100.00%	90.65%	94.59%	92.15%	
2016	Cleanliness	Food	Organisational food	Ward food	Privacy and Dignity	Condition and appearance	Dementia	Disability was not scored until 2016
Western Community Hospital	100.00%	98.77%	98.68%	98.84%	90.12%	100.00%	94.96%	98.53%
Royal South Hants Hospital	95.43%	94.02%	98.68%	89.62%	92.19%	90.45%	73.13%	82.69%
St Marys Hospital Health Campus	99.41%	95.71%	98.68%	92.25%	89.29%	94.86%	91.11%	87.11%
Jubilee House	99.50%	99.39%	98.68%	100.00%	89.17%	95.38%	90.83%	90.29%
St James Hospital	96.27%	98.38%	97.13%	100.00%	89.34%	94.84%	86.46%	89.66%

As the results above show we scored highly in most categories achieving 100 percent in a number of areas such as cleanliness, ward food and condition and maintenance. It should be noted that the dementia standard was not scored fully in 2015 and the disability standard was not scored until 2016.

The majority of the patient assessors for 2016 were also part of the 2015 team and reported being extremely impressed with the services' standards, particularly the food and cleanliness. They were pleased to see the changes that were already put into place due to their previous assessment and input.

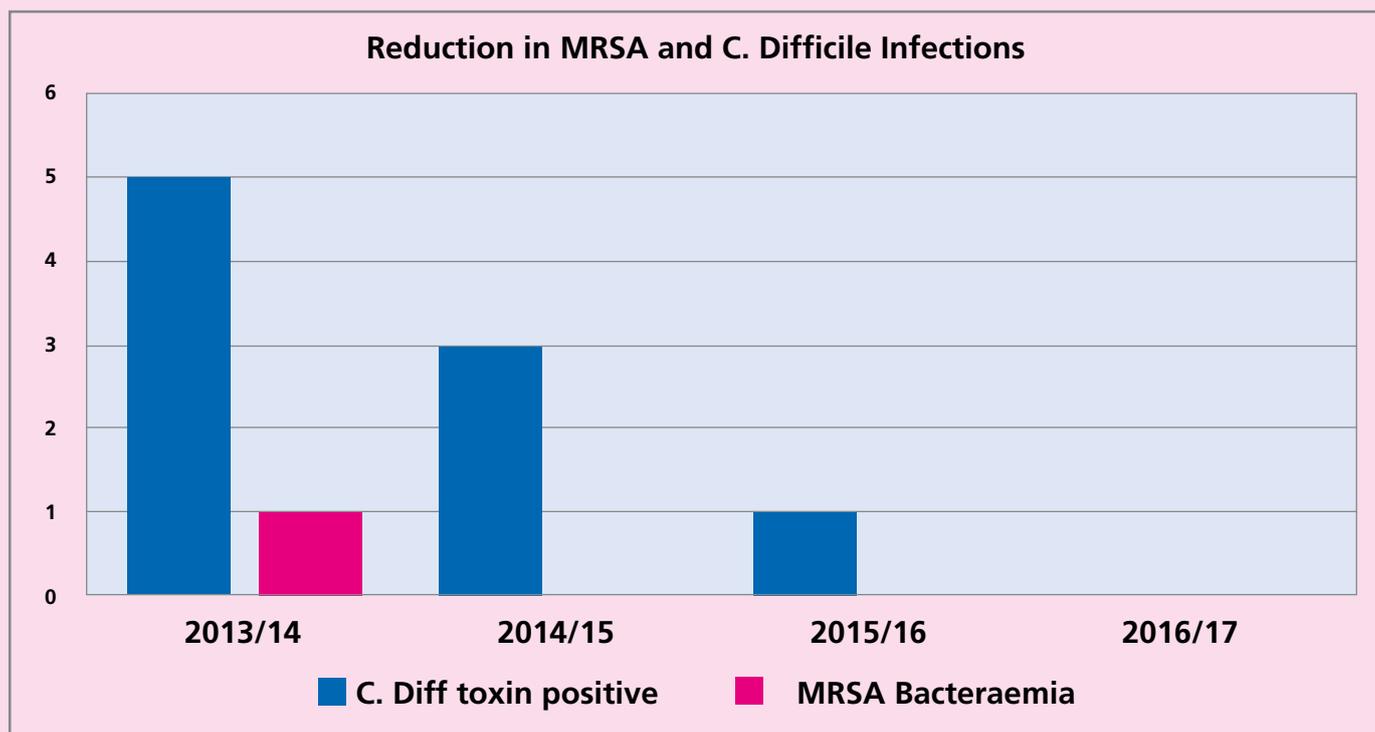
The overall results of the PLACE visit demonstrate that there are high standards in cleanliness, condition, maintenance and food in the ward areas. There is a room for improvement in the disability and dementia scoring categories, which will be monitored. In those areas where we are tenants, or are co-located with other organisations, we work with the appropriate landlord if issues are identified and agree a joint action plan.

In order to maintain these standards, we will be re-introducing our local mini-PLACE assessments in 2017/18.

Infection control: reduction in MRSA and C. Difficile infections

Why did we choose this measure? Department of Health requirement

Performance: we are committed to a zero tolerance approach to any avoidable healthcare associated infections (HCAI's). Achieving this vision requires planning and a systematic approach to ensure the organisation has a culture where infection prevention and control is embedded in practice. We acknowledge that every member of staff needs to be involved in the process therefore making infection prevention part of everyone's job. There have been no instances of MRSA bacteraemia since 2013/14 and no instances of C. Difficile in 2016/17.



Statutory and mandatory training for 2016/17

It is important that our staff are able to learn, develop their skills, and receive the training they need to carry out their roles safely. In 2016/17 we have supported the learning and development needs of staff linked to organisational priorities. We have:

- offered clinical learning and development opportunities
- delivered 20 leadership and management development programmes across our framework, with 61 members of staff achieving an accredited Institute of Leadership and Management qualification
- supported our newly qualified staff to make the transition from student to clinical professional through our Preceptorship programmes
- increased opportunities for our young apprentices, supporting 12 young apprentices in 2016/17
- embedded the new Practice Educator team into our service. Six Practice Educators have been helping to improve the experience placement students have whilst with us
- supported staff development including: mentoring and the delivery of clinical skills programmes
- ensured our staff are continuously developed - 91 percent of our staff have had an appraisal discussion with their manager, and have agreed a personal development plan
- developed a career framework to support our staff in their career planning, and to provide clear information on roles and associated training and development
- achieved 81 percent compliance with our Statutory and Mandatory training
- achieved 95 percent compliance with Information Governance training.

Mandatory Training Course	Compliance
Appraisals	91.8 percent
Corporate Induction	85.8 percent
Dementia	72.6 percent
Diversity	81.8 percent
Fire Safety	72.8 percent
Health & Safety	75.9 percent
Infection Control	78.9 percent
Information Governance	95 percent
Manual Handling	84.7 percent
Mental Capacity Act	72.6 percent
Resuscitation	95.5 percent
Safeguarding Adults	78.0 percent
Safeguarding Children	80.7 percent
Overall Mandatory Training	81.0 percent

Staff absence through sickness rate

Recognising that our staff are our most valuable resource, the approach we have taken to reduce sickness absence in the last year goes hand in hand with promoting staff wellbeing. In response to sickness absence data various initiatives have been implemented and evaluated to improve staff health and wellbeing. These include the increased provision of self-referral and fast track physiotherapy, emotional resilience workshops and self-care at work. These are designed to motivate and empower staff promoting self-care approaches that will help them improve their lifestyle.

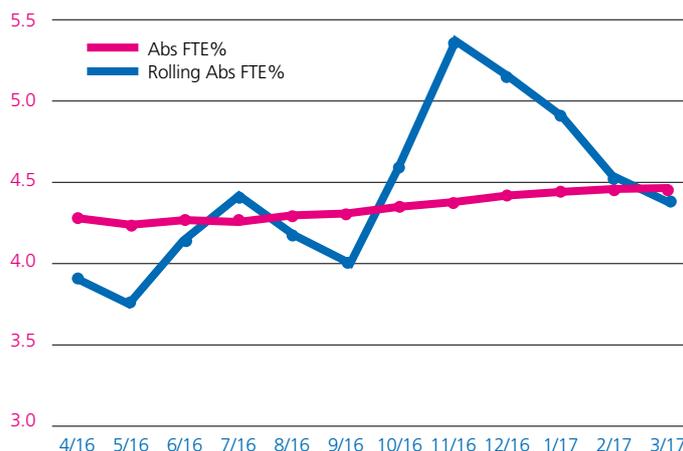
Managers are supported by the human resources and occupational health teams as well as through our Employee Assistance Programme (EAP) to manage sickness absence in-line with policy supporting staff to attend work regularly. Support is also available to sustain a return to work following a period of absence.

We hold a bi-monthly health and wellbeing steering group which is attended by key stakeholders involved in supporting staff.

In 2016, we saw our sickness absence fluctuate between 3.8 percent and 5.25 percent with usual seasonal trends occurring. Overall, the rolling sickness rate rose 0.1 percent to 4.42 percent. Stress is the main cause of sickness at 23 percent; this is down 1 percent on the previous 12 month period.

The following graph shows sickness absence rates for April 2016 to March 2017. Sickness rates have fluctuated throughout the period, with a peak of 5.25 percent in November 2016. The rolling absence rate however emphasises the rate based on the preceding 12 month rolling average, and we are presently 4.42 percent, with the trend slightly rising. The average for community and mental health trusts for 12 months to April 2017 was 4.86 percent.

Solent sickness 2016/17



Staff survey

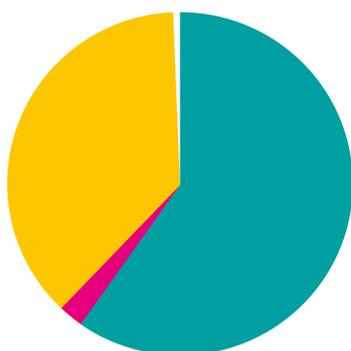
We believe that the feedback we receive from our staff plays an important part in creating a great place to work. Throughout the year we encourage our staff to share what it is like to work for the Trust through formal and informal routes.

Annually, we ask our staff to take part in the Annual Staff Survey, a national survey undertaken by all NHS trusts. Our response rate to this survey was 55.3 percent in 2016/17, an increase of 10.9 percent from last year. The national average response rate was 46.5 percent. This is a good indicator of engagement and demonstrates that our staff value the opportunity to share their views. This continues the positive trend we have seen through the quarterly Friends and Family Test (FFT) results.

Key points from the 2016/17 survey:

- Compared to last year, we scored significantly better on 53 questions and significantly worse on only 2 questions.
- Compared to other Mental Health Community (MHC) Trusts surveyed by Pickers, we scored significantly better on 29 questions, average on 53 and worse on 6.
- Our overall engagement score, measured by NHS England, is 3.83 compared to 3.69 last year. The national average score for community trusts was 3.80.

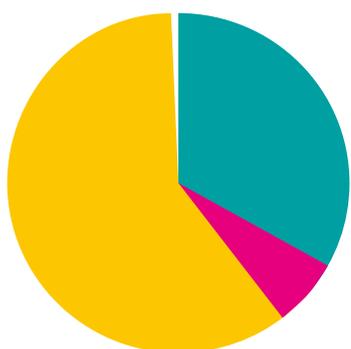
The investment in the Great Place to Work Programme has yielded positive results with a greater focus on people through learning and development, leadership and health and wellbeing. Our collective effort to strengthen our culture through continued focus on values and behaviours is taking us in the right direction. Examples of initiatives include the Global Corporate Challenge, Dragons' Den, leadership development programmes and improved internal communications. We will need to maintain and strengthen our efforts in order to continue the positive improvements throughout the next year.



Have we improved since the 2015 survey?

A total of 88 questions were used in both the 2015 and 2016 surveys. Compared to the 2015 survey, your organisation is:

- Significantly BETTER on 53 questions
- Significantly WORSE on 2 questions
- The scores show no significant difference on 33 questions



How do we compare to other organisations?

In this year's survey a comparison can be drawn between your organisation and the average for all 'Picker' mental health community organisations on a total of 88 questions. The survey showed that your organisation is:

- Significantly BETTER than average on 29 questions
- Significantly WORSE than average on 6 questions
- The scores were average on 53 questions

Part 5

Quality improvement news from 2016/17

Freedom to Speak Up

This year we appointed seven Freedom to Speak Up guardians. These guardians are a visible resource within the Trust working to the national guardian office recommendations on issues relating to raising concerns by NHS workers.

All guardians have undertaken training from the national guardian office to enable them to review the handling of concerns raised by NHS workers. They also review the treatment of the person, or people, who spoke up if there is cause for believing that this has not been in accordance with good practice.

Developments since the introduction of these guardians include:

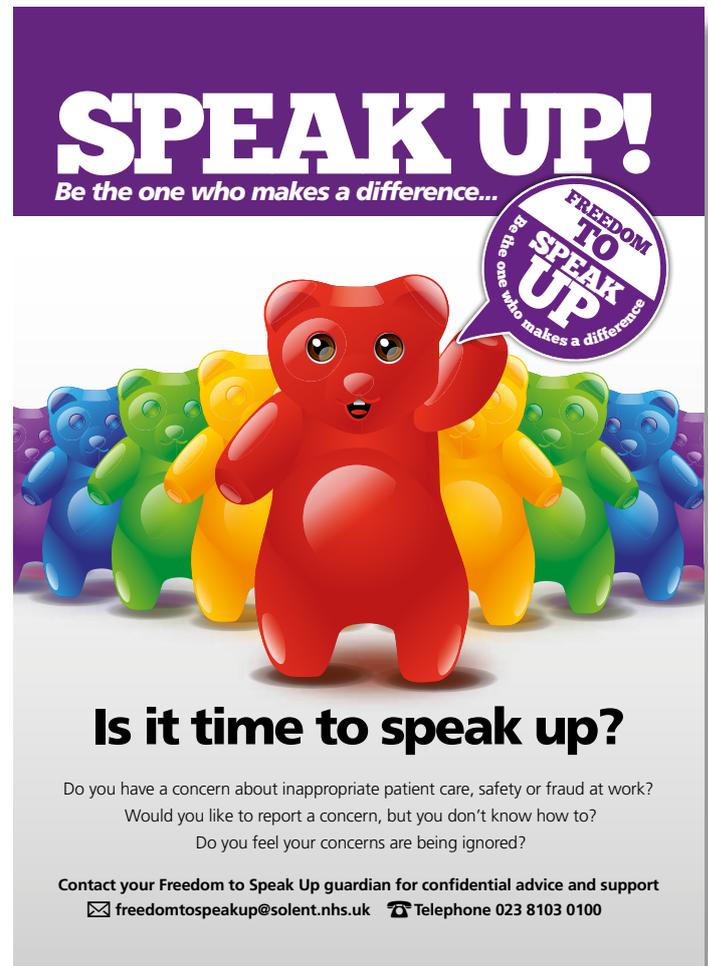
- implementing an on-call rota Monday to Friday
- launching a shared email account, although guardians can also be contacted on an individual basis
- embedding freedom to speak up within corporate induction
- raising awareness through articles in the weekly Staff News email, presentations at service line away days and at a variety of meetings including the Health Care Support Worker (HCSW) forum.

Quality Improvement Collaborative

July 2016 saw the launch of the Quality Improvement Collaborative. The programme is designed to support and encourage individuals and teams to develop the skills and capability to successfully develop and implement quality improvement projects within their workplace. Five cohorts of 7-8 teams will participate over the course of three years.

The programme comprises the following three core elements:

1. Individual team workshops to provide teams with support to carry out quality improvement projects within their workplace.
2. A series of 3 to 4 externally facilitated learning events on key quality improvement topics, delivered over eight months.
3. Optional master classes, delivered by external speakers and open to all staff, covering subjects such as Coaching for Improvement.



SPEAK UP!
Be the one who makes a difference...

FREEDOM TO SPEAK UP
Be the one who makes a difference

Is it time to speak up?

Do you have a concern about inappropriate patient care, safety or fraud at work?
Would you like to report a concern, but you don't know how to?
Do you feel your concerns are being ignored?

Contact your Freedom to Speak Up guardian for confidential advice and support
✉ freedomtospeakup@solent.nhs.uk ☎ Telephone 023 8103 0100

Seven teams joined Cohort 1 in July 2016, and a further seven teams joined Cohort 2 in December 2016. Work to date includes:

- Improving ward processes, such as the timing of a patient's medical review, to lower the risk of errors from rushed prescriptions so that all patients have a timely, safe and effective discharge
- Improving the process of recalling patients for follow-up dental appointments to reduce the risk of patients developing associated long-term health issues – the revised process will be launched in 2017/18

Spotlight on Catheter Improvement Project 2016/17

Urinary Tract Infections (UTI), particularly those that relate to urinary catheters, are the second largest group of Healthcare Associated Infections (HCAI) and are responsible for approximately 17.2 percent of all HCAs. We have been working on improving the timely removal of unnecessary catheters, associated paperwork and ensuring this area of care is as safe as possible.

Due to inconsistencies with urinary catheter documentation in inpatient and community services, the aim of the project is to ensure that every patient with a urinary catheter will have the correct paperwork accurately completed by July 2017. Expected benefits include:

- facilitating the timely removal of unnecessary urinary catheters
- reducing the risk of HCAI and Sepsis
- reducing the use of unnecessary antibiotics
- reducing the demand on clinician’s time
- reducing, pain and, increased mortality and expense.

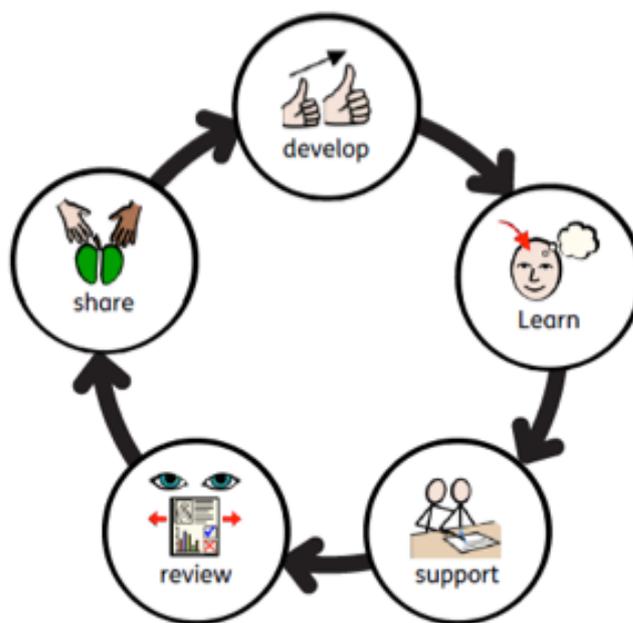
Early in the project a baseline audit revealed that only 52 percent of patients had the correct paperwork completed accurately. For those patients assurance is provided that urinary catheters were appropriately placed. Six months into the project, the same audit was repeated and compliance was found to have risen to 80 percent, an improvement of 28 percent.

Lessons learnt, and the next steps, have been identified so we can continue to move forward and reach our aim by July 2017. This will contribute to plans from NHS England to reduce gram negative bloodstream infections by 2020, as many UTIs are caused by gram negative infections such as E.coli.

Spotlight on Accessible Information - Supporting the communication and information needs for all

Key developments with accessible information relate to the following five areas:

1. Introduction of a three-tiered accessible information training programme for staff
2. Development of an accessible information network
3. Recruitment of ‘Accessible Information Patient Volunteers’ and ‘Accessible Information Support Volunteers’
4. Electronic recording requirements on patient records systems and data reporting
5. Partnership working and national collaborations



Accessible Information



Dr Clare Mander is our new lead for Accessible Information.



Clare has worked with our patients and staff to develop a programme of training.



The training helps staff to support people with communication and information needs.

We now have a group of staff who are working together and learning from each other. This is called a ‘network’.



We are developing two types of volunteers that include patients and supporters.

These volunteers will work with the network to improve our care.



Our staff are starting to record patients communication and information needs on their electronic record.

This is helping us to find out more about the level of need across the Trust.

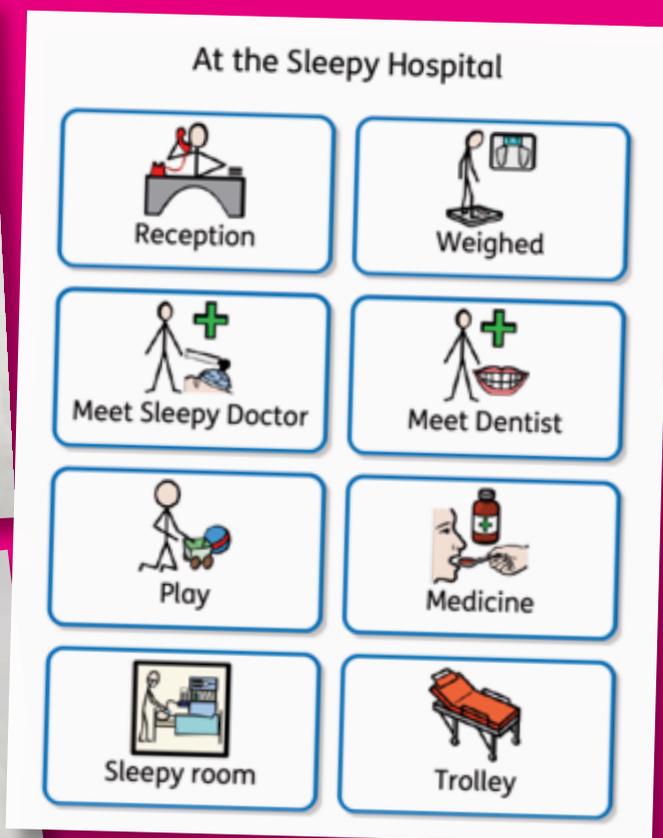
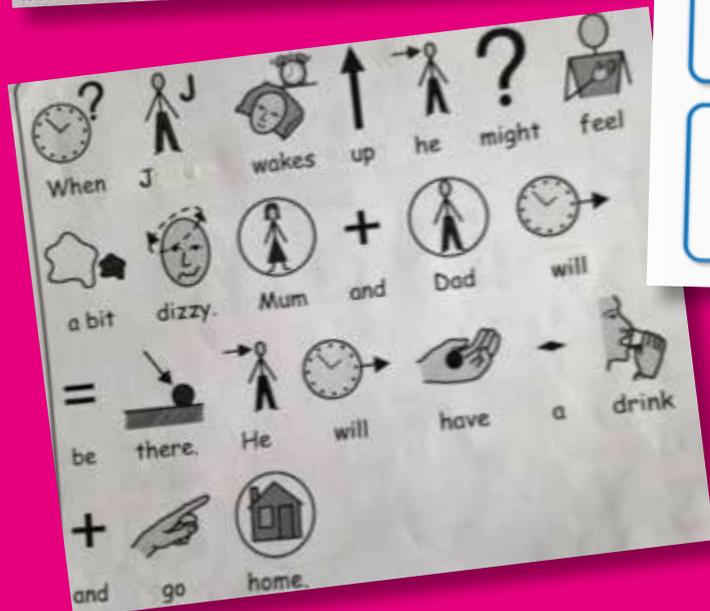
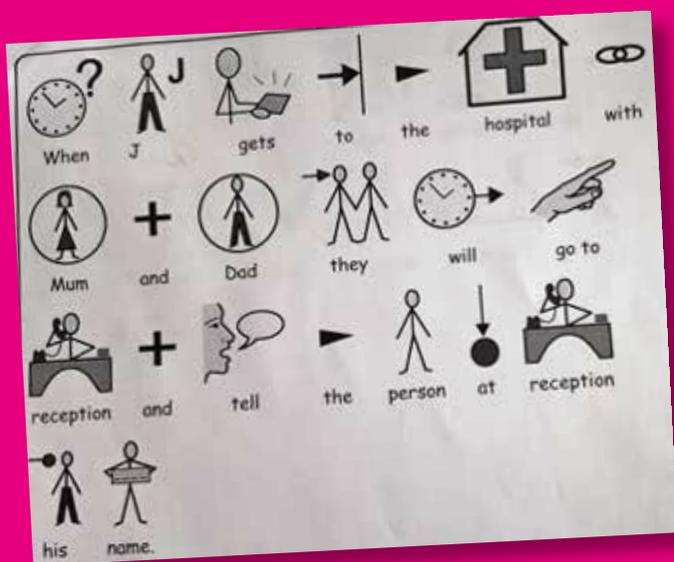


To help others, we are sharing information about the work we are doing on accessible information.

Patient story – Dental Services

The specialist dental service had a referral for a child with autism who required an extraction under general anaesthetic (GA). The child’s mum contacted the service for help in explaining the process to their child. The service was able to work with the mum using the ‘At the Sleepy Hospital’ storyboard to help her prepare their child for the visit. The child’s mum shared this information with their child’s school and they developed a personalised story book that incorporated

some of the ‘widgets’ from our storyboard as well as those the child commonly uses. This enabled the child to be familiarised with the process and their story in the run up to the appointment and was very successful in preparing the child for their GA in an unfamiliar setting. The whole procedure ran very smoothly. Just before they left, the family proudly read their ‘story’. This is a section of the story (patient name removed):



This is the accessible information used by the service to explain the process of a general anaesthetic.

Spotlight on recovery and peer workers

The Recovery Approach has contributed to substantial improvements in Adult Mental Health services. The development of a Trust-wide Thematic Lead role is designed to take this learning to other areas, working with people who have long term conditions.

The approach promotes hope, self-management and opportunity to support people's adjustment to a life changing event or illness. We have learnt that a key element in this is to harness the expertise of people who have themselves used the service / had similar health conditions – called 'peers'. Using co-production to work equally with peers, we consider problems, develop solutions and deliver them together – creating a powerful, sustainable community to make improvements for individuals, services and staff. Key objectives and progress to date include:

Objectives

1. To increase our ability to learn from and work with people who access our services (Learning from Lived Experience LLE)



2. To promote recovery principles – Hope; opportunity; self-management through – Coproduction; learning from lived experience and recovery education in services working with people with long term conditions.



Progress to date:

We are currently establishing a baseline, framework and learning network of services working in this way. Our aim is to share and build best practice.

A few examples are shared below:

- Service users in Adult Mental Health have developed a training package for staff about how to improve the experience of having their risk of suicide assessed.
- Created a collection of films about service user's experience of services across the Trust.
- Project to identify, trial, and embed a Patient Reported Outcome measure in Adult Mental Health including service-user led training and consultation with all staff groups.
- Workstream to engage adults with Learning Disabilities in recruitment of staff; service audits and evaluation.
- Re-launch of Solent Recovery College based in Portsmouth. In partnership with Solent Mind and Highbury Further Education College, we provide education courses about mental health for people who use mental health services, carers and staff. All courses are developed and delivered by adult mental health staff and peer trainers (people who have / have had mental health issues). We continue to host National and International visitors wishing to learn from our model. We intend to expand this model to people with other long term conditions.
- Project underway to recruit peer volunteers who live well with diabetes to work with people accessing the diabetic foot clinic. Aim to improve wellbeing through improved self-management.
- Work underway with Community Nursing team to enhance methods of gaining patient experience feedback from a vulnerable and disparate client group through projects to tackle social isolation and improve wellbeing.

Spotlight on Dementia Thematic Lead

We recognise the importance of ensuring that all our services and the environments in which we provide services are dementia aware and dementia friendly. In 2016 we introduced the role of Dementia Thematic Lead. This lead role works across the Trust in collaboration with frontline staff and support services teams to ensure that the necessary skills and knowledge are increased and standards are consistently achieved.

Working in partnership with Dementia UK, we began providing support and advice to a team of admiral nurses. As a consequence of our joint work, the Solent Dementia network was launched. The network is designed to give our dementia nurses and healthcare professionals easy access to quality information and support, which in turn will lead to better care for our dementia patients.

Objectives:	Progress to date:
Identify training needs for staff and Implement tier two Dementia training for all relevant clinical staff.	Dementia tier two training was sourced. A 'train the trainers' day occurred in July 2016 and some of our clinicians are involved in rolling out the training. Training on offer to clinical staff since October 2016. We have offered 8 days so far with another 9 booked before end of March.
Network with other agencies and local partners to share knowledge and expertise and look at collaborative working.	Networking has occurred with Wessex academic health sciences dementia programme. Queen Alexandra Hospital dementia link workers, Solent Mind. Southampton Dementia Action Alliance and Portsmouth Dementia Action Alliance.
Provide expertise and advice in Dementia care across our services	Involvement in the development of trust guidelines for environmental design for people with dementia.
Develop a network of dementia champions to promote high quality dementia care.	Visits to services to offer support, including rehab wards Southampton, Community rehab teams Southampton and Portsmouth. District nursing teams Portsmouth.
Access additional learning/training to promote advanced practice and leading service improvements	This is in the early stages. Links have been made with some services. Liaison with Wessex Academic health sciences about their dementia networks.

Spotlight on Falls

The Falls Thematic Lead is a Trust-wide role introduced in late 2016 to support frontline staff in delivering care in line with agreed standards. A particular focus of the role during the first year is to review the training made available to frontline staff as well as leading the updating of the Trust Falls policy in line with latest guidance. The post holder will also undertake a thematic review of falls that occur within the in-patient areas of the Trust so that further action can be identified to improve patient outcomes.

Objectives for 16/17	Progress to date:
To establish a baseline of current Falls referral and management pathways across all adult services in both Southampton and Portsmouth	We have developed and disseminated two falls fact sheets, and a community post-fall protocol
To identify Falls training needs and to implement and monitor Falls training	Falls training is now on the our Learning and Development Compliance Matrix for all relevant staff
Long term objectives revise into outcome To reduce falls in our care by establishing Falls Champions, auditing the delivery of our Falls services, and provide additional information on our Intranet.	Falls champions will be supporting the development of a system of cascade training for falls for staff in 2017/18

Spotlight on End of Life Care

Every year, around half a million people in England die, and two thirds of them are people over the age of 75. For most people a 'good death' would mean pain free, in a familiar place with close family or friends and being treated with respect. 75 percent of people say they would prefer to die at home. Recently, the number of people dying at home has increased (42 percent in 2011), but over half of deaths still occur in hospitals.

We have appointed a part-time lead in End of Life Care. The aim of the role is to provide leadership for further development and improvement of end of life care across our Trust, ensuring patients are provided with safe, effective and high quality end of life care. This will be achieved through:

Objectives	Progress to date
Networking and collaboration: Scope and map services and identify key stakeholders and partners in relation to End of Life Care.	Networking has taken place with wider services by attending Wessex End of Life meetings. Relationships are being built with local hospices across Portsmouth and Southampton.
Network and establish relationships within the acute, primary, voluntary and private sector across the geographic areas of Portsmouth and Southampton.	
Increase understanding and awareness of End of Life Services provided through meeting with other agencies and services within our area to enhance good practice, and improve skills and knowledge.	
Training: Identify End of Life training needs and gaps by developing and collating data through means of a training needs analysis. (Linked with departmental and organisation objectives).	Training has been delivered in Communication in Advanced Decision Making and Case Management Training
Rein state and roll out of End of Life Case Management training.	Individualised care plan developed and in process of being rolled out.
Introduce and roll out of the Individualised Care Plan	
End of Life Link/expertise: To act as the link and subject matter expert on End of Life Care by offering guidance on service improvement and broaden End of Life Care process exposure	Champions in End of Life Care identified across Southampton teams and wider services
Develop a network of Link Champions in End of Life Care to share practice and enhance End of Life Care	
Roll out End of Life Newsletter to share practice and inform staff	
Policies and Audit: Identify a baseline policy for DNACPR and research guidance on difficult conversations in relation to CPR	Audit aims written and audit tool developed to identify decisions made in relation to DNACPR.
Develop an End of Life framework	

Part 2b

Feedback from key stakeholders

Healthwatch Southampton comment on the initial draft Account

Healthwatch Southampton welcomes the opportunity to make formal comment on the draft of Solent NHS Trust Quality Account 2016/17.

In Southampton, the Solent NHS Trust provides in-patient care at the Western and Royal South Hants hospitals as well as GP practice surgeries and a number of outpatient clinics and community services. Healthwatch Southampton can therefore only comment on those services that apply to Southampton.

The tables given in the review of quality goals and priorities in 2016/17 section are clear and it is pleasing to see that progress has been made. We are particularly pleased to see a reduction in the complaints regarding communication, although the way the bar chart is produced, starting with a base of 33, visually exaggerates the reduction.

However, further on in this section, the Quality Goals within the Strategic Framework are listed and include 'Quality Improvement actions for 2017/18. This is confusing and means that the reader is having to refer back to see how statements fit with the section entitled quality priorities in 2017/18. Despite this, the information given in these sections is clear and easily understandable. We are particularly pleased to see the proposal to introduce 'always events'.

We are pleased to see that the Trust is taking its compliance with the duty of candour very seriously and encourage an open and transparent policy.

The total number of concerns and complaints raised with the PALS and complaints service remains at about the same level, but it is pleasing to see that many of these are now resolved within the services reducing the number of formal complaints. We know from our experience, and are pleased, that the PALS service is prominently advertised. The fact that the number of general contacts with the PALS service for advice and signposting has increased is evidence of its availability. Communication and information for patients is often a major cause of complaint to Healthwatch and it is good to see that this has reduced by 10 percent for the Trust. We applaud the establishment of a complaints review panel and that is has Healthwatch amongst its members.

The CQC rating of good for community service accords well with our experience and the trust is to be congratulated on this rating.

The fact that Solent NHS Trust continues to be at the top of the National League tables for research activity in Care Trusts is good news not just to those immediately affected by the trials but much wider. We were pleased to see this recognised by the CQC.

The CQC rating of good for Community service accords well with our experience and the trust is to be congratulated on this rating. Patient feedback on the primary medical services is also in line with the CQC findings and we have worked with the management of the Nicholstown surgery.

Healthwatch Southampton was involved with the PLACE inspections revealing a high standard of cleanliness, and attention to patient dignity. The facility at the Royal South Hants hospital is collocated in premises managed by NHS property services and the inspection showed significant deficiencies in the maintenance of the premises controlled by them; fortunately, this does not reflect in the scoring for Solent NHS Trust.

The improvement in staff response to the survey is encouraging as there is no doubt that the impact of staff experience can affect the delivery of care and overall patient experience.

The quality priorities for 2017/18 are welcomed but given the importance of these priorities we would have wished to see a little clearer narrative rather than the bulleted statements. We look forward to continuing an effective relationship with the Trust and will do what we can to help the Trust achieve its objectives.

H F Dymond MBE
Chairman, Healthwatch Southampton

Southampton City Council

Councillor Sarah Bogle
C/O Mark Pirmie, Democratic Services
Southampton City Council
Civic Centre
Southampton SO14 7LY



Direct dial: 023 8083 3886
Email: mark.pirmie@southampton.gov.uk

Date: 26 May 2017

Sue Harriman
Chief Executive
Solent NHS Trust

Dear Sue,

Solent NHS Trust Quality Account 2016/17

The Southampton Health Overview and Scrutiny Panel welcomes the opportunity to comment on the Solent NHS Trust Quality Account for 2016/17.

The Panel were pleased to see positive progress reported against a number of priorities set for 2016/17, including the implementation of the Quality Improvement Programme to enable and empower staff to identify opportunities for improvement and implement changes.

Despite some notable achievements, specifically the progress being made implementing a number of the recommendations contained within the CQC inspection report, it is however disappointing that only 2 out of the 5 agreed priorities for 2016/17 were fully met, with 3 identified as partially met within the report. Given the performance identified above it is understandable that the Trust have included the indicators that were partially met in its plans for 2017/18.

The Panel also questioned the correlation between the priorities set by Solent and the performance measures that were used to indicate if the priorities had been achieved. It is recommended that the Trust give consideration as to how priorities are measured and how this information is presented in future Quality Accounts.

Whilst the Panel recognise that Quality Accounts are required to focus on the performance of individual providers, it would be a welcome addition, given that pathways are becoming more seamless, if future reports make reference to the wider health and care systems and relationships operating in Southampton, and how the Trust are contributing to these joint priorities. Reference in particular to the Trust's contribution to the Hampshire and Isle of Wight STP, and its various improvement programmes would add context and value to the report.

The Southampton HOSP look forward to working closely with Solent NHS Trust over the coming year to ensure that progression is maintained and that the quality of services continues to improve.

Yours sincerely

Cllr Sarah Bogle
Chair of the Health Overview and Scrutiny Panel
Southampton City Council

Switchboard 023 8083 3000

www.southampton.gov.uk

Portsmouth Clinical Commissioning Group (Response in 16/17 Quality accounts)

NHS Portsmouth CCG supports the Trust in its publication of the 2016/17 Quality Account.

Having reviewed the mandatory detail of the report, we are satisfied that the Quality Account incorporates the mandated elements required, based on available data.

The CCG recognises the progress made on the 16/17 5 goals and the continuous development planned in 17/18.

Throughout 2016/17 the Trust made significant progress with the challenges around Community Nursing recruitment and retention. Whilst there are still a number of vacancies, the service has mitigating processes and procedures in place to address any potential areas of concern.

The recent CQC inspection awarded Solent an overall rating of Requires Improvement and the CCG acknowledge that there is a robust action plan in place to address specific areas. The progress against this is monitored at the monthly Clinical Quality Review Board. Whilst this was an overall rating, the CCG are delighted to acknowledge the rating of outstanding awarded to the learning Disability services – especially as this was one of the only LD services nationally to be rated as outstanding by the CQC.

The CCG recognises the ongoing work to embed the Patient safety agenda into practice across all its services. Work

continues to build on processes to ensure compliance with the National Serious Incident Framework and in particular the CCG has seen a marked improvement to the quality and timeliness of investigations. Furthermore the impact of investigators and service line representation at the CCG SI panels has been beneficial and valuable for both provider and commissioner. It is anticipated that the Trust will now further embed the sharing of lessons across the organisation so that other areas learn and implement actions accordingly as a result.

Solent is actively engaged in the development of a robust review process for Mortality – with a focus on learning from deaths. The work undertaken by the executive team and involvement in the recent national guidance on learning is noted and welcomed by the CCG.

The Trust continues to engage positively and proactively with the CCG and has welcomed challenges posed by the CCG to ensure services are safe for patients.

The CCG applauds the Trust for the significant role it is taking in research activity.

Suzannah Rosenberg
Director of Quality & Commissioning

NHS Portsmouth Clinical Commissioning Group



Southampton City Clinical Commissioning Group

Solent NHS Trust Quality Account 2016/17

Southampton City Clinical Commissioning Group is pleased to comment on Solent NHS Trust's Quality Account for 2016/17. The CCG has continued to work with the Trust over the past year in monitoring the quality of care provided to the local population of Southampton in identifying areas for improvement.

There is a clear message within the Quality Account that Solent aims to provide patient centred care through continuous quality improvement and the report has highlighted some of the positive improvements made during 2016/17. These include; freedom to speak, staff survey improvements, quality improvement collaborative, accessible information and recovery and peer workers

It is disappointing to see only 2 of the 5 priorities were fully achieved during 2015/16, with a further 3 partially met. Additionally the demonstration of measures of success is not as robust in some areas as would be expected. It is recognised that priority 4 Patient Safety and Effectiveness (safe staffing), which was partially met, is reliant on guidance being issued by national bodies and it is good to note that Solent NHS Trust plans to have tools to support services during the first half of 2017/18. It is also recognised that the Trust has picked up on those indicators that were partially met in its plans for 2017/18.

A joint statement is submitted by the Chief Nurse and Chief Medical Officer which outlines continued commitment to providing care that is safe effective and provided in an efficient manner. A continued focus is for Solent to gather feedback on services, one method quoted is the Friends and Family Test and the importance of understanding whether patients would recommend the services to friends and family.

The Quality Improvement Programme provides a range of focused activities for staff training, development and a tool for reviewing capacity. Although Solent's internal Quality Improvement Programme has been successful, both the Chief Nurse and Chief Medical Officer provide continued commitment to participate in the wider patient safety/ improvement collaborative work in Wessex.

The number of formal complaints fell in 2016/17, although the number of PALS concerns rose during the same period as the organisation tried to ensure issues were dealt with more swiftly. The Chief Executive personally signs all complaint letters and a Complaints Review Panel has been developed; chaired by a Non-Executive Director and attended by Healthwatch. The aim of the Panel is to improve quality and to support organisational learning from complaints.

15 national clinical audits and confidential enquiries were reviewed by the Provider and actions appropriately identified to improve the quality of healthcare provided for the local audits. Although not yet finalised, there have been a total of 71 local projects completed from the service audit plans, which is to be commended.

Participation in clinical research meant that Solent were able to recruit 1181 patients into research studies. They recruited to 41 studies on the National Institute of Health Research portfolio and continue to be at the top of the National League tables of research activity in care trusts, which CQC stated was an area of outstanding practice, the CCG endorse this and commend the Trust for this performance.

Overall the Quality Account reflects both the challenges experienced by Solent over the last 12 months and highlights the work undertaken through Solent's ambition to improve the quality of services. Southampton City CCG is of the view that this Quality Account presented for 2017/18 meets the mandatory national requirements.

The CCG fully supports the quality priorities for 2017/18. However Solent NHS Trust need to consider how these will be measured to ensure achievement. Southampton City CCG would expect to see in the 2017/18 Quality Account a stronger and more robust interpretation of how priorities have been achieved against the measures identified.

Southampton City CCG is satisfied with the Quality Account for 2016/17 and we look forward to continue working closely with the Trust over the coming year to further improve the quality of services for the people of Southampton.

John Richards
Chief Officer

Southampton CCG

Appendix A

Eligible National Clinical Audits / National Confidential Enquiries	Percentage Number of Cases Submitted
(CQUIN 2016/17) Improving physical healthcare to reduce premature mortality in people with severe mental illness	109 / 110 (99 percent)
Child Health Clinical Outcome Review Programme: Chronic Neurodisability	3 cases (100 percent)
Child Health Clinical Outcome Review Programme: Young People's Mental Health	Organisational survey completed (100 percent)
Learning Disability Mortality Review Programme (LeDeR)	14 cases (percentage rate is not applicable)
National Diabetes Audit - Adults: National Core (Participating surgeries listed under Southampton CCG included: Adelaide Health Centre, Portswood Solent, Homeless Healthcare, Nicholstown. Figures for HH were suppressed in the national report).	679 cases (percentage rate is not applicable)
Prescribing Observatory for Mental Health Quality Improvement Programme: 11c - Prescribing antipsychotic medication for patients with dementia	80 cases (percentage rate is not applicable)
Prescribing Observatory for Mental Health Quality Improvement Programme: 16a - Rapid tranquillisation in the context of the pharmacological management of acutely-disturbed behaviour	8 cases (percentage rate is not applicable)
Prescribing Observatory for Mental Health Quality Improvement Programme: 1g and 3d - Prescribing highdose and combined antipsychotics	25 cases (percentage rate is not applicable)
Suicide, Homicide and Sudden Unexplained Death (NCISH)	Suicide: 8 / 9 questionnaires completed (89 percent) (remaining one in progress)

Appendix B

Examples of quality newsletters used within clinical service lines to share key messages and lessons learnt



*(rotational seat with University of Portsmouth)



A young girl with dark hair, wearing a bright red top, is smiling warmly at the camera. In the background, a woman wearing a blue patterned shirt is pointing her finger towards a drawing on a white sheet of paper placed on a dark wooden table. The drawing appears to be a simple sketch of a hand or a similar object. The scene is set indoors, with a patterned floor visible in the background. A large, curved magenta graphic element is overlaid on the left side of the image.

Appendix 1 Full Accounts

Statement of Comprehensive Income for year ended 31 March 2017

	NOTE	2016-17 £000s	2015-16 £000s
Gross employee benefits	8.1	(117,630)	(118,911)
Other operating costs	6	(64,454)	(71,662)
Revenue from patient care activities	4	162,247	161,968
Other operating revenue	5	18,428	16,886
Operating surplus/(deficit)		(1,409)	(11,719)
Investment revenue	10	23	21
Other gains and (losses)	11	(11)	(94)
Finance costs	12	(159)	(133)
Surplus/(deficit) for the financial year		(1,556)	(11,925)
Public dividend capital dividends payable		(2,314)	(3,239)
Retained surplus/(deficit) for the year		(3,870)	(15,164)
Other Comprehensive Income		2016-17 £000s	2015-16 £000s
Impairments and reversals taken to the revaluation reserve		(4,032)	(17,207)
Net gain/(loss) on revaluation of property, plant & equipment		0	419
Total comprehensive income for the year		(7,902)	(31,952)
Financial performance for the year			
Retained surplus/(deficit) for the year		(3,870)	(15,164)
Impairments (excluding IFRIC 12 impairments)		1,740	10,165
Adjustments in respect of donated asset reserve elimination		46	(63)
Adjusted retained surplus/(deficit)		(2,084)	(5,062)

The notes on pages 178 to 205 form part of this account.

Statement of Financial Position as at 31 March 2017

	NOTE	31 March 2017 £000s	31 March 2016 £000s
Non-current assets:			
Property, plant and equipment	14	76,951	84,031
Intangible assets	15	2,894	2,930
Investment property	17	0	0
Other financial assets		0	0
Trade and other receivables	20.1	3,113	1,760
Total non-current assets		82,958	88,721
Current assets:			
Inventories	19	407	458
Trade and other receivables	20.1	12,011	11,005
Other financial assets	22	0	0
Other current assets	23	0	0
Cash and cash equivalents	24	6,291	5,575
Sub-total current assets		18,709	17,038
Non-current assets held for sale	25	1,200	0
Total current assets		19,909	17,038
Total assets		102,867	105,759
Current liabilities			
Trade and other payables	26	(19,590)	(17,713)
Other liabilities	27	0	0
Provisions	33	0	0
Borrowings	28	(319)	(306)
Other financial liabilities	29	0	0
DH revenue support loan	28	(4,304)	0
Total current liabilities		(24,213)	(18,019)
Net current assets/(liabilities)		(4,304)	(981)
Total assets less current liabilities		78,654	87,740
Non-current liabilities			
Trade and other payables	26	(146)	(167)
Other liabilities	27	0	0
Provisions	33	0	0
Borrowings	28	(520)	(839)
Other financial liabilities	29	0	0
DH revenue support loan	28	(3,460)	(4,304)
Total non-current liabilities		(4,126)	(5,310)
Total assets employed:		74,528	82,430
FINANCED BY:			
Public Dividend Capital		6,435	6,435
Retained earnings		59,930	63,438
Revaluation reserve		8,163	12,557
Other reserves		0	0
Total Taxpayers' Equity:		74,528	82,430

The notes on pages 5 to 26 form part of this account.

The financial statements on pages 174 to 177 were approved by the Board on 30 May 2017 and signed on its behalf by **Chief Executive** *SJHarriman* Sue Harriman.

Statement of Changes in Taxpayers' Equity For the year ending 31 March 2017

	Public Dividend capital	Retained earnings	Revaluation reserve	Total reserves
	£000s	£000s	£000s	£000s
Balance at 1 April 2016	6,435	63,438	12,557	82,430
Changes in taxpayers' equity for 2016-17				
Retained surplus/(deficit) for the year		(3,870)		(3,870)
Impairments and reversals			(4,032)	(4,032)
Transfers between reserves		362	(362)	0
Net recognised revenue/(expense) for the year	0	(3,508)	(4,394)	(7,902)
Balance at 31 March 2017	6,435	59,930	8,163	74,528
Balance at 1 April 2015	6,435	77,690	30,257	114,382
Changes in taxpayers' equity for the year ended 31 March 2016				
Retained surplus/(deficit) for the year		(15,164)		(15,164)
Net gain / (loss) on revaluation of property, plant, equipment			419	419
Impairments and reversals			(17,207)	(17,207)
Transfers between reserves		912	(912)	0
Net recognised revenue/(expense) for the year	0	(14,252)	(17,700)	(31,952)
Balance at 31 March 2016	6,435	63,438	12,557	82,430

Statement of Cash Flows for the Year ended 31 March 2017

	NOTE	2016-17 £000s	2015-16 £000s
Cash Flows from Operating Activities			
Operating surplus/(deficit)		(1,409)	(11,719)
Depreciation and amortisation	6	4,206	4,172
Impairments and reversals	16	1,740	10,165
(Increase)/Decrease in Inventories		51	255
(Increase)/Decrease in Trade and Other Receivables		(2,258)	4,645
Increase/(Decrease) in Trade and Other Payables		1,978	2,982
Net Cash Inflow/(Outflow) from Operating Activities		4,308	10,500
Cash Flows from Investing Activities			
Interest Received		23	21
(Payments) for Property, Plant and Equipment		(3,514)	(5,050)
(Payments) for Intangible Assets		(511)	(2,208)
Proceeds of disposal of assets held for sale (PPE)		0	714
Net Cash Inflow/(Outflow) from Investing Activities		(4,002)	(6,523)
Net Cash Inflow / (Outflow) before Financing		306	3,977
Cash Flows from Financing Activities			
Loans received from DH - New Revenue Support Loans		6,920	8,604
Loans repaid to DH - Working Capital Loans/Revenue Support Loans		(3,460)	(4,300)
Capital Element of Payments in Respect of Finance Leases		(306)	0
Interest paid		(159)	(133)
PDC Dividend (paid)/refunded		(2,585)	(3,358)
Net Cash Inflow/(Outflow) from Financing Activities		410	813
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		716	4,790
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		5,575	785
Cash and Cash Equivalents (and Bank Overdraft) at year end	24	6,291	5,575

1. Accounting Policies

The Secretary of State for Health has directed that the financial statements of NHS trusts shall meet the accounting requirements of the Department of Health Group Accounting Manual, which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the DH Group Accounting Manual 2016-17 issued by the Department of Health. The accounting policies contained in that manual follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the Accounting Manual permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Trust are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

These accounts have been prepared on a going concern basis.

1.2 Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

1.3 Movement of assets within the DH Group

"Transfers as part of reorganisation fall to be accounted for by use of absorption accounting in line with the Treasury FReM. The FReM does not require retrospective adoption, so prior year transactions (which have been accounted for under merger accounting) have not been restated. Absorption accounting requires that entities account for their transactions in the period in which they took place, with no restatement of performance required when functions transfer within the public sector. Where assets and liabilities transfer, the gain or loss resulting is recognised in the SOCI, and is disclosed separately from operating costs.

Other transfers of assets and liabilities within the Group are accounted for in line with IAS 20 and similarly give rise to income and expenditure entries."

1.4 Charitable Funds

Under the provisions of IAS 27 Consolidated and Separate Financial Statements, those Charitable Funds that fall under common control with NHS bodies are consolidated within the entity's financial statements. In accordance with IAS 1 Presentation of Financial Statements, restated prior period accounts are presented where the adoption of the new policy has a material impact.

As the corporate trustee of Solent NHS Charity, the Trust has the power to exercise control. However the transactions of the charity are immaterial and have not been consolidated. Details of the transactions with the charity are included in Note 37, Related Party Transactions.

1.5 Pooled Budgets

The Trust does not have any Pooled Budget arrangements.

1.6 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.6.1 Critical judgements in applying accounting policies

The Trust has made critical judgements in applying accounting policies. Any critical judgements made are detailed in the relevant accounting policy.

1.6.2 Key sources of estimation uncertainty

Other than the valuation of non current assets the Trust has made no assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1.7 Revenue

Revenue 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 revenue for the Trust is from commissioners for healthcare services. Revenue relating to patient treatment plans that are part-

completed at the year end are apportioned across the financial years on the basis of percentage of treatment completed at the end of the reporting period compared to expected total treatment planned.

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

The Trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid e.g. by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit.

1.8 Employee Benefits

Short-term employee benefits

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

Retirement benefit costs

Past and present employees are covered by the provisions of the NHS Pension Schemes. These schemes are unfunded, defined benefit schemes that cover NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. The schemes are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the schemes are accounted for as though they were defined contribution schemes: the cost to the NHS body of participating in a scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the Trust commits itself to the retirement, regardless of the method of payment.

The schemes are subject to a full actuarial valuation every four years and an accounting valuation every year.

1.9 Other expenses

Other operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.

1.10 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised if:

it is held for use in delivering services or for administrative purposes;

it is probable that future economic benefits will flow to, or service potential will be supplied to the Trust;

it is expected to be used for more than one financial year;

the cost of the item can be measured reliably; and either the item cost at least £5,000; or

Collectively, a number of items have a total cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control.

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

Accounting Policies – Valuation

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets that are held for their service potential and are in use are measured subsequently at their current value in existing use. Assets that were most recently held for their service potential but are surplus are measured at fair value where there are no restrictions preventing access to the market at the reporting date.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use.
- Specialised buildings – depreciated replacement cost, modern equivalent asset basis.

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowing costs. Assets are revalued and depreciation commences when they are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful economic lives or low values or both, as this is not considered to be materially different from current value in existing use.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Income.

Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

1.11 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the Trust; where the cost of the asset can be measured reliably, and where the cost is at least £5000.

Intangible assets acquired separately are initially recognised at cost. Software that is integral to the operation of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use;
- the intention to complete the intangible asset and use it;
- the ability to sell or use the intangible asset;

- how the intangible asset will generate probable future economic benefits or service potential;
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

Accounting Policies – Measurement

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at current value in existing use by reference to an active market, or, where no active market exists, at the lower of amortised replacement cost (modern equivalent assets basis) and value in use where the asset is income generating. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

1.12 Depreciation, amortisation and impairments

Freehold land, assets under construction or development, and assets held for sale are not depreciated.

Otherwise, depreciation or amortisation is charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, on a straight line basis over their estimated useful lives. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over the shorter of the lease term and the estimated useful lives.

At each financial year-end, the Trust checks whether there is any indication that its property, plant and equipment or intangible non-current assets have suffered an impairment loss. If there is indication of such an impairment, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually at the financial year end.

A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses

that arise from a clear consumption of economic benefit are taken to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

1.13 Donated assets

Donated non-current assets are capitalised at current value in existing use, if they will be held for their service potential, or otherwise at 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 treated in the same way as for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

1.14 Government grants

Government grant funded assets are capitalised at current value in existing use, if they will be held for their service potential, or otherwise at fair value on receipt, with a matching credit to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

1.15 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of Comprehensive Income. On disposal, the balance for the asset on the revaluation reserve is transferred to retained earnings.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

1.16 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The Trust as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in calculating the Trust's surplus/deficit.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

The NHS Trust as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

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

1.17 Private Finance Initiative (PFI) transactions

The Trust has no PFI transactions.

1.18 Inventories

Inventories are valued at the lower of cost and net realisable value using the first-in first-out cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.19 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments

that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management.

1.20 Provisions

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rates.

Early retirement provisions are discounted using HM Treasury's pension discount rate of positive 0.24% (2015-16: positive 1.37%) in real terms. All other provisions are subject to three separate discount rates according to the expected timing of cash flows from the Statement of Financial Position date:

- A short term rate of negative 2.70% (2015-16: negative 1.55%) for expected cash flows up to and including 5 years
- A medium term rate of negative 1.95% (2015-16: negative 1.00%) for expected cash flows over 5 years up to and including 10 years
- A long term rate of negative 0.80% (2015-16: negative 0.80%) for expected cash flows over 10 years.

All percentages are in real terms.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

A restructuring provision is recognised when the Trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with on-going activities

of the entity.

1.21 Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the trust pays an annual contribution to the NHSLA, which in return settles all clinical negligence claims. The contribution is charged to expenditure. Although the NHSLA is administratively responsible for all clinical negligence cases the legal liability remains with the NHS trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is disclosed at Note 33.

1.22 Non-clinical risk pooling

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

1.23 Carbon Reduction Commitment Scheme (CRC)

The Trust is not part of the Carbon Reduction Commitment Scheme.

1.24 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

1.25 Financial assets

Financial assets are recognised when the Trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are classified into the following

categories: financial assets at fair value through profit and loss; held to maturity investments; available for sale financial assets, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit and loss

The Trust has no financial assets at fair value through profit and loss.

Held to maturity investments

The Trust has no maturity investments.

Available for sale financial assets

The Trust has no available for sale financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

1.26 Financial liabilities

Financial liabilities are recognised on the statement of financial position when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Loans from the Department of Health are recognised at historic cost. Otherwise, financial liabilities are initially recognised at fair value.

Financial guarantee contract liabilities

The Trust has no financial guarantee contract liabilities.

Financial liabilities at fair value through profit and loss

The Trust has no financial liabilities at fair value through profit and loss.

Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method, except for loans from Department of Health, which are carried at historic cost. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.27 Value Added Tax

Most of the activities of the Trust are outside the scope

of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.28 Foreign currencies

The Trust's functional and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in the Trust's surplus/deficit in the period in which they arise.

1.29 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. Details of third party assets are given in Note 40 to the accounts.

1.30 Public Dividend Capital (PDC) and PDC dividend

Public dividend capital represents taxpayers' equity in the Trust. At any time the Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received. As PDC is issued under legislation rather than under contract, it is not treated as an equity financial instrument.

An annual charge, reflecting the cost of capital utilised by the Trust, is payable to the Department of Health as public dividend capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities (except for donated assets and cash balances with the Government Banking Service). The average carrying amount of assets is calculated as a simple average of opening and closing relevant net assets.

In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

1.31 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 the Trust not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

1.32 Subsidiaries

Material entities over which the Trust has the power to exercise control are classified as subsidiaries and are consolidated. The Trust has control when it is exposed to or has rights to variable returns through its power over another entity. The income and expenses; gains and losses; assets, liabilities and reserves; and cash flows of the subsidiary are consolidated in full into the appropriate financial statement lines. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the NHS trust or where the subsidiary's accounting date is not co-terminus.

Subsidiaries that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'.

1.33 Associates

The Trust has no associates

1.34 Joint arrangements

The Trust has no joint arrangements.

1.35 Research and Development

Research and development expenditure is charged against income in the year in which it is incurred, except insofar as development expenditure relates to a clearly defined project and the benefits of it can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SOCI on a systematic basis over the period expected to benefit from the project. It should be revalued on the basis of current cost. The amortisation is calculated on the same basis as depreciation, on a quarterly basis.

1.36 Accounting Standards that have been issued but have not yet been adopted

The HM Treasury FReM does not require the following Standards and Interpretations to be applied in 2016-17. These standards are still subject to HM Treasury FReM interpretation, with IFRS 9 and IFRS 15 being for implementation in 2018-19, and the government implementation date for IFRS 16 still subject to HM Treasury consideration.

IFRS 9 Financial Instruments – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption

is not therefore permitted

IFRS 15 Revenue from Contracts with Customers - Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted

IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.

1.37 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

2. Operating segments

In 2015-16 Trust activity was organised into seven service lines. In 2016-17 the Child & Family Health service split into two service lines, Children's East and Children's West. Details of the eight service line are as follows;

Children's East

children's nursing, child and adolescent mental health, health visiting, paediatric medical, paediatric therapies and school nursing

Children's West

children's nursing, child and adolescent mental health, health visiting, paediatric medical, paediatric therapies and school nursing

Sexual Health Services

chlamydia screening, HIV outpatient services, sexual health promotion, termination of pregnancies, vasectomy services, sexual assault referral centre

Dental

specialist dental care referrals

Adults Southampton

Neuro rehab services, specialist palliative care, rehab and re-ablement, community nursing, end of life and continuing healthcare inpatient unit, elderly frail inpatient unit, occupational therapy, physiotherapy, speech and language therapy, care home support, heart failure, admission avoidance, stoma care and supported discharge services

Primary Care & LTC

health promotion, community diabetes service, podiatry, minor injuries, homeless healthcare, dermatology, phlebotomy service, GP services, MSK services, physiotherapy

Adults Portsmouth

Specialist Palliative Care, Rehab and re-ablement, community

nursing, end of life and continuing healthcare inpatient unit, elderly frail inpatient unit, occupational therapy, physiotherapy, speech and language therapy, pulmonary rehab and home oxygen, learning disabilities, care home support, heart failure, admission avoidance and supported discharge services

Mental Health Services

Inpatient and Community Mental Health and Substance Misuse services for people who require specialist assessment, care and treatment by a dedicated multidisciplinary team

Each service has its own senior management team. The Chief Operating Decision Maker (COMD) of the Trust is the Trust Board which is required to approve the budget and all major operating decisions.

The monthly performance report to the COMD reports the performance of each services operating contribution towards infrastructure and overhead costs against approved budgets. The financial information below is consistent with the monthly reporting.

	Revenue	Employee Benefits	Other Operating Costs	2016-17 Operating surplus / (deficit)
	£000s	£000s	£000s	£000s
Children's East	16,551	(11,500)	(670)	4,381
Children's West	22,071	(14,394)	(1,330)	6,347
Sexual Health Services	27,550	(7,159)	(14,811)	5,580
Dental	8,328	(4,818)	(1,506)	2,004
Adults Southampton	27,207	(18,454)	(2,936)	5,817
Primary Care & LTC	16,243	(10,855)	(2,610)	2,778
Adults Portsmouth	18,801	(13,612)	(1,662)	3,527
Mental Health Services	27,761	(18,715)	(4,082)	4,964
Discontinued Operations				
Total Services	164,512	(99,507)	(29,607)	35,398
Infrastructure	7,679	(8,025)	(22,821)	(23,167)
Corporate Costs	8,507	(10,098)	(6,077)	(7,668)
Depreciation, amortisation, impairment			(8,433)	(8,433)
Operating surplus/(deficit)	180,698	(117,630)	(66,938)	(3,870)

	Revenue	Employee Benefits	Other Operating Costs	2015-16 Operating surplus / (deficit)
	£000s	£000s	£000s	£000s
Children's East	17,313	(12,229)	(593)	4,492
Children's West	21,595	(15,032)	(1,468)	5,095
Sexual Health Services	28,148	(6,856)	(14,251)	7,041
Dental	8,843	(4,661)	(1,416)	2,766
Adults Southampton	27,060	(18,776)	(2,865)	5,419
Primary Care & LTC	16,677	(11,546)	(1,928)	3,203
Adults Portsmouth	24,637	(17,269)	(1,851)	5,517
Mental Health Services	23,071	(14,576)	(4,526)	3,969
Discontinued Operations	48		(17)	31
Total Services	167,392	(100,944)	(28,915)	37,533
Infrastructure	7,843	(8,716)	(23,675)	(24,548)
Corporate Costs	3,640	(9,251)	(4,758)	(10,369)
Depreciation, amortisation, impairment			(17,780)	(17,780)
Operating surplus/(deficit)	178,875	(118,911)	(75,128)	(15,164)

3. Income generation activities

The Trust undertakes income generation activities with an aim of achieving profit, which is then used in patient care. None of the activities which generate income had full costs which exceeded £1m.

4. Revenue from patient care activities

	2015-16 £000s	2016-17 £000s
NHS Trusts	0	28
NHS England	21,517	26,258
Clinical Commissioning Groups	112,393	106,241
Foundation Trusts	722	455
NHS Other (including Public Health England and Prop Co)	0	33
Non-NHS:		
Local Authorities	27,121	28,294
Private patients	366	392
Injury costs recovery	21	77
Other Non-NHS patient care income	107	190
Total Revenue from patient care activities	162,247	161,968

5. Other operating revenue

	2015-16 £000s	2016-17 £000s
Education, training and research	6,564	7,335
Receipt of charitable donations for capital acquisitions	0	97
Non-patient care services to other bodies	2,537	2,007
Sustainability & Transformation Fund Income	2,208	0
Income generation (Other fees and charges)	2,674	2,075
Rental revenue from operating leases	1,803	1,823
Other revenue	2,642	3,549
Total Other Operating Revenue	18,428	16,886
Total operating revenue	180,675	178,854

6. Operating expenses

	2016-17 £000s	2015-16 £000s
Services from other NHS Trusts	2,414	2,809
Services from NHS Foundation Trusts	2,364	2,629
Total Services from NHS bodies*	4,778	5,438
Purchase of healthcare from non-NHS bodies	1,445	1,756
Trust Chair and Non-executive Directors	45	47
Supplies and services - clinical	20,526	19,293
Supplies and services - general	1,850	1,948
Consultancy services	120	719
Establishment	4,877	4,511
Transport	618	642
Business rates paid to local authorities	590	448
Premises	18,552	19,002
Hospitality	14	0
Legal Fees	591	375
Impairments and Reversals of Receivables	23	(250)
Depreciation	3,519	3,741
Amortisation	687	431
Impairments and reversals of property, plant and equipment	1,440	10,165
Impairments and reversals of non current assets held for sale	300	0
Internal Audit Fees	55	46
Audit fees	73	73
Clinical negligence	381	357
Research and development (excluding staff costs)	1,685	1,679
Education and Training	1,152	928
Other	1,133	313
Total Operating expenses (excluding employee benefits)	64,454	71,662
Employee Benefits		
Employee benefits excluding Board members		
Board members	116,717	117,975
Total Employee Benefits	913	936
	117,630	118,911
Total Operating Expenses	182,084	190,573

*Services from NHS bodies does not include expenditure which falls into a category below

7. Operating Leases

The Trust occupies properties using operating lease arrangements with NHS and non NHS organisations.

7.1 Trust as Lessee

	2016-17			2015-16
	Buildings £000s	Other £000s	Total £000s	£000s
Payments recognised as an expense				
Minimum lease payments			6,155	5,029
Total			6,155	5,029
Payable:				
No later than one year	5,857	205	6,062	5,229
Between one and five years	2,838	96	2,934	4,052
After five years	2,428	0	2,428	2,309
Total	11,123	301	11,424	11,590

2015-16 has been restated to exclude lease not signed for Adelaide Health Centre.

	2015-16		Restated £000s
	Original £000s	Adjustment £000s	
Payments recognised as an expense			
Minimum lease payments	5,029	0	5,029
Total	5,029	0	5,029
Payable:			
No later than one year	5,229	0	5,229
Between one and five years	10,186	(6,134)	4,052
After five years	8,443	(6,134)	2,309
Total	23,858	(12,268)	11,590

Total future sublease payments expected to be received: £nil

7.2. Trust as lessor

The Trust receives rental income from a number of tenants for rental of properties.

	2016-17 £000s	2015-16 £000s
Recognised as revenue		
Rental revenue	1,803	1,823
Total	1,803	1,823
Receivable:		
No later than one year	791	1,211
Between one and five years	2,091	2,298
After five years	2,911	3,431
Total	5,793	6,940

8. Employee benefits

8.1 Employee benefits

	2016-17	2015-16
	Total	Total
	£000s	£000s
Employee Benefits - Gross Expenditure		
Salaries and wages	96,867	100,360
Social security costs	8,536	6,875
Employer Contributions to NHS BSA - Pensions Division	11,760	12,090
Other pension costs	4	0
Termination benefits	679	558
Total employee benefits	117,846	119,883
Employee costs capitalised	216	972
Gross Employee Benefits excluding capitalised costs	117,630	118,911

8.2. Pension costs

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2017, is based on valuation data as 31 March 2016, updated to 31 March

2017 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account their recent demographic experience), and to recommend contribution rates payable by employees and employers.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay.

Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

Employees that are not eligible to join the NHS

Pensions Scheme can join the National Employment Savings Scheme (NEST). NEST is a defined contribution workplace pension scheme and the expense is recognised in the SOCI. The expenditure recognised in SOCI for the financial year to 31 March 2017 was £4,023 (financial year to 31 March 2016 £2,076).

9. Better Payment Practice Code

9.1. Measure of compliance

	2016-17 Number	2016-17 £000s	2015-16 Number	2015-16 £000s
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	28,529	56,003	26,399	51,159
Total Non-NHS Trade Invoices Paid Within Target	26,648	48,637	24,109	46,770
Percentage of NHS Trade Invoices Paid Within Target	93%	87%	91%	91%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	1,912	16,365	1,395	18,376
Total NHS Trade Invoices Paid Within Target	1,589	15,630	1,196	14,778
Percentage of NHS Trade Invoices Paid Within Target	83%	96%	86%	80%

The Better Payment Practice Code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later.

9.2. The Late Payment of Commercial Debts (Interest) Act 1998

The Trust had no claims made under this legislation and paid no compensation.

10. Investment Revenue

	2016-17 £000s	2015-16 £000s
Bank interest	23	21
Total investment revenue	23	21

11. Other Gains and Losses

	2016-17 £000s	2015-16 £000s
Gain/(Loss) on disposal of assets other than by sale (PPE)	(43)	(126)
Gain/(Loss) on disposal of assets held for sale	32	32
Total	(11)	(94)

12. Finance Costs

	2016-17 £000s	2015-16 £000s
Interest		
Interest on loans and overdrafts	120	81
Interest on obligations under finance leases	39	52
Total interest expense	159	133
Total	159	133

13. Auditor Disclosures

13.1 Other Auditor remuneration

The Trust has no other auditor remuneration

14. Property, plant and equipment

14.1 Property, plant and equipment

2016-17	Land	Buildings excluding dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Cost or valuation:								
At 1 April 2016	12,500	68,634	1,335	3,325	70	5,363	435	91,662
Additions of Assets Under Construction	0	0	3,277	0	0	0	0	3,277
Additions Purchased	0	0	0	113	0	275	0	388
Reclassifications	0	3,132	(3,586)	8	0	225	16	(205)
Reclassifications as Held for Sale and reversals	(710)	(790)	0	0	0	0	0	(1,500)
Disposals other than for sale	0	(109)	0	0	0	(5)	0	(114)
Impairments/reversals charged to operating expenses	280	(1,720)	0	0	0	0	0	(1,440)
Impairments/reversals charged to reserves	45	(4,077)	0	0	0	0	0	(4,032)
At 31 March 2017	12,115	65,070	1,026	3,446	70	5,858	451	88,036
Depreciation								
At 1 April 2016	0	2,859	0	2,357	33	1,969	413	7,631
Reclassifications	0	(4)	0	0	0	0	4	0
Disposals other than for sale	0	(65)	0	0	0	0	0	(65)
Charged During the Year	0	2,125	0	230	11	1,148	5	3,519
At 31 March 2017	0	4,915	0	2,587	44	3,117	422	11,085
Net Book Value at 31 March 2017	12,115	60,155	1,026	859	26	2,741	29	76,951
Asset financing:								
Owned - Purchased	12,115	60,115	1,026	721	26	1,944	29	75,976
Owned - Donated	0	40	0	138	0	0	0	178
Held on finance lease	0	0	0	0	0	797	0	797
Total at 31 March 2017	12,115	60,155	1,026	859	26	2,741	29	76,951
Revaluation Reserve Balance for Property, Plant & Equipment								
	Land	Buildings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2016	336	12,221	0	0	0	0	0	12,557
Movements (specify)	45	(4,439)	0	0	0	0	0	(4,394)
At 31 March 2017	381	7,782	0	0	0	0	0	8,163

Additions to Assets Under Construction in 2016-17

	£000s
Land	0
Buildings excl Dwellings	3,096
Dwellings	0
Plant & Machinery	181
Balance as at YTD	3,277

14.2 Property, plant and equipment prior-year

2015-16	Land	Buildings excluding dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Cost or valuation:								
At 1 April 2015	25,855	79,822	3,243	3,236	70	3,723	435	116,384
Additions of Assets Under Construction	0	0	5,524	0	0	0	0	5,524
Additions - Purchases from Cash Donations & Government Grants	0	0	35	62	0	0	0	97
Reclassifications	0	3,244	(7,467)	27	0	1,988	0	(2,208)
Reclassifications as Held for Sale and Reversals	(240)	(460)	0	0	0	0	0	(700)
Disposals other than for sale	0	(134)	0	0	0	(348)	0	(482)
Revaluation	50	369	0	0	0	0	0	419
Impairment/reversals charged to reserves	(8,129)	(2,036)	0	0	0	0	0	(10,165)
Impairments/reversals charged to operating expenses	(5,036)	(12,171)	0	0	0	0	0	(17,207)
At 31 March 2016	12,500	68,634	1,335	3,325	70	5,363	435	91,662
Depreciation								
At 1 April 2015	0	399	0	2,102	22	1,344	393	4,260
Reclassifications as Held for Sale and Reversals	0	(15)	0	0	0	0	0	(15)
Disposals other than for sale	0	(37)	0	(14)	0	(304)	0	(355)
Charged During the Year	0	2,512	0	269	11	929	20	3,741
At 31 March 2016	0	2,859	0	2,357	33	1,969	413	7,631
Net Book Value at 31 March 2016	12,500	65,775	1,335	968	37	3,394	22	84,031
Asset financing:								
Owned - Purchased	12,500	65,734	1,335	819	37	1,974	22	82,421
Owned - Donated	0	41	0	149	0	0	0	190
Held on finance lease	0	0	0	0	0	1,420	0	1,420
Total at 31 March 2016	12,500	65,775	1,335	968	37	3,394	22	84,031

14.3. Property, plant and equipment

The Trust received no donated assets in the year.

Land and buildings are held at revalued amounts. A desktop revaluation exercise was carried out on these assets as at 31 March 2017 using optimisation methodology (delivery of services from modern facilities) and indices relevant to the asset class. The exercise was carried out by the District Valuers who are RICS qualified. The impact of the exercise is:

	Land £000s	Buildings £000s	Total £000s
Increase to revaluation reserve	45	94	139
Decrease to revaluation reserve	0	(4,144)	(4,144)
Impairment charge to SOCI	0	(2,042)	(2,042)
Reversal of impairment charge to SOCI	280	22	302
	325	(6,070)	(5,745)

The economic lives of the property, plant and equipment range from:

	Min Life (yrs)	Max Life (yrs)
Buildings exc Dwellings	5	93
Plant & Machinery	4	25
Transport Equipment	5	10
Information Technology	4	7
Furniture and Fittings	10	10

15. Intangible non-current assets

15.1. Intangible non-current assets

2016-17	IT - in-house & 3rd party software £000's	Intangible assets under construction £000's	Total £000's
At 1 April 2016	3,992	0	3,992
Additions of Assets Under Construction	0	455	455
Reclassifications	(31)	236	205
Disposals other than by sale	(9)	0	(9)
At 31 March 2017	3,952	691	4,643

Amortisation

At 1 April 2016	1,062	0	1,062
Charged During the Year	687	0	687
At 31 March 2017	1,749	0	1,749
Net Book Value at 31 March 2017	2,203	691	2,894

Asset Financing: Net book value at 31 March 2017 comprises:

Purchased	2,203	691	2,894
Total at 31 March 2017	2,203	691	2,894

Revaluation reserve balance for intangible non-current assets

The Trust does not hold any revaluation reserves for intangible non-current assets. No revaluation of intangible assets was carried out in the period.

15.2. Intangible non-current assets prior year

2015-16	IT - in-house & 3rd party software	Intangible assets under construction	Total
£000's	£000's	£000's	
Cost or valuation:			
At 1 April 2015	1,784	0	1,784
Reclassifications	2,208	0	2,208
At 31 March 2016	3,992	0	3,992
Amortisation			
At 1 April 2015	631	0	631
Charged During the Year	431	0	431
At 31 March 2016	1,062	0	1,062
Net book value at 31 March 2016	2,930	0	2,930
Net book value at 31 March 2016 comprises:			
Purchased	2,930	0	2,930
Total at 31 March 2016	2,930	0	2,930

15.3. Intangible non-current assets

The Trust received no donated intangible assets in the year.

The economic lives of the intangible assets range from:	Min Life (yrs)	Max Life (yrs)
IT - in-house & 3rd party software	2	7

16. Analysis of impairments and reversals recognised in 2016-17

	2016-17 Property Plant and Equipment £000s	2016-17 Non-current Assets Held For Sale £000s	2016-17 Total £000s
Other	1,440	0	1,440
Changes in market price	0	300	300
Total charged to Annually Managed Expenditure	1,440	300	1,740
Total Impairments of Property, Plant and Equipment changed to SoCI	1,440	300	1,740

No impairment losses on Donated and Government Granted Assets is included above.

17. Investment property

The Trust has no investment property.

18. Commitments

18.1. Capital commitments

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

	31 March 2017	31 March 2016
	£000s	£000s
Property, plant and equipment	887	1,205
Intangible assets	51	51
Total	938	1,256

18.2. Other financial commitments

The Trust has entered into non-cancellable contracts (which are not leases or PFI contracts or other service concession arrangements) for ICT services. The payments to which the Trust is committed are as follows:

	31 March 2017	31 March 2016
	£000s	£000s
Not later than one year	4,522	8,158
Later than one year and not later than five year	1,089	1,093
Total	5,611	9,251

19. Inventories

	Drugs	Consumables	Total
	£000s	£000s	£000s
Balance at 1 April 2016	248	210	458
Additions	10,045	1,873	11,918
Inventories recognised as an expense in the period	(10,070)	(1,899)	(11,969)
Balance at 31 March 2017	223	184	407

20.1. Trade and other receivables

	Current		Non-current	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	£000s	£000s	£000s	£000s
NHS receivables - revenue	5,082	4,850	0	0
NHS prepayments and accrued income	3,076	1,685	0	0
Non-NHS receivables - revenue	1,606	3,726	0	0
Non-NHS prepayments and accrued income	2,677	1,482	3,113	1,760
PDC Dividend prepaid to DH	374	103	0	0
Provision for the impairment of receivables	(1,480)	(1,471)	0	0
VAT	524	347	0	0
Other receivables	152	283	0	0
Total	12,011	11,005	3,113	1,760
Total current and non current	15,124	12,765		
Included in NHS receivables are prepaid pension contributions:	0			

The great majority of trade is with Clinical Commissioning Groups, Local Authorities and NHS England, as commissioners for NHS patient care services. As Clinical Commissioning Groups, Local Authorities and NHS England are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary.

Other trade receivables are reviewed on a regular basis with the person responsible. Provisions are established if debtors exceed the following time intervals past their agreed terms - after 90 days 100%. Any overdue debts are actively pursued by specialist teams.

20.2. Receivables past their due date but not impaired

	31 March 2017	31 March 2016
	£000s	£000s
By up to three months	2,013	5,038
By three to six months	211	633
By more than six months	365	564
Total	2,589	6,235

20.3. Provision for impairment of receivables

	2016-17	2015-16
	£000s	£000s
Balance at 1 April 2016	(1,471)	(1,721)
Amount written off during the year	14	0
Amount recovered during the year	1,088	1,209
(Increase)/decrease in receivables impaired	(1,111)	(959)
Balance at 31 March 2017	(1,480)	(1,471)

No collateral is held against these debts.

21. NHS LIFT investments

The Trust has no NHS LIFT investments.

22.1. Other Financial Assets

The Trust has no other financial assets.

23. Other current assets

The Trust has no other current assets.

24. Cash and Cash Equivalents

	31 March 2017	31 March 2016
	£000s	£000s
Opening balance	5,575	785
Net change in year	716	4,790
Closing balance	6,291	5,575
Made up of		
Cash with Government Banking Service	6,276	5,551
Commercial banks	3	0
Cash in hand	12	24
Cash and cash equivalents as in statement of financial position	6,291	5,575
Bank overdraft - Government Banking Service	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in statement of cash flows	6,291	5,575
Patients' money held by the Trust, not included above	3	5

25. Non-current assets held for sale

	Land	Buildings exc Dwellings	Total
	£000s	£000s	£000s
Balance at 1 April 2016	0	0	0
Plus assets classified as held for sale in the year	710	790	1,500
Less impairment of assets held for sale	0	(300)	(300)
Balance at 31 March 2017	710	490	1,200
Liabilities associated with assets held for sale at 31 March 2017	0	0	0
Balance at 1 April 2015	0	0	0
Plus assets classified as held for sale in the year	240	445	685
Less assets sold in the year	(240)	(445)	(685)
Balance at 31 March 2016	0	0	0
Liabilities associated with assets held for sale at 31 March 2016	0	0	0

The assets held for sale are the land and buildings of the area at St James Hospital, Portsmouth, know as Oakdene. The asset has been marketed and interest has been shown. The sale is expected to complete within the first half of 2017-18 financial year.

26. Trade and other payables

	Current		Non-current	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	£000s	£000s	£000s	£000s
NHS payables - revenue	586	310	0	0
NHS payables - capital	0	106	0	0
NHS accruals and deferred income	4,542	4,108	0	0
Non-NHS payables - revenue	2,958	1,785	0	0
Non-NHS payables - capital	248	264	0	0
Non-NHS accruals and deferred income	7,631	7,397	146	167
Social security costs	1,219	992	0	0
Accrued Interest on DH Loans	15	3	0	0
Tax	608	904	0	0
Other	1,783	1,844	0	0
Total	19,590	17,713	146	167
Total payables (current and non-current)	19,736	17,880		

Included above:

to Buy Out the Liability for Early Retirements Over 5 Years	0	0
number of Cases Involved (number)	0	0
outstanding Pension Contributions at the year end	1,610	1,600

27. Other liabilities

The Trust has no other liabilities.

28. Borrowings

	Current		Non-current	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	£000s	£000s	£000s	£000s
Loans from Department of Health	4,304	0	3,460	4,304
Finance lease liabilities	319	306	520	839
Total	4,623	306	3,980	5,143
Total other liabilities (current and non-current)	8,603	5,449		

Borrowings / Loans - repayment of principal falling due in:

	31 March 2017		
	DH	Other	Total
	£000s	£000s	£000s
0-1 Years	4,304	319	4,623
1 - 2 Years	0	520	520
2 - 5 Years	3,460	0	3,460
TOTAL	7,764	839	8,603

29. Other financial liabilities

The Trust has no other financial liabilities.

30. Deferred income

	Current		Non-current	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	£000s	£000s	£000s	£000s
Opening balance at 1 April 2016	618	1,440	166	187
Deferred revenue addition	6,131	1,433	0	0
Transfer of deferred revenue	(5,710)	(2,255)	(21)	(21)
Current deferred income at 31 March 2017	1,039	618	145	166
Total deferred income (current and non-current)	1,184	784		

31. Finance lease obligations as lessee

Amounts payable under finance leases (Other)	Minimum lease payments		Present value of minimum lease payments	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	£000s	£000s	£000s	£000s
Within one year	345	345	319	306
Between one and five years	537	881	520	839
Less future finance charges	(43)	(81)		
Minimum Lease Payments / Present value of minimum lease payments	839	1,145	839	1,145

Included in:

Current borrowings		319	306
Non-current borrowings		520	839
		839	1,145

32. Finance lease receivables as lessor

The Trust has no finance lease receivables as lessor.

33. Provisions

The Trust has no provisions.

£929,334 is included in the provisions of the NHS Litigation Authority at 31 March 2017 (£2,034,981 at 31 March 2016) in respect of clinical negligence liabilities of the Trust.

34. Contingencies

	31 March 2017	31 March 2016
	£000s	£000s
Contingent liabilities		
NHS Litigation Authority legal claims	(18)	(16)
Net value of contingent liabilities	(18)	(16)

Contingent assets

The Trust has no contingent assets.

35. Financial Instruments

35.1 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. Because of the continuing service provider relationship that the Trust has with Clinical Commissioning Groups, Local Authorities and NHS England and the way those Clinical Commissioning Groups, Local Authorities and NHS England are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. The Trust's treasury activity is subject to review by the Trust's internal auditors.

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 borrows from government for capital expenditure, subject to affordability as confirmed by NHS Improvement. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations. The Trust may also borrow from government for revenue financing subject to approval by NHS Improvement. Interest rates are confirmed by the Department of Health (the lender) at the point borrowing is undertaken. The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2017 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 Clinical Commissioning Groups, 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.

35.2. Financial Assets

	Loans and receivables	Total
	£000s	£000s
Receivables - NHS	7,661	7,661
Receivables - non-NHS	1,383	1,383
Cash at bank and in hand	6,291	6,291
Total at 31 March 2017	15,335	15,335
Receivables - NHS	6,137	6,137
Receivables - non-NHS	3,711	3,711
Cash at bank and in hand	5,575	5,575
Total at 31 March 2016	15,423	15,423

35.3. Financial Liabilities

	Other £000s	Total £000s
NHS payables	4,635	4,635
Non-NHS payables	12,091	12,091
Other borrowings	7,764	7,764
PFI & finance lease obligations	839	839
Total at 31 March 2017	25,329	25,329
<hr/>		
NHS payables	4,307	4,307
Non-NHS payables	10,894	10,894
Other borrowings	4,304	4,304
Total at 31 March 2016	19,505	19,505

36. Events after the end of the reporting period

There have been no events after the end of the reporting period.

37. Related party transactions

During the year none of the Department of Health Ministers, Trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with the Trust.

The Department of Health is regarded as a related party. During the year the Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are:

	Payments to Related Party £000s	Receipts from Related Party £000s	Amounts owed to Related Party £000s	Amounts due from Related Party £000s
NHS England	105	23,954	904	3,784
Clinical Commissioning Groups				
NHS Portsmouth	5	53,701	0	102
NHS Southampton	68	35,906	99	776
NHS West Hampshire	0	8,609	88	521
NHS South Eastern Hampshire	55	5,634	15	117
NHS Fareham & Gosport	0	5,217	2	9
NHS North East Hampshire & Farnham	0	1,327	0	0
NHS North Hampshire	31	2,161	10	32
NHS Trust and Foundation Trust				
Hampshire Hospitals Foundation Trust	1,332	44	128	31
Portsmouth Hospitals NHS Trust	3,428	2,004	316	594
University of Southampton NHS Foundation Trust	1,683	1,210	574	351
Southern Health NHS Foundation Trust	1,406	2,827	422	999
NHS Business Services Authority	816	0	227	0
NHS Litigation Authority	381	0	1	0
NHS Property Services Ltd	5,483	331	894	184
Community Health Partnerships	2,664	0	271	0
Solent NHS Charity	0	33	0	0

In addition, the Trust has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with HM Revenue and Customs, NHS Pensions Agency, Portsmouth City Council, Southampton City Council and Hampshire County Council.

The Trust has also received revenue from Solent NHS Charity of which the NHS Trust Board is the Corporate Trustee.

38. Losses and special payments

The total number of losses cases in 2016-17 and their total value was as follows:

	Total value of cases £s	Total number of cases
Losses	14,428	5
Special payments	354,433	5
Total losses and special payments and gifts	368,861	10

The total number of losses cases in 2015-16 and their total value was as follows:

	Total value of cases £s	Total number of cases
Losses	0	0
Special payments	4,381	3
Total losses and special payments	4,381	3

39. Financial performance targets

The Trust has a duty to achieve breakeven or a surplus in each accounting period.

39.1 Breakeven performance

	2011-12 £000s	2012-13 £000s	2013-14 £000s	2014-15 £000s	2015-16 £000s	2016-17 £000s
Turnover	193,935	192,146	187,756	187,240	178,854	180,675
Retained surplus/(deficit) for the year	1,863	776	1,858	(6,500)	(15,164)	(3,870)
Adjustment for:						
Adjustments for impairments	0	0	0	423	10,165	1,740
Adjustments for impact of policy change re donated assets	0	0	0	(197)	(63)	46
Break-even in-year position	1,863	776	1,858	(6,274)	(5,062)	(2,084)
Break-even cumulative position	1,863	2,639	4,497	(1,777)	(6,839)	(8,923)

	2011-12 %	2012-13 %	2013-14 %	2014-15 %	2015-16 %	2016-17 %
Materiality test (i.e. is it equal to or less than 0.5%):						
Break-even in-year position as a percentage of turnover	0.96	0.40	0.99	-3.35	-2.83	-1.15
Break-even cumulative position as a percentage of turnover	0.96	1.37	2.40	-0.95	-3.82	-4.94

39.2. Capital cost absorption rate

The dividend payable on public dividend capital is based on the actual (rather than forecast) average relevant net assets based on the pre audited accounts and therefore the actual capital cost absorption rate is automatically 3.5%.

39.3. External financing

The Trust is given an external financing limit which it is permitted to undershoot.

	2016-17	2015-16
	£000s	£000s
External financing limit (EFL)	7,783	3,897
Cash flow financing	2,438	(486)
External financing requirement	2,438	(486)
Under/(over) spend against EFL	5,345	4,383

39.4. Capital resource limit

The Trust is given a capital resource limit which it is not permitted to exceed.

	2016-17	2015-16
	£000s	£000s
Gross capital expenditure	4,120	5,623
Less: book value of assets disposed of	(58)	(811)
Less: donations towards the acquisition of non-current assets	0	(100)
Charge against the capital resource limit	4,062	4,712
Capital resource limit	4,926	4,740
(Over)/underspend against the capital resource limit	864	28

40. Third party assets

The Trust held £2,728 cash and cash equivalents at 31 March 2017 (£5,359 at 31 March 2016) which relate to monies held by the Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.



Solent
NHS Trust

**Highpoint Venue
Bursledon Road
Southampton
Hampshire SO19 8BR**



Twitter: @Solentnhstrust
Facebook: @solentnhstrustnews