

Annual Report 2012 / 2013

Hounslow and Richmond Community Healthcare NHS Trust

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Introduction from Chair and Chief Executive

Over the past year the Trust has made a difference to the health and quality of life of thousands of people in our local communities.

Over the past year we've had:

- Nearly 700,000 patient contacts
- 166,000 health visitors and school nurse appointments
- Our district nurses have visited patients 172,000 times
- Adult physiotherapy have had nearly 70,000 patient contacts
- 120,000 visits to our Urgent Care Centre in Hounslow and Walk in Centre at Teddington Memorial Hospital (TMH)
- 418 people were admitted to TMH and totalled 16,500 bed days
- We helped 1,512 people quit smoking over four weeks
- And carried out 6,600 new birth visits within 14 days (the target)

During 2012/13 high quality care and high quality services continued to be our priority, alongside putting our patients at the centre of everything we do. Over the past year we have seen excellent examples of our staff demonstrating this and fulfilling our mission of providing care and services that we and our families would want to use. Our challenge now is to maintain and build on this hard work going forward.

We are still a relatively young organisation, initially formed in April 2010 before our approval from the Secretary of State for Health as an independent NHS trust, on 1 April 2011. Our objectives back then were to consolidate and respond to commissioners. What a difference two years makes, what we see before us today is an established organisation with a bright future that is committed and moving in the right direction along the pathway to becoming a foundation trust.

The past year has been outstanding and we have achieved many things that we can be rightfully proud of.

The new birth visits by our health visiting team have not only met but exceeded the ambitious target we set ourselves, with 94% of initial visits to new-borns carried out by day 14, compared with 79% last year. Staff on these visits provide vital information and advice on health promotion and safety for the family. The team has achieved this by proactively working together in innovative ways; it's a real success story for us.

During 2012/13 we also received a positive report from the Care Quality Commission (CQC) and achieved NHSLA Level 1 – this formal assurance is not something to be taken for granted. The CQC report into the Urgent Care Centre in Hounslow was particularly reassuring, with many areas of positive feedback highlighted and confirmation that the Trust was meeting all six essential standards that the CQC looked at. We have been running the unit for over a year now and are delighted at how well established it has become within Hounslow, with around 60% of patients coming to the site are now being seen within the UCC in February 2013, who would have previously been treated at Accident and Emergency (A&E).

Other successes include Teddington Memorial Hospital achieving the highest possible rating in an assessment of the patient environment for the fourth year in a row (The Patient

Environment Action Team (PEAT) assessment) and we also did very well in our Quality Governance Review, where our quality governance systems are reviewed externally as part of the pathway we must take to become a Foundation Trust.

Over the past year we have also developed and grown some of our services, notably we have opened new services at Whitton Corner Health and Social Centre in well-baby and post-natal clinics, podiatry, musculoskeletal services (MSK) and sexual health. We have also just been awarded the contract to deliver the Integrated Health Improvement Programme and Stop Smoking Service in the London Borough of Sutton and the London Borough of Merton following a competitive tender process. The contract makes us one of the largest NHS providers of health improvement services in London, providing services across five London boroughs, the other three being Hounslow, Richmond and Ealing.

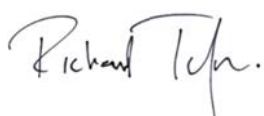
Our financial status continues to be positive and I'm delighted to report that we came in a little over our predicted surplus at £704,000.

Our future is bright; we continue to focus on achieving Foundation Trust status which will give us greater freedom to develop our services in a way that suits our local communities. Work also continues on the integration of adult health and social care in the London Boroughs of Hounslow and Richmond upon Thames which we believe will provide benefits to our patients in the form of better joined up care. A full business case is being prepared on this in partnership with both councils, Clinical Commissioning Groups (CCGs) for Hounslow and Richmond and ourselves. We expect to have this finished in the summer, for consideration and approval from cabinets and boards.

During this year we also received the Francis Report. As a trust we have carefully considered the findings of the Francis report into the failings of care at Stafford Hospital. We are confident that such things could not, and would not, happen at Hounslow and Richmond Community Healthcare (HRCH); however we must ensure we take all opportunities to learn from what happened at Stafford and review all the recommendations of the report. We will be holding staff events over the next year to discuss the findings and implications for us.

As the local community provider it is important that we are focused and committed to continuous improvement in the quality of all the services we provide. Our focus must continue to be providing the right care, at the right time, in the right place, whether that's in one of our health centres across both boroughs, local hospitals where we offer services, in people's homes, or another location. We are committed to delivering high quality, safe and effective care within a variety of settings.

It's been a good year for the Trust and we have progressed in many areas, however there is still more to do and challenges for us to meet. This report outlines what we have done over the past 12 months and our continued commitment to improving the quality and safety of the care we provide to our patients.



Richard Tyler
Chief Executive



Stephen Swords
Chairman

1. About the Trust

We are an NHS trust responsible for providing community health services for the 441,000 people living in the London boroughs of Hounslow and Richmond-upon-Thames.

We serve two communities. Richmond upon Thames is characterised by a generally healthy and wealthy population. Hounslow is much more diverse and parts of the population have significantly greater health needs. There are some similarities – the populations we serve, mostly the very old and very young – are growing rapidly.

1.1 What we do

Community healthcare covers most of the services that are provided outside of hospital or GP surgeries.

We are passionate about delivering high quality care and we provide a range of services for both adults and children including community nursing, health visiting, physiotherapy, nutrition and dietetics, health promotion and stop smoking services, speech and language therapy and occupational therapy. We also provide some specialist services such as audiology, neuro-rehabilitation, continence services and continuing care.

Some of our services such as the Walk-In Centre at Teddington Memorial Hospital and the Hounslow Urgent Care Centre are attended by patients from nearby boroughs and we also run services further afield such as the Ealing and Sutton & Merton Healthy Lifestyles Programme.

We employ over 1,000 staff, the majority of which are clinicians including nurses and allied health professionals such as physiotherapists, speech and language therapists, dietitians, podiatrists and occupational therapists. Our staff work across a range of different sites including health centres, hospitals, GP surgeries, children's centres, local council facilities and people's homes.

1.2 Becoming a Community Trust

The organisation was formed on 1 April 2010 following the merger of community health services in Hounslow and Richmond. These services were previously run by NHS Hounslow and NHS Richmond. Hounslow and Richmond Community Healthcare NHS Trust was established with effect from April 2011. More details about this can be found in the 'Our history' section of our website.

You can read more about our plans to become a NHS Foundation Trust in section 1.4.

1.3 Our mission, vision and values

Our mission

To provide care and services that we and our families would want to use.

Our vision

We will be recognised as a high performing, integrated care organisation delivering quality services which enable people to live healthier and more independent lives.

Our values

We will be:

- **Patient focused** – Our patients and their carers are at the centre of our thoughts and actions and receive care tailored to their needs.
- **Clinically led** – Our clinicians are fully engaged in the design and development of our services.
- **Quality driven** – We are constantly striving to be the best we can be as individuals and as an organisation.
- **Innovative** – We encourage and implement new ideas that help transform the lives of our patients.
- **Productive** – By working smarter on the things that really matter we deliver the best possible value for our patients.
- **Responsive** – We will work with our partners to make care more joined up and responsive for our patients and their carers.

Our four areas of focus:

1. **Preventing illness, improving health and wellbeing** - providing services that enable people in our community to stay healthy and which promote wellbeing.
2. **Maintaining independence, preventing deterioration in health** - supporting and enabling those with long-term conditions to remain as healthy and independent as possible, for as long as possible, in their home or community.
3. **Preventing avoidable hospital admissions/extended stays in hospital** - providing services which prevent unnecessary hospital admission and enabling people to be discharged from hospital as soon as their acute episode is over.
4. **Providing high quality end of life care** - supporting patients and their families by providing high quality integrated end of life care, enabling people to die in their place of choice.

You can read some patient stories in our Executive Summary document, produced to compliment this Annual Report. All focus on our mission – *to provide care that we and our families would want to use.*

1.4 Our Foundation Trust plans

We are applying to become a NHS foundation trust. We believe this will enable us to deliver our mission and provide better care at, or closer to, people's homes, helping the population we serve to live healthier and more independent lives with less need to go to hospital.

Government policy is that all trusts will become foundation trusts. Being successful in becoming a foundation trust secures our future and ensures we keep control locally.

NHS foundation trusts provide for greater local accountability to local people and NHS staff. The principles behind NHS foundation trusts build on the sense of ownership that many local people and staff feel for their local NHS services.

We want Hounslow and Richmond to have the best possible community healthcare for the people who live here. We want to make sure people get the care they need when they are seen by health and social care staff so they do not have to come back many times for different conditions. We also want our Trust to be a great place for staff to work. This means staff and patients should have a say in how our services are run.

We also want to make sure that the money we get to run services is spent in the best way. We think we can do all this better if we are a NHS foundation trust.

Anyone who lives in the area or works for us can become a member of the Trust. Members elect the foundation trust council of governors. We plan to have a 24 member council of governors, which will include elected representatives of local people and staff, as well as governors nominated by our local authorities, CCGs and local HealthWatch organisations.

Residents of our neighbouring boroughs - Ealing, Elmbridge, Hammersmith and Fulham, Kingston, Hillingdon, Merton, Spelthorne, Wandsworth - can also become members of the foundation trust.

Progress over the last year

Over the last year we have taken some important steps on the road to becoming a foundation trust. We were subjected to two stages of “historical due diligence” by an independent accounting firm. We became one of the few trusts to go through the second stage of historical due diligence with an “all green” assessment. In addition we were required to go through a quality governance review by another independent assessor. This also resulted in a successful outcome. With the progress of the Integrated Care Programme, it is clear that we should coordinate our foundation trust plans with our local partners’ vision for integrated care, which is something we are working to do.

We have also developed an excellent working partnership with Greenbrook Healthcare who provide the primary care element in our joint initiative to successfully pilot the provision of an Urgent Care Centre on the West Middlesex University Hospital campus.

From April 2013, the NHS Trust Development Authority has taken over responsibility for preparing NHS trusts for foundation trusts status. We will be working with them through 2013/14 to establish a foundation trust in Hounslow and Richmond.

You can find out more about our foundation trust plans at www.hrch.nhs.uk/foundation-trust

Become a member

Becoming a member is an opportunity to play an important part in our future and show your support for NHS community healthcare in Hounslow and Richmond. As a member, you will be able to:

- **Help and advise** us on developing our services to best meet the needs of our patients, their families and the local community
- **Stand for election** as a representative governor in due course
- **Receive regular information** about the trust.

- **Be invited** to special events and meetings where you can find out more about the trust.

Become a member of our trust by visiting our website and going to the foundation trust section www.hrch.nhs.uk/members where you can fill in the form online.

2. Our staff

All of our staff directly provide or support the provision of clinical services. We are committed to supporting staff to fulfil their potential and use their skills in the most appropriate way to deliver high quality care for all the patients and the communities we serve. The following areas of action in 2012-13 demonstrate this commitment:

2.1 Rewarding excellence

We are committed to ensuring that all our staff are valued by recognising their achievements and commitment to providing the best care.

In November 2012, we held our second staff awards encouraging staff to nominate their colleagues in the following categories – beyond the call of duty; clinical excellence and working smarter, which focussed on improving productivity. We introduced two new categories this year – a special award for outstanding customer service and the Chief Executive's award for: 'providing care that we and our families would want to use.' We also recognised those staff who have worked for the NHS for 25 years or more with a long service award. Between them, these staff had a combined service of 1332 years! We also acknowledged five staff or teams who had been nominated to be an NHS Hero, which was a national staff recognition campaign.

2.2 Communicating with our staff

Communicating and engaging with our staff is a priority and central to our success as an organisation. We update our staff on key strategic and operational developments in a number of ways including a regular staff open forum at different trust sites with the directors and chief executive. We also recently launched a monthly staff briefing pack for managers to use to brief their teams. The tool was introduced following feedback from our staff and has received a good response to date. These are complemented by a weekly staff bulletin and a weekly executive bulletin which encompass key messages from the executive team. Our intranet is also widely used to communicate news and information as well as a central resource for staff to access policies and other important documents.

2.3 What our staff said about working here

Each year, the NHS surveys its staff and asks them a range of questions about working at their particular trust. Our staff were surveyed between October to December 2012 and we had a response rate of 53% which is a slight improvement on our response rate from last year.

Based on the feedback contained in the staff responses, we were given an overall score of 3.67 out of five for staff engagement (with one being low and five being high) this is an improvement on last year's score of 3.61. The score was calculated using questions from the survey relating to motivation, staff recommending the trust as a place to work or receive treatment and perceived ability to make improvements at work.

Areas where the Trust improved its scores were, appraisal and access to job-relevant learning and development. 95% of our staff agree that their role makes a difference to patients which is above average for community trusts nationally.

Actions that we have taken in response to our 2011 staff survey results had a positive impact in areas such as availability of on-line training, improved scores and staff engagement in the Equality Delivery System grading exercise and improvement in the percentage of staff receiving relevant training.

The availability of further on-line training is a priority for this year and will release further clinical time as a result.

We will continue the improvements being made on the staff survey and have developed a comprehensive action plan which will be monitored closely. This action plan will be supplemented by specific department action plans that will be developed across the Trust.

Leadership development programmes

To meet the strategic challenges that the Trust faces over the next few years, we recognise that our senior and middle managers will play a key role in achieving the organisation's objectives. Thus bespoke management development programmes and initiatives have become crucial in ensuring that the Trust has the right set of skills to achieve its strategic aspirations.

HRCH managers have a choice between two different programmes: one aiming to develop their commercial and strategic skills and the other focussing on people management skills. Both management development programmes build on previous development offered and have a clear alignment with the Trust's objectives and key strategies. Both programmes are bespoke, highly practical and interactive. They were designed with the best practice in leadership development in mind and incorporate tools such as 360 degree feedback. We have had really positive feedback on both programmes and the evaluation of the return on investment is soon to be conducted.

Statutory and mandatory training compliance

The Trust has seen a large improvement in staff compliance levels with statutory and mandatory training. We have significantly improved our compliance over the past 12 months with six areas we identified as priority statutory and mandatory topics, these are Infection Prevention and Control, Safeguarding Children and Adults, Fire Safety, Health and Safety and Information Governance. We are proud to confirm that we are now meeting our compliance targets.

Customer experience training programme

A need for a bespoke customer experience training programme became apparent through a training needs analysis exercise and feedback from patients and was highlighted as a priority by the Commercial Directorate in the context of Any Qualified Provider (AQP) and Quality, Innovation, Productivity and Prevention (QIPP) agendas. The programme's scope was agreed in partnership with clinical service managers. Early on, it was indicated that the pilot training programme should be aimed at the reception staff and other support services staff but this evolved throughout different stages of the development process and the training was offered to all staff, including clinicians. The training programme was delivered

over three weeks in September and consisted of ten sessions, including two sessions for managers at the beginning of the programme. In total 189 staff were trained and the feedback was extremely positive with a particular highlight being the fact that we used professional actors in enhancing the learning experience.

2.4 Embracing equality and diversity

HRCH aims to achieve equality, celebrate diversity and advance inclusion as enshrined in the NHS Constitution pledges for patients, carers and staff and in line with the public sector general equality duty. The Board of Directors are fully committed to leading the Trust towards continually developing their understanding of and support for responding to the diverse needs of staff and service users. At the same time, the Trust seeks to be an employer of choice, attracting and developing staff to reach their full potential and deliver healthcare services which are fair, personal and diverse.

In the last six months we have made major strides in driving forward the equality agenda. We have revised our equality training programme, developed a protocol to support carers of people with learning disabilities, completed an audit on flexible working for staff, held a successful training session with staff on transgender health and taken part in the Stonewall Healthcare Equality Index.

In the past year we have implemented the NHS Equality Delivery System (EDS) framework to help support improvements in patient access, experience and outcomes and to improve our workforce practices. The EDS developmental tool helped us to assess our performance in partnership with local stakeholders such as our Local Involvement Networks (LINKs), Richmond AID, Ethnic Minority Advisory Group (EMAG), Diabetes UK, Hounslow Life Charity, Mortlake Community Association and the Richmond Lesbian Gay Bisexual and Transgender (LGB&T) forum.

We graded our performance against 18 EDS outcome areas and identified one overarching equality objective for the years 2013-16. In partnership with local stakeholders we will be working to develop and publish an equality strategy for 2013-16 and action plan which responds to the priorities identified by our local patients, carers, communities, staff and EDS grading.

The Trust has a number of policies in place that aim to support disabled applicants and employees. We operate under the "Two Ticks" scheme which provides guaranteed interviews for people who declare a disability. Employees can access a range of support services whilst in employment such as occupational health and fast track physiotherapy.

Patient Passport

Over the course of the year, HRCH have been working with their partners to develop a patient passport that can be used across the local health economy wherever an individual may access health services offered by different providers. HRCH have signed up to this approach along with West Middlesex University Hospital and it is envisaged that the revised passport will be rolled out by the Autumn 2013.

Carers protocol for people with learning disabilities

In April 2013, HRCH formally ratified and launched its carers protocol for carers of people with learning disabilities. The protocol was developed following consultation with various stakeholders in the community including LINKs. The protocol recognises the needs of

carers of people with learning disabilities. The protocol will remain in force and will then merge into a wider HRCH carers protocol that links into both borough's carers strategy as this agenda goes forward.

Health Checks

Since early 2013, the Community Learning Disability Team (CLDT) are actively working with Hounslow CCG in revising the health check pathway that is currently undertaken by GPs and the formulation of Health Action Plans (HAPs) undertaken by HRCH. The new pathway will deliver a more streamlined approach and huger uptake of this direct enhanced service (DES) commissioned by Hounslow CCG. The new pathway will be rolled out by late summer 2013.

Easy Read information

The Trust have been working with a number of its service lines since early March 2013 to develop a series of 'standard read' and 'easy read' information leaflets. High contact areas where people with learning disabilities use services are services where this information project has focussed. It is envisaged that by March 2014, key service areas will have gone through this process.

Interpreting and translation

Patients and service users whose first or preferred language is not English have a right to be provided with a professional interpreter. This can include face-to-face or telephone interpretation, British Sign Language (BSL) interpretation and translated written information

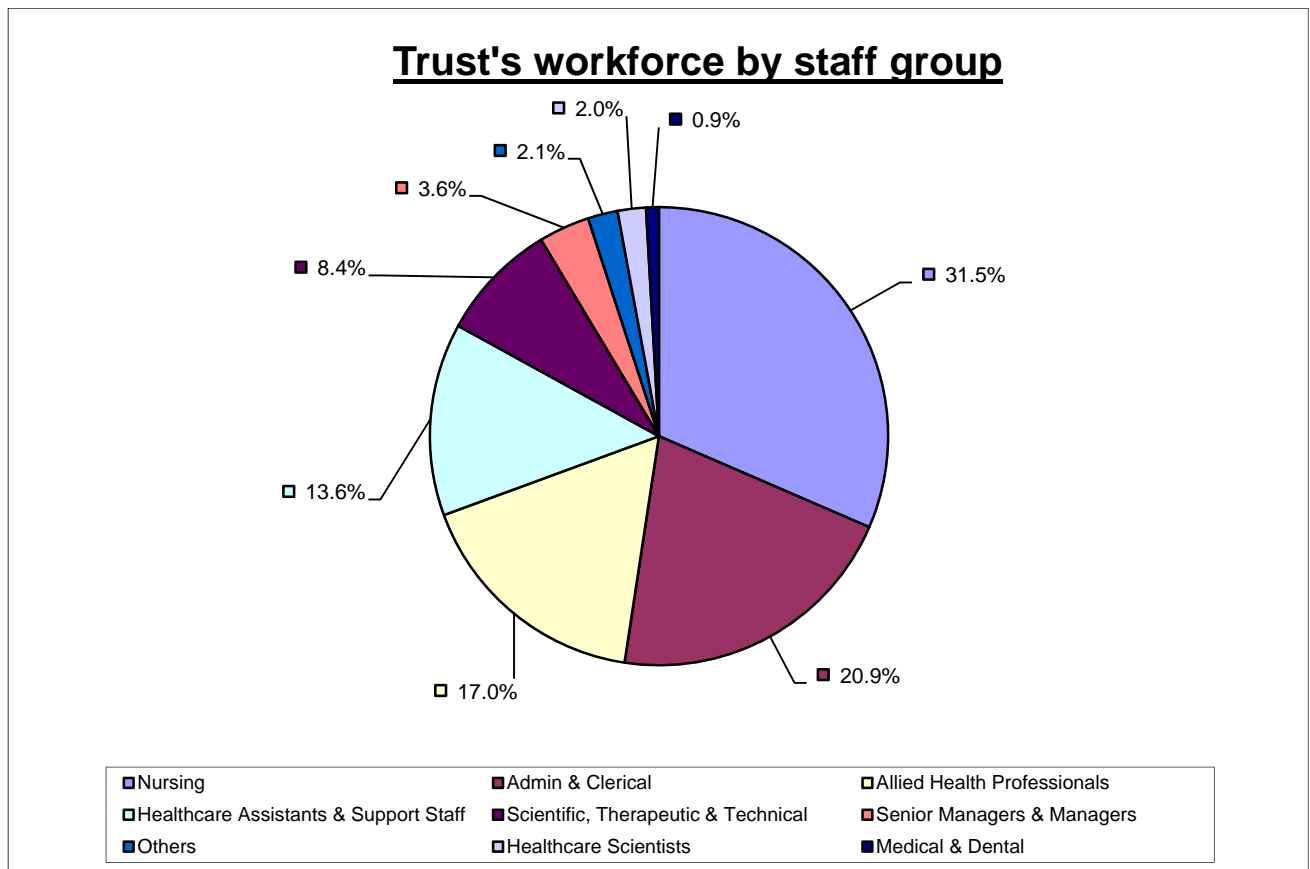
In the year 2012/13 the Trust agreed a new language support and interpreting service contract with the London Borough of Hounslow's Interpreting and Translation Service (TIS).

2.5 Workforce performance

Information on key workforce indicators is monitored by the Trust Board every month.

- 1001 people are employed by the trust (whole time equivalent of 828.92)
- The reported sickness rate for 2012/13 is 3.97%. This compares well against the average of community provider trusts to be 5.26% (data from the Information Centre, January 2013), however it fails to meet our target of 3.2%
- More than 83% of staff had an appraisal last year against a target of 85%

Trust's workforce by group



The Trust meets regularly with staffside representatives at its Joint Consultation and Negotiating Committee. Staff are regularly consulted on matters relating to their employment both formally and informally under the terms of the Trust's Organisational Change Policy.

3. Our strategy

Our strategic goals

Our strategic objectives provide us with a focus to meet the challenges ahead, while being responsive to commissioners and securing our future as a provider of high quality services that meet the needs of our communities.

1. **High quality standards** – over the next five years we will ensure that every patient we treat remains safe, benefits from excellent clinical practice, and has a positive experience
2. **High quality workforce** – over the next five years we will ensure that we continue to attract and maintain committed and motivated staff

3. **Productive services** – over the next five years we will continually improve the productivity of our services to ensure that we deliver both value for money for our commissioners and ensure our own financial stability
4. **Innovative service delivery** – over the next five years we will continue to develop innovative approaches to service delivery that both improve existing services and enable us to support commissioning aspirations to deliver more care in the community
5. **Integrated care** – over the next five years we will continue to integrate health and social care services to deliver seamless services for our population and look for other opportunities for integration where they are in the interest of patients
6. **Responsive services** – over the next five years we will restructure our services to ensure that we can offer a fully responsive community-based service that offers a genuine alternative to hospital-based care

Directors have responsibility for specific workstreams arising from the objectives and updates reported to the Board throughout the year. Progress has been made in all these areas.

3.1 Quality and performance

The Trust ended the year with a “green” governance risk rating which reflects the strength of our performance against key quality and performance indicators specified by Monitor, the NHS Trust Development Authority and our own Board.

Here is a selection from the Trust’s quality and performance dashboard and other key measures

Outcome indicator	Target	Performance	Rating
Maximum time of 18 weeks from point of referral to treatment in aggregate: non admitted	95%	97.9%	G
Maximum time of 18 weeks from point of referral to treatment in aggregate – patients on an incomplete pathway	92%	97.5%	G
UCC / WIC: maximum waiting time of four hours from arrival to admission/transfer/discharge	95%	99.7%	G
Reduction in the number of grade 3/4 pressure ulcers compared to 2011/12	87	34	G
Reduction in the number of Serious Incidents compared to 2011/12	72	44	G
Hand hygiene audit compliance	90%	98%	G
% staff attending statutory and mandatory training	85%	85%	G
Proportion of eligible staff receiving an appraisal	85%	85%	G
Average length of stay for patients discharged from Teddington Memorial Hospital (days)	42	39	G
Proportion of appointments/visits with outcome recorded	95%	98%	G
Did not attend rate	5%	5%	G
Mixed sex accommodation breaches	0	0	G

Records (from Spine Enabled systems) with NHS Number recorded	95%	97%	G
Proportion of appointments cancelled by provider	1%	0.80%	G
Referral to Treatment - data completeness	50%	80%	G
Referral information - data completeness	50%	83%	G
Treatment Activity information - data completeness	50%	98%	G
Patient Identifier - data completeness	50%	85%	G
Never events occurring in month	0	0	G
CQC conditions or warning notices	0	0	G
Falls resulting in severe injury or death	0	0	G
Certification against compliance with requirements regarding access to healthcare for people with learning disabilities	G	G	G
NHS Litigation Authority Level 1	1	1	G
Information governance toolkit level 2	2	2	G
Independent quality governance review score	3.5	3.5	G
GOVERNANCE RISK RATING	G	G	G

For 2012/13 we also identified a number of priority areas for improvement. Our achievement against these objectives is summarised here:

Area for improvement	Performance
Ensure a consistent, high quality standard for safeguarding vulnerable adults is delivered across the organisation	<ul style="list-style-type: none"> • 58% increase in staff who have completed safeguarding adults training • Patients with learning disabilities who attend the Urgent Care Centre or Walk In Centre are identified early in their care so that appropriate adjustments are made
Ensure all patients are fully informed and supported to make an informed consent for all their treatment options	<ul style="list-style-type: none"> • Judged to be meeting the standard regarding consent to examination, care, treatment or support by the CQC inspection of our Urgent Care Centre • Clinical records management audit showed: <ul style="list-style-type: none"> ➢ 80% of clinical records included documentation that consent to share information with other providers had been sought ➢ Consent to treatment was sought and recorded in 84% of records ➢ 72% of staff reported that their service used our approved consent forms
Continue progress made towards reducing the number and severity of pressure ulcers developed by patients in our care	<ul style="list-style-type: none"> • The number of grade 3 and 4 pressure ulcers acquired whilst patients were receiving care from our services reduced by 64% from 87 (2011/12) to 31 (2012/13) • 100% of patients with a grade 3 or 4 pressure ulcer had a care plan in place, their risk of malnutrition assessed and were referred to a specialist nurse • The number of pressure ulcer incidents reduced by 12% from 291 in 2011/12 to 256 in 2012/13
Demonstrate changes in services as a result of patient feedback	<ul style="list-style-type: none"> • 63% of services conducted at least one service evaluation • 94% of all patient experience surveys have an action plan which is currently in progress; 6% have completed action plans. • 93% of patients using Hounslow Urgent Care Centre would be confident that friends and family would receive a high standard of care from the Urgent Care Centre • 88% of all complaints receive a full response within 25 days; in

	cases where we did not meet this target, we contacted the complainants to advise of the delay and to agree a reasonable extension
Reporting and learning from incident reporting	40% increase in the number of incidents reported within 24 hours
Urgent care centre activity	We planned to treat 60% of all non-emergency department patients. In February 2013, the Urgent Care Centre treated and discharged 62% of all patients coming to the site. Average monthly attendance increased from 334 in April 2012 to 356 in February 2013
Staff recommendation of the trust as a place to work or receive treatment (from the staff survey)	A good increase from a score of 3.42 last year to 3.5 this year

Under the NHS Trust Development Authority single operating model (SOM), the board has been required to self-certify against a range of board statements. The position at year end was as follows:

The Board was sufficiently assured in its ability to declare conformity with all of the Clinical Quality, Finance and Governance elements of the Board Statements.

Quality governance review

The board took significant assurance from the independent review of the Trust's quality governance framework conducted by Deloitte LLP in February 2013. The main findings of this review included:

- "The trust can evidence considerable progress since July 2012 as part of a concerted programme of development. The score of 3.5 represents a significant improvement primarily driven by a focused programme of development in the management of quality and risk."
- "The board is comprised of a skilled and complementary group of executive and non-executive directors and its quality governance agenda is well serviced by a range of reporting tools."
- "The trust continues to establish a strong quality culture"
- "A comprehensive governance structure is in place for the management of quality across the trust"
- "The trust has put in place robust processes to improve its management of risks"

4. Our performance

We are registered with the Care Quality Commission (CQC) with no conditions.

The Trust received a positive report on the Hounslow Urgent Care Centre (UCC) from the CQC, following an unannounced inspection in December 2012. The report highlighted many areas of positive feedback and found the Trust to be meeting all six essential standards that the CQC looked at. Overall the unit was described as providing good care and patients spoke highly of the care they received while in the unit.

We monitor and review our performance closely at our Trust Board meetings using a number of performance indicators and national targets.

Summary of year end achievements:

- 100% of planned clinical audits were completed
- Hand hygiene submission and compliance targets were achieved during quarter 4
- 100% of nursing staff are working to nationally agreed standards relating to infection prevention and control
- 18 week referral to treatment performance has improved since August with both targets being met in each of the last five months
- Both the Walk-in-Centre and Urgent Care Centre have met the 4 hour wait target every month this year
- New birth visit performance has steadily improved since May with the February achievement showing 98.4% of visits taking place within 14 days (target at 95%)
- Compliance with the top six priority areas of statutory and mandatory training rose from 48.3% in April 12 to 86.9% at end of March 13.

For further detail of improvements in the 2012/13 year see the Trust's Quality Account, which can be found on our website www.hrch.nhs.uk.

4.1 Sustainability report 2012/13

During the year 2012/13 HRCH continued as tenants in buildings owned by NHS Richmond and NHS Hounslow. This delay was a national issue and can be attributed to delays in the legal transfer of the expected properties. As a result of this we have been reliant on our landlords to contribute to the savings target set for the NHS estate by way of reducing the carbon footprint by 10% in the period 2007 – 2015. We have also made progress on our own impact through travel and purchasing.

The Trust undertook a calculation of our carbon footprint for 2011/12, which we will use to benchmark ourselves over future years and monitor our progress. The 2012/13 data is expected to be complete and available in May 2013.

From 1 April 2013, HRCH has taken ownership of key assets and will need to meet targets for the estate. A Carbon Reduction Group has been established for some time and is monitoring progress against the Carbon Reduction Action Plan which was included in the Carbon Reduction Strategy, this will cover continued initiatives to reduce energy consumption, promote green travel and improve procurement options.

In March 2013, the Trust was awarded the London Cycling Strategy (LCS), Stage 3 by the Mayor of London, in recognition of our efforts to promote cycling and sustainable forms of travel. We are one of only eight NHS trusts across London to achieve the third stage of this award.

5. Patient feedback

5.1 Patient and Public Involvement

Our first Patient Involvement and Experience Strategy (2011-2015) was agreed by the Trust Board in February 2012.

Delivery of our year one action plan led to the following achievements:

- We carried out patient satisfaction surveys at Hounslow Urgent Care Centre which found that 92% of patients rated the service as excellent or good
- We piloted a mystery shopper exercise at Teddington Memorial Hospital Walk-in Centre. The results were very encouraging and provided recommendations to improve future patient access and experience at the hospital
- We updated our service directory on the website, including the addition of multimedia dictionary Word Bank to help visitors make sense of difficult words or medical jargon
- Our staff were supported in their roles by training from the local voluntary and community organisation
- We reviewed and reported on our Patient Advice Liaison Service (PALS) and Complaints, including organisational and staff learning. This is now a standing item at our Patient and Public Involvement Committee
- We identified committee members to attend and grade the trust at our equalities and diversity grading event. Feedback from this event will help to inform our plans to set up community health equality forums in 2013/14 and will ensure we hear the voices and views of the marginalised communities that are underrepresented in generic engagement and involvement
- We launched a Friends and Family pilot questionnaire at Teddington Memorial Hospital inpatient wards, as of 1 April 2013. This offers all patients the chance to provide feedback on the care and treatment they receive which will help us to improve our services

Our Patient and Public Involvement Committee will shortly meet to discuss and agree an action plan for year two of our Patient Involvement and Experience Strategy. We hope this will help to build upon the achievements of year one and further improve patient experience and involvement activities within the Trust.

The 2013 patient survey, which focuses on district nursing, will be completed in May 2013.

Local Involvement Network (LINKs)

The Trust has worked closely with LINK in both Hounslow and Richmond over the past year, providing proactive support and involvement in our various committees and Trust Board. Their contribution enables us to consider patient and public feedback and make improvements to our services.

5.2 Patient feedback – Patient Advice Liaison Service (PALS) and Complaints

The Trust's Patient Advice Liaison Service (PALS) and Complaints team is supported by the wider Quality and Clinical Excellence Team. All contacts to the service are logged under the following four categories:

- **PALS enquiry** – general enquiry to the service
- **Enhanced PALS enquiry** – a contact where the PALS and Complaints team undertake actions, in partnership with trust services, to resolve concerns and issues on behalf of patients, carers or their relatives in a more timely and personable manner, and also preventing formal complaints
- **Complaint**
- **Compliment**

5.3 PALS and Complaints activity over the past year

The PALS team received a total of 269 contacts last year. The top five PALS contacts received by type are listed below. A large majority of PALS contacts were people being advised and directed to other appropriate local services including:

- Richmond Clinical Commissioning Group (CCG) PALS
- Hounslow CCG PALS
- West Middlesex Hospital PALS
- HRCH Expert Patient Programme
- Hounslow Pensioners Forum
- Age UK Hounslow
- West London Mental Health NHS Trust

The top 5 PALS contacts by type were:

- Signposting (local health, social, voluntary and community organisations)
- Appointment delay/cancellation
- Staff attitude
- Communication standards
- Personal records/medical records requests

5.4 Enhanced PALS

646 enhanced PALS contacts were received during this period.

The team provided valuable enhanced support to our Hounslow Phlebotomy service (blood test service) over the past year, where patients were experiencing patient access issues due to the numbers of people using the telephone appointment line. The PALS team worked closely with the Trust's Single Point of Access (SPA) team to book appointments on behalf of patients that had found themselves unable to get through to the telephone appointment line, therefore providing a better experience for our patients.

5.5 Complaints

In 2012/13 we received a total of 66 complaints, of which 17 related to Richmond services, and 49 to Hounslow services.

This represents a 50% increase in number of complaints as compared to 2011/12, when 44 were received. This rise can be attributed to the significantly higher number of contacts our trust provided following the opening of the Hounslow Urgent Care Centre in March 2012. This service accounts for 21 complaints, although it is worth noting that the Unit treated approximately 77,000 patients in its first year.

We used the enhanced PALS route to work together with the Urgent Care Centre clinical services manager to resolve 23 other potential formal complaints.

We met our complaint response target of 25 working days in 88% of cases. This is a small decrease in performance from the previous year (which was at 90%); we have therefore carried out a further review of our complaints policy to look for opportunities to improve the overall process and response times.

The three main types of complaints received in 2012/13 concerned:

- Aspects of clinical care or treatment
- Staff attitude
- Appointment delay or cancellation

Organisational learning from complaints

The Trust uses patient concerns and complaints to learn from and improve services. The following examples demonstrate this:

- Patient safety, dignity and respect – following a complaint regarding the attitude of a member of staff, the Trust organised End of Life Care training for the member of staff.
- Staff customer care training – a programme of staff learning took place in September 2012. We are reviewing whether this can be made an annual event allowing staff to update and learn new customer care skills. Anonymised examples of complaints received were utilised at this training to inform the training sessions.
- Patient Experience – following a number of enhanced PALS and formal complaints received regarding appointment access to the Hounslow Musculoskeletal Service, the team now has an additional telephone line available to patients to improve the timeliness of the appointment process.
- As a result of a formal complaint and subsequent ‘Being Open’ meeting, the Podiatry service now has made patient advice leaflets, including after-care advice, available.
- Patient safety dignity and respect – as a result of a complaint regarding Teddington Memorial Hospital inpatient ward, a survey was sent to patients who had recently been discharged from the hospital. The survey distinguished between day and night services in an attempt to identify any discrepancies in patient experience during these times. A full report was made available and an action plan drafted focusing on areas of improvement. A second survey has recently been sent out to patients to allow benchmarking against previous survey results and monitoring of actions proposed.
- Patient experience – following several complaints related to signage, we reviewed the notices being displayed in these areas and replaced with clear and appropriate signage

5.6 Compliments

In 2012/13 we received 135 service compliments from patients, carers and their relatives. This represents an increase of 28% from the previous year total of 105 service compliments.

Five of the top compliments received concerned the following services:

- Richmond Physiotherapy service
- Teddington Memorial Hospital Walk-In Centre
- Richmond Neuro-Rehabilitation and Speech and Language Therapy
- Hounslow Urgent Care Centre
- Community Nursing

The PALS team encourages all services to share examples of compliments received to ensure these are highlighted and shared across the trust. Service and staff compliments have been shared through the Trust’s quarterly newsletter, which is distributed internally to

staff sites and externally to our foundation trust members and local community and voluntary groups.

5.7 Some examples of service compliments received:

To the **Hounslow musculoskeletal physiotherapy team**: “I am writing to express my appreciation at the intensive physiotherapy treatment provided by staff following an acute fracture of a bone in my ankle last year.

I received a combination of regular one to one sessions at Heart of Hounslow, followed by a series of weekly group sessions run by Gabby.

I am absolutely convinced that this treatment substantially improved both the speed and totality of my recovery and that without these treatments I would still be suffering significant mobility constraints and pain even now.

Moreover, I can say with certainty that prior to starting the physio sessions I was seeing little if any improvement in my condition and was only able to work a two day week in consequence. I am now back to normal working hours.

I am very grateful for the excellent service they provided to me throughout what was a difficult time in my life.

Given my personal experience I know that physiotherapy services can make a huge contribution to the quality of life of people who have suffered lower limb injuries which might otherwise be life changing.”

To staff at **Hounslow Urgent Care Centre**: “From the moment I walked in, all of the staff were friendly and very helpful. The doctor who examined me answered all of my questions and made me feel reassured!”

To staff at the **Walk in Centre at Teddington Memorial Hospital**: “Yesterday I came to your Walk in Centre for the first time. We looked around and admired the smooth running of the place, everything in order, toilets clean, chairs in good condition and in neat rows, nothing scruffy or run down. From the time the doctor gave (me) my prescription to when I collected the pills from your dispensary took 15 minutes. What service! You and all your staff do a magnificent job. To maintain such high standards, to coordinate staff with such a wide range of disciplines and to generate such a quietly positive atmosphere for the patients shows good teamwork. We are indeed fortunate to have our Walk in Centre.”

To the **Wheelchair Service in Hounslow**: “I would like to convey my grateful thanks to Hounslow Wheelchair and Special Seating Services for their thoughtful and efficient handling of my husband when determining the size and shape of a wheelchair suitable for him to experience out-of-bed comfort. With his stroke-related lack of speech communication, he beams with positive pleasure when being pushed around the park in his new chair and joins me in expressing our wholehearted appreciation for this service.”

To the **Podiatrist and Foot Health Team in Richmond**: “I would like to congratulate you on the work done at St John’s Health Centre in Twickenham... the care is way above the norm, such as the information she also gives me about my diabetes, which is affecting my right foot.”

Principles for remedy

In handling complaints, we continue to adhere to the Parliamentary and Health Service Ombudsman's six "Principles for Remedy" which highlights best practice for organisations to follow. In line with these principles the PALS and Complaints team continues to encourage the use of 'Being Open' meetings between patients, carers and their relatives and services to seek resolution.

There have been 12 Being Open meetings this year, compared to last year's total of four.

The use of patient stories at our Trust Board meetings aims to encourage organisational learning and development of staff and our board.

6. Emergency Preparedness, Resilience and Response (EPRR)

The Olympics

Last year was particularly busy with the preparations for the London 2012 Olympics. With three Olympic road cycling events running through the Trust's operational area, closing off main roads and cutting off significant areas, we faced a challenge to ensure that our services would be delivered as normal.

This was also a period of intense scrutiny, as commissioners and NHS London endeavoured to ensure that every Trust was prepared to deliver a 'business-as-usual' service throughout the Games.

Managers and team leaders embraced the challenge, ensuring that their staff could attend work and that visits to patients in the community were scheduled around the road closures. Working with our suppliers, we ensured that deliveries of clinical and other supplies were maintained throughout 'Games Time'.

To increase our resilience to any incidents involving chemical or biological materials occurring in the community, we trained our reception staff and briefed key managers in how to respond to such an event. We also exercised our Major Incident Plan in the run up to the Games, to prepare our on-call staff should they be required to respond to a real incident during it.

With all the preparatory work done, we successfully maintained our services in a business-as-usual manner throughout the Games, ensuring that our patients received the care they needed despite any disruptions that the Olympic events brought.

This experience has provided valuable knowledge that will stand the Trust in good stead over the next five years as it plans for the annual 'RideLondon and London Surrey Classic' cycle race impacting upon our operational area.

Winter planning

Throughout the winter period, on-call managers participated in twice weekly teleconferences with commissioners and other providers, enabling co-ordination across the local health community throughout this period of high pressure. In preparation for the winter, the Trust's Capacity Plan and the Severe Weather Plan were revised and updated, offering a framework to support service delivery throughout the period.

Influenza

In 2012, the Department of Health issued a new strategy and guidance to support NHS providers in planning for an Influenza Pandemic; this new approach incorporates the learning from the Swine Flu Pandemic in 2009. The Trust's new Pandemic Plan provides a framework to guide the management of a pandemic response, while incorporating the principles outlined in the national strategy and guidance.

7. Information governance

Information governance is the process by which the Trust ensures it is avoiding risk to patients and their personal information, in particular by following strict national guidelines to protect confidential data such as patient records. In 2013/13 the Trust had three information governance serious incidents, one of which was reported to the Information Commissioner, though no action was taken by the Commissioner. This compares with no information governance serious incidents for 2011/12.

The management of information throughout the Trust is monitored and reported using the NHS Information Governance Toolkit. Compliance with the requirements of the toolkit – which includes mandatory training on information governance – enables our performance to be assessed and audited. We successfully achieved level 2 compliance against the requirements of the Information Governance Toolkit.

All staff must undertake annual Information Governance training to further improve awareness and highlight responsibility for the maintenance of confidentiality, security, integrity and availability of information.

The Trust has robust policies and procedures in place that ensure information is appropriately protected from accidental loss, destruction, damage and unauthorised access and disclosure; and also to manage the business impacts and associated risks.

We continue to monitor and assess our information risks and those within the NHS to identify and address any weaknesses and ensure continuous improvement of our systems.

8. Transforming Services & Quality, Innovation, Productivity and Prevention (QIPP)

The NHS is committed to transforming services so that it can provide better care, more effectively and safely at the lowest cost possible. Transformational change therefore aims to tackle the QIPP areas simultaneously, these being:

- **Quality** – improve the quality of care and service that we provide
- **Innovation** – finding new and innovative approaches to how services are delivered

- **Productivity** – delivering safe care at the lowest cost possible
- **Prevention** – improving safety and reducing any risks to patients and staff

The Trust has a proven track record of responding well to the challenges faced in healthcare whether that is through the introduction of new policies, guidelines and procedures or changes in how the healthcare market operates. The challenges facing the Trust over the next few years are immense and cannot be underestimated. These challenges include a continuing reduction in available funding (the NHS as a whole is required to make efficiency savings), changing needs from both patients and those who commission our services and increasing demand brought about by growing populations in the areas we serve.

In responding to the challenges, both operational and financial, the Trust has invested in a transformational change programme that aims to achieve three major objectives, these being:

1. Supporting services to transform the way they deliver care to enable them to deliver the safest care at the lowest possible cost.
2. Transforming our 'back office' and administrative functions so that we continue to improve the support provided to front line clinical staff and also have the lowest overheads possible whilst still delivering effective support services.
3. Shaping the culture of the organisation so that we are capable of responding effectively to both the challenges we are aware of currently and also responding to any new challenges that emerge.

To enable us to deliver on each of these three major objectives, the Trust invested in a transformation team in 2012/13 to support front line teams and managers to respond to the challenges ahead and also to lead on a wide range of initiatives designed to help improve productivity across the organisation and shape the culture of the Trust so that it is able to operate effectively in a changing healthcare market.

Some of the initiatives that the transformation team has begun to focus on, and will continue to do so in 2013/14, will have wide reaching implications for how services are delivered. Some examples of the projects that the team is involved in currently include:

- Redesigning our existing district nursing services to increase the number of patients seen per week by reducing the administrative burden on nursing staff. This will be achieved through changing key practices within the team and introducing new technology designed to reduce the level of duplication in the work undertaken by district nurses.
- Integrating services wherever possible, for example 'Single Point of Access' (SPA), instead of there being two SPAs for the regions we serve, all referrals come through a centralised point.
- Improving resource planning through the introduction of new technology to help team leaders manage staff utilisation more effectively and therefore reducing the need for the organisation to seek external support for services.

The Trust has been involved in transformational change since the two organisations merged in 2010 and is responding effectively to the challenges faced by all NHS organisations through our investment in transformational change. The rewards of this are already being seen by patients and commissioners through reducing waiting times and lower costs in key areas. The Trust is proud of the work done by our staff in helping us respond to the challenges we face.

For further information about our transformation programme contact our transformation team via transformation@hrch.nhs.uk.

8.1 Staff consultation: Towards our Future 2013/14

In January 2013, the Trust held a consultation on the impact on staffing of the proposals for achieving the financial aspect of QIPP for 2013/14.

The consultation referred specifically to our clinical services and there were potential redundancies discussed within it. Actual redundancies were minimised and the majority of staff members given posts within our new structure. The final outcome of the consultation is expected in the beginning of 2013/14.

The proposals within the consultation were thoroughly considered and each service proposal fully assessed for any impact on quality before being taken forward. We are clear that the challenge we face is transforming the way we deliver clinical services, while continuing to provide high quality care.

9. Service transformation in north west and south west London

As an NHS provider we aim to respond effectively to local commissioning intentions, which are driven by Joint Strategic Need Assessments (JSNA), which are in turn overseen by borough Health and Wellbeing Boards.

Last year both of our local Health and Wellbeing Boards supported significant development with regard to reconfiguration for both North West London cluster (of which Hounslow is a part) and South West London cluster (of which Richmond is a part).

9.1 Better Services Better Value

The Better Services, Better Value review (BSBV) began in 2011. The review is looking at how health services in south west London and some parts of Surrey around Epsom are provided. Initially the review only covered the south west London area, including the Hospitals at Croydon, Kingston, St George's and St Helier before the scope of the programme was widened to include Epsom Hospital. The review now covers five hospitals rather than four. Clinicians are proposing that in South West London, Epsom and the surrounding areas there should be:

- Three A&E departments, with all hospitals having an urgent care centre, either located with A&E or a stand-alone urgent care centre
- Three maternity units led by obstetricians (senior maternity doctors) with midwifery led units alongside, which would be located in the same hospitals as the three A&Es
- Further work on the feasibility of a separate stand-alone, midwife-led maternity unit

- A network of inpatient children's services built around beds at three acute hospitals, with St George's as its hub, as well as improved children's community services
- All five hospitals continue to see children with urgent care needs and as outpatients
- A planned care centre for all inpatient surgery for the region, on a separate site from emergency care, also providing day case surgery for the local population
- Outpatient and day surgery facilities in all five hospitals
- These proposals would support an expansion in services provided outside hospital, as near to where people live as possible, including in GP surgeries, community health settings and at home.

Clinical working groups have been looking at the detail of these recommendations and what they would look like in terms of practice. In March 2013, the BSBV Programme Board discussed and amended its draft Pre-Consultation Business Case, which will go to the seven local Clinical Commissioning Groups and NHS England for approval later in 2013. When the formal recommendations are agreed, a three month public consultation will take place later in 2013.

9.2 Shaping a Healthier Future

NHS North West London's review is called 'Shaping a Healthier Future'.

In February the Joint Committee of Primary Care Trusts (JCPCT) agreed with all the recommendations put forward by the 'Shaping a Healthier Future' programme following public consultation. This will mean:

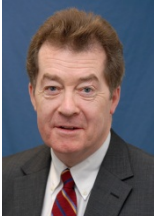
- Investing over £190m more in out-of-hospital care to improve community facilities and the care provided by GPs and others. Most of these improvements will be put in place before any major changes to local hospitals are made.
- The five major acute hospitals with a 24/7 A&E and Urgent Care Centres will be: Chelsea and Westminster; Hillingdon; Northwick Park; St Mary's; and West Middlesex.
- Central Middlesex Hospital will be developed in line with the proposed local and elective hospital models of care, and will also include a 24/7 Urgent Care Centre.
- Hammersmith Hospital will be developed in line with the proposed local and specialist hospital models of care, and will include a 24/7 Urgent Care Centre.
- Both Ealing and Charing Cross Hospitals will be developed in line with the proposed local hospital model of care, and will each include a 24/7 Urgent Care Centre. The Joint Committee of Primary Care Trusts (JCPCT) also recommended that further proposals for these two hospitals are developed in future by the relevant CCGs.

These proposals will now take 3-5 years to implement.

10. Members of the Trust Board

10.1 Board

Non Executive Directors



Stephen Swords (Chairman)



Prabhjot Basra (until December 2012)



Carol Cole (Senior Independent Director)



Pablo Lloyd



Ajay Mehta



Lorna Payne (from March 2013)



Judith Rutherford (Vice Chairman)

Executive Directors:



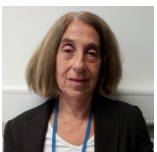
Richard Tyler, Chief Executive



Siobhan Gregory, Director of Quality and Clinical Excellence



David Hawkins, Director of Finance and Information Management and Technology (IM&T)



Daniela Lessing, Medical Director (until May 2012)



Rosalind Ranson, Medical Director (from May 2012)



Jo Manley, Director of Operations

In attendance:

Rachael Moench, Director of Human Resources and Organisational Development (until December 2012)

Heather Mitchell, Commercial Director (on maternity leave from December 2012)

Stuart Butt, Interim Commercial Director (from December 2012)

Derek Oliver, Programme Director Integrated Care Organisation (seconded from the London Borough of Richmond-upon-Thames from March 2013 and previously as an observer at the Trust Board's public meetings)

David Lee, Programme Director

Observers (non-voting):

Local Involvement Networks (LINKs) members (until the abolition of LINKs on 31 March 2013):

Lew Gray (Hounslow)

Paul Pegden Smith (Richmond)

London Borough of Hounslow: Michael Marks

10.2 Membership of board committees

The following committees reported to the Board (* denotes committee Chair):

Audit Committee

Pablo Lloyd*

Judith Rutherford

Ajay Mehta

David Hawkins

Charitable Funds

Stephen Swords

Ajay Mehta*

Carol Cole

David Hawkins

Finance and Performance

Judith Rutherford*

Ajay Mehta

David Hawkins

Jo Manley

Heather Mitchell (until December 2012)

Stuart Butt (from December 2012)

Integrated Governance

Carol Cole*
Lorna Payne (from March 2013)
Prabhjot Basra (until December 2012)
Stephen Swords
Siobhan Gregory
David Hawkins
Jo Manley
Rosalind Ranson

Foundation Trust

Stephen Swords*
Pablo Lloyd
Prabhjot Basra (until December 2012)
Rachael Moench (until December 2012)
David Hawkins
Lorna Payne (from March 2013)

Nominations and Remuneration

Stephen Swords*
Carol Cole
Prabhjot Basra (until December 2012)
Lorna Payne (from March 2013)
In attendance:
Rachael Moench (until December 2012)
David Hawkins

11. Financial report from the Director of Finance

Financial report from the Director of Finance

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, recognised gains and losses and cash flows for the year. In preparing those accounts, 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;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

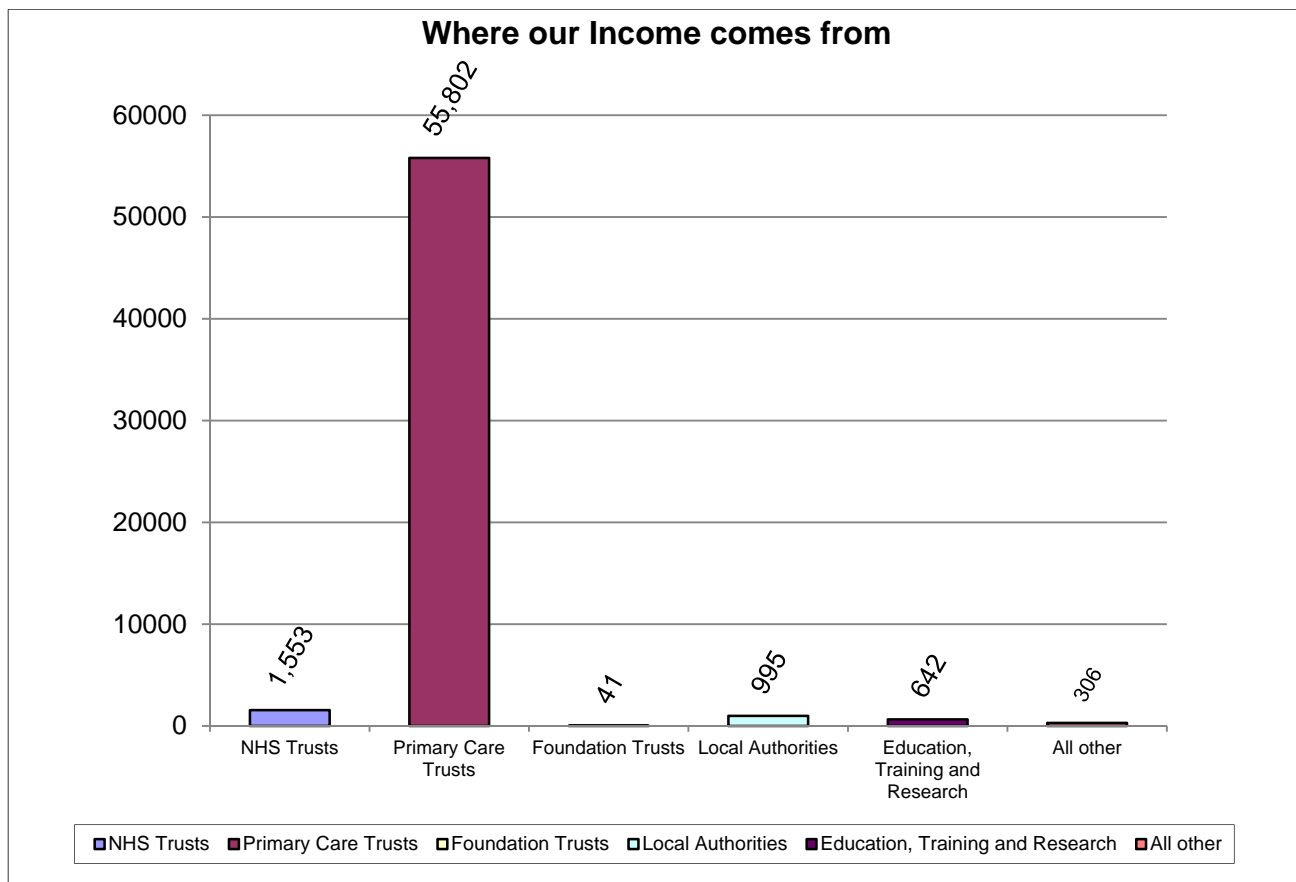
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are 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 confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

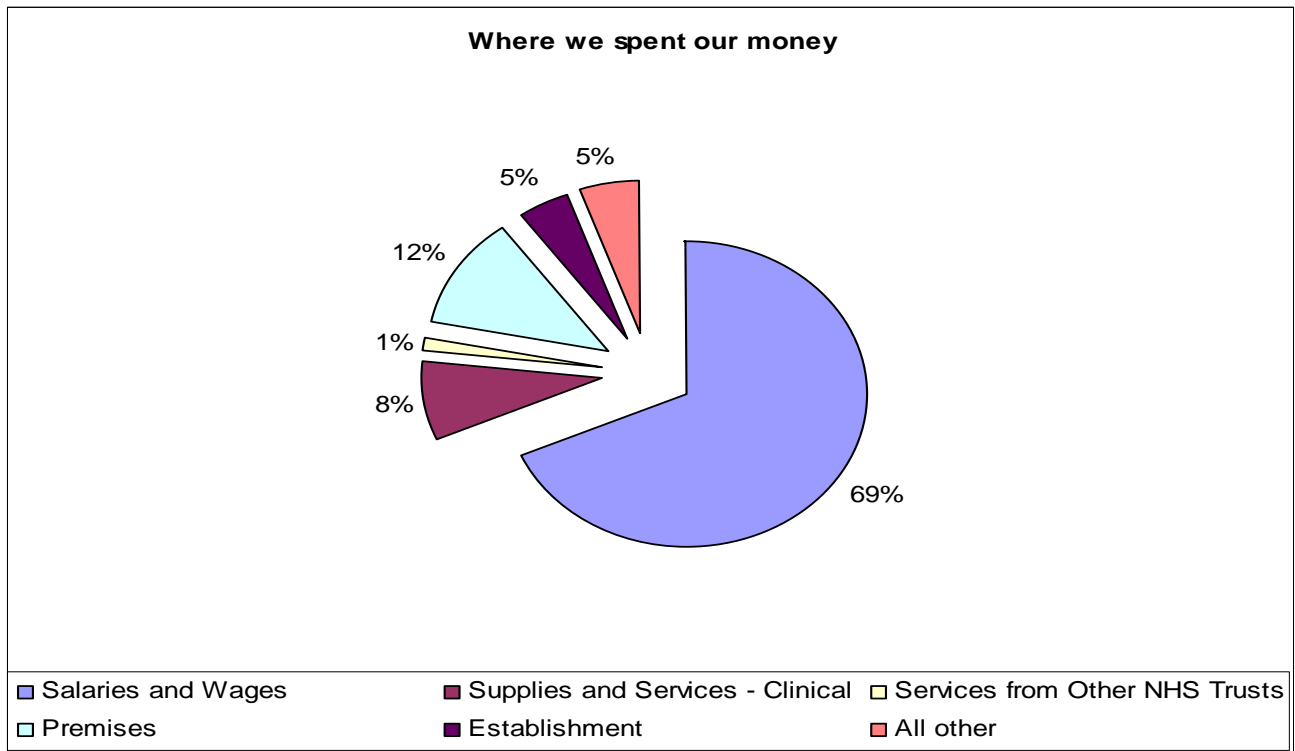
Financial balance

Hounslow and Richmond Community Healthcare NHS Trust planned for a surplus of £698k and achieved £704k in 2012/13. The surplus was achieved through sound financial planning and control by budget managers despite being faced with a number of in-year financial pressures

Total Income for 2012/13 was £59.3m with 93% of this coming from Primary Care Trusts (PCTs) with NHS Hounslow and NHS Richmond being our two main commissioners.



Total expenditure for 2012/13 was £58.6m and 69% of this was spent on staff salaries and wages.



Statement of financial position

Hounslow and Richmond Community Healthcare NHS Trust ended with a strong financial position. Net Current Assets have increased by £3.5m. The Trust continues to have no borrowing. During 2012/13 the Trust did not own any land or buildings, however with the change in commissioning structures these will transfer in 2013-14.

We have capital and reserves totalling £2.4m, an increase of £0.7m from 2011-12. The increase is due to the net profit for the year. The capital and reserves will further strengthen in 2013-14 when the assets transfer from the PCTs.

Cashflow

Cash increased by £2.8m in the year due to the surplus of £704k and improved treasury management. The cash balance will contribute positively towards future plans including spending on capital projects to improve patient access and moving towards foundation trust status. Bank interest contributed £14k to the surplus and although the interest rates are low it is expected that this will rise in future years as the treasury management becomes more mature in the Trust.

Better Payment Practice Code

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

Hounslow and Richmond Community Healthcare NHS Trust recognises the need in the current economic climate to pay suppliers promptly and has seen the performance improve in both the number of non NHS invoices paid from 64.9% to 89.8% and NHS invoices paid from 67.3% to 90.6%.

	2012-13 Number	2012-13 £000	2011-12 Number	2011-12 £000
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	12,429	22,844	10,689	18,034
Total Non-NHS Trade Invoices Paid Within Target	11,164	20,873	6,937	15,033
Percentage of NHS Trade Invoices Paid Within Target	89.82%	91.37%	64.90%	83.36%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	612	23,026	499	21,084
Total NHS Trade Invoices Paid Within Target	555	22,619	335	19,017
Percentage of NHS Trade Invoices Paid Within Target	90.69%	98.23%	67.13%	90.20%

The Trust has signed up to the Prompt Payments Code.

Auditors Remuneration

External Auditors

KPMG were appointed as the external auditors for 2012/13. The cost of work undertaken by the external auditors in 2012/13 was £86,500 (2011/12 £83,000) see below:

	2012-13 £'000s	2011.12 £'000s
Statutory Audit	54	83
Board Development	18	
Board Development prior to appointment as external auditors	15	
Total	87	83

In addition to the statutory audit the external auditors undertook a further piece of work – Board development which did not give rise to any conflict of interest or compromise the audit function.

Internal Auditors

The Trust's internal auditors for 2012/13 were RSM Tenon and the cost of work undertaken during the year was £85,577 (2011/12 £74,557):

	2012-13 £'000s	2011.12 £'000s
Internal Audit	46	43
Counter Fraud	40	32
Total	86	75

As far as the directors are aware there is no relevant audit information of which the NHS body's auditors are unaware and that the directors have taken all the required steps as directors in order to ensure they are aware of any relevant audit information and to establish that the auditors are aware of that information.

Looking forward

Our aspiration to become a foundation trust will allow us to plan on a longer term basis for both revenue and capital spends which in turn will allow us to continually provide quality services for the local population.

12. Summary Financial Statements 2012-13

Governance statement

12.1 Scope of responsibility

Hounslow and Richmond Community Healthcare NHS Trust (HRCH) is responsible for ensuring that its business is conducted in accordance with the law and proper standards.

As Accounting Officer and Senior Information Risk Officer (SIRO) the Director of Finance has responsibility for maintaining a sound system of internal control that supports the Trust's policies, aims and objectives and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. I as Chief Executive also acknowledge my responsibilities set out in the Accounting Officer Memorandum for NHS Trusts to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness and confirm that arrangements in place for the discharge of statutory functions have been checked for any irregularities, and that they are legally compliant.

The Trust has worked closely with commissioners in 2012/13 and its performance was reviewed by NHS Richmond PCT, NHS Hounslow PCT and NHS London Strategic Health Authority.

HRCH has continued to develop in 2012/13 to improve relationships across organisations. The PCTs, CCGs, local authorities, Local Involvement Networks (LINKs), and other partner organisations have worked closely with the Trust and have agreed areas or work where focus is required. They have been involved in several aspects of the Trust's activities particularly related to patient experience and patient involvement (see section five for more information on this).

12.2 The system of internal controls

HRCH has approved and adopted a [Local Code of Corporate Governance](#), which is driven by Department of Health policy. Compliance with this code has been achieved through key processes to ensure that the resources in the Trust are used economically, efficiently and effectively and these include:

- Monthly reporting of financial and non-financial performance to the Trust Board of Directors and the Finance and Performance Committee of the Board;
- Monthly executive performance review meetings where directorates are held to account for financial and non-financial performance;
- Production of annual reference costs, including comparisons with national reference costs;
- Continuous benchmarking of costs and Key Performance Indicators (KPIs) against aspirant community foundation trusts and other providers;
- Standing financial instructions, standing orders and treasury management policy;
- A budget holders' manual which sets out managers' responsibilities in relation to managing budgets.

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their Annual Governance Statement and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board ensures the effectiveness of the system of internal control through clear accountability arrangements.

Internal Audit issue an annual Head of Internal Audit Opinion based on the work undertaken during the year for 2012/13. The opinion gave **significant assurance** that there is generally a sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

One area of weakness was identified with regard to Safeguarding Children where the Trust was failing to achieve its targets for mandatory safeguarding children training, had not completed all of its proposed clinical audits into Safeguarding Children, and in some cases Criminal Records Bureau Checks had not been completed for existing staff within the past three years. A detailed action plan has been drawn up and the internal audit follow up review conducted in April 2013 showed that all recommendations were receiving due management attention

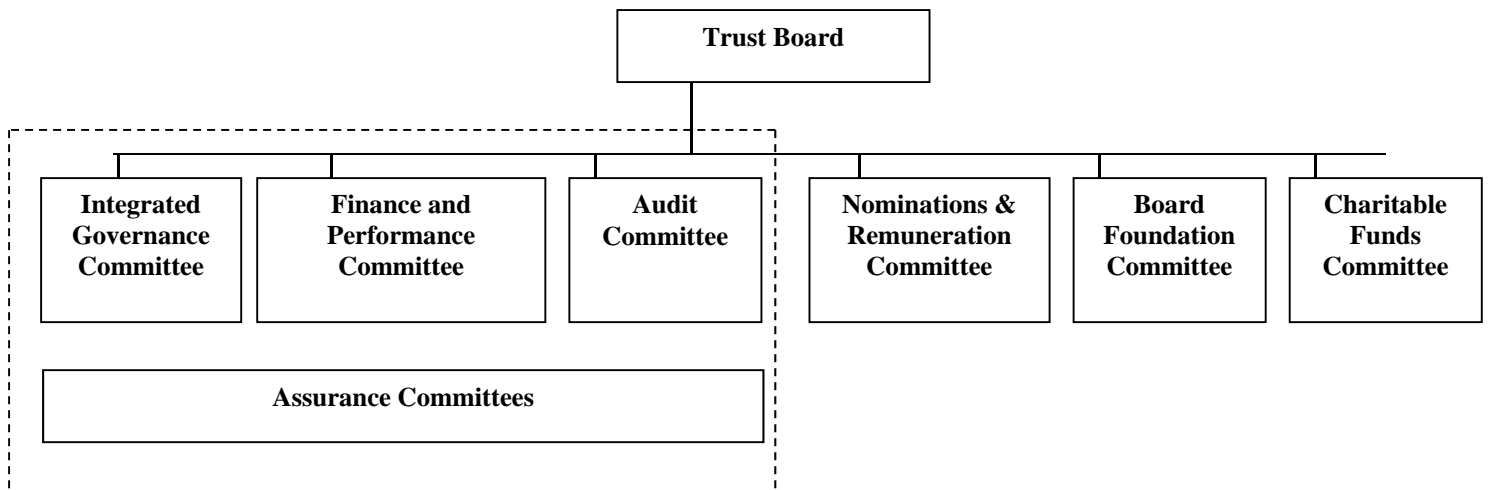
I am confident that the internal audit reports undertaken were a true reflection of HRCH's position and that the updated action plans scrutinised at the Integrated Governance Committee and Audit Committee reflect clear and concise progress in all areas.

A due diligence exercise was performed in 2012/13 by Price Waterhouse Coopers which included a review of the internal controls and this gave a green rating on all areas which gives us further assurance.

12.3 The governance framework of the organisation

The Trust has developed its governance structures over a period of time to deliver an integrated governance agenda. Integrated governance is the combination of systems, processes and behaviours which the Trust uses to lead direct and control its functions in order to achieve its organisational objectives.

The Board of Directors leads on integrated governance and delegates key duties and functions to its sub-committees. In addition the Board reserves certain decision making powers including decisions on strategy and budgets. The diagram below gives an overview of the integrated governance structure.



The roles and responsibilities of all committees are described below. There are three key committees within the structure that provide assurance to the Board of Directors. These are:

- The Integrated Governance Committee;
- The Audit Committee;
- Finance and Performance Committee.

There are a range of mechanisms available to these committees to gain assurance that the Trust's systems are robust and effective. These include utilising internal and external audit, peer review, management reporting and clinical audit.

13. Committee structures and reporting

13.1 Details of the key committees in the Trust's governance structure are given below. Each Committee Chair has information that ensures a consistent approach across all groups, including terms of reference, upward reporting and review of effectiveness.

13.2 The Board of Directors

Membership of the Board of Directors is currently made up of the Trust Chairman, five independent Non-Executive Directors and five Executive Directors. The key roles and responsibilities of the Board are as follows:

- To set and oversee the strategic direction of the Trust;
- Continued appraisal of the financial and operational performance through Director Reports;
- Direct operational decisions as required;
- To discharge their duties of regulation and control;
- To ensure the Trust continues to maintain patient quality and safety as its primary focus, receiving and reviewing data analysis and comment in the form of quality and patient safety reports;
- To receive reports from the Audit Committee, the annual internal auditor's report and external auditor's report and take action as appropriate.
- To approve the Annual Report and Annual Accounts.

The Board of Directors meets monthly to discuss an agenda based on three key areas:

- Strategy and planning – this covers strategy decision making, approval of business cases and plans;
- Performance – reviews financial and non financial performance and considers risks;
- Quality and Clinical Excellence – primary focus on quality and patient outcomes and experiences.

A breakdown of attendance for the board is given below:

Name and title	Amount attended
Chairman - Stephen Swords	11 of 11
Non Executive Director - Judith Rutherford	11 of 11
Non Executive Director - Pablo Lloyd	10 of 11
Non Executive Director - Prabhjot Basra	3 of 8 (left December 2012)
Non Executive Director - Carol Cole	9 of 11
Non Executive Director - Ajay Mehta	10 of 11
Non Executive Director - Lorna Payne	1 of 1 (started March 2013)
Chief Executive - Richard Tyler	11 of 11
Director of Finance and IM&T – David Hawkins	11 of 11

Director of HR and OD (non voting) - Rachael Moench	6 of 7 (Left Dec 12)
Medical Director - Rosalind Ranson	9 of 10 (started May 12)
Director of Operations – Jo Manley	11 of 11
Director of Quality & Clinical Excellence – Siobhan Gregory	11 of 11
Commercial Director (non voting) – Heather Mitchell	8 of 8 (maternity leave 24.12.12)
Director of Estates and Commercial Development – Stuart Butt	3 of 3 (covering maternity leave)

Board members' attendance at Board committee meetings is detailed in respective committees' 2012/13 annual reports which will be considered at the June 2013 Trust Board meeting.

13.3 Audit Committee

The Audit Committee is a formal committee of the Board and is accountable to the Board for reviewing the establishment and maintenance of an effective system of internal control. The committee meets at least four times per year. The Audit Committee approves the annual audit plans for internal and external audit activities and ensures that recommendations to improve weaknesses in control arising from audits are actioned by executive management. The Audit Committee ensures the robustness of the underlying process used in developing the Assurance Framework. The Board monitors the Assurance Framework and objectives quarterly, ensuring actions to address gaps in control and gaps in assurance are progressed.

13.4 Integrated Governance Committee

The Integrated Governance Committee is a formal committee of the Board and is accountable to the Board for reviewing the effectiveness around quality, including the management of risks and internal risk management. The committee meets at least nine times per year. The committee approves the risk management strategy and assures the Board that recommendations to improve mitigation of risks is actioned appropriately and ensures that adequate controls are in place to minimise risk for the Trust. In addition the IGC monitors quality indicators, the quality accounts and all aspects of the three domains of quality, namely - patient safety, clinical effectiveness and patient experience.

13.5 Finance and Performance Committee

The Finance and Performance Committee conducts an objective review of financial and investment policy issues and provides oversight of financial and non-financial performance across the Trust, reporting to the Board.

13.6 Nominations and Remuneration Committee

Nominations and Remuneration Committee is responsible for determining the pay and contractual arrangements for the most senior managers and for monitoring and evaluating their performance. Information relating to executive and non-executive directors is therefore included in this report.

13.7 Annual Committee Effectiveness Reviews

Each committee is required to consider how well it has performed during the year against the objectives as set out in their terms of reference, and against the delivery of their work plans for the year. This information is collated and then presented to the Trust Board alongside any revisions to the terms of reference and the forthcoming year's work plan. Any deviation from plan is highlighted to allow the Trust Board to consider whether any further changes to membership or committee constitution are required. The Trust Board also considers the whole of its committee structure to ensure that it is delivering its requirements.

13.8 The purpose of the governance framework

The Information Governance Framework for health and social care is formed by those elements of law and policy from which applicable information governance standards are derived, and the activities and roles which individually and collectively ensure that these standards are clearly defined and met.

HRCH recognises the importance of information, both in terms of the clinical management of individual patients and the efficient management of services and resources. Information governance plays a key part in supporting clinical governance, service planning and performance management. It also gives assurance to the Trust and to individuals that personal information is dealt with legally, securely, efficiently and effectively, in order to deliver the best possible care.

14. Governance Framework processes

14.1 The [governance framework](#) comprises the systems, processes, culture and values, by which the Trust directs and controls its activities, through which it accounts to, engages with, and leads the community. It enables the Board to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The Board Assurance Framework (BAF) provides a framework for reporting of the principal strategic risks in the delivery of the organisational business at HRCH. It identifies the controls and assurances in place to mitigate these risks, the gaps or weaknesses in the controls and assurances, and actions required to further strengthen these mechanisms.

The Trust has developed and refined its approach to organisational and business risk in the last two years. Systems for updating and scrutinising the corporate risk register and for developing and monitoring action plans have been improved, with additional emphasis on identifying and responding to risks to financial viability.

The key risks with significant potential impact on the Trust's business plans for 2012-2017 were assessed through a staged process involving the Trust Board and clinical and support staff throughout the organisation.

The principal risks to successful delivery of the Trust's business plan and to continued financial viability were given a risk rating score according to the impact and likelihood of that risk arising, along with a detailed risk mitigation plan for each risk. The Trust risk register

also contains other highly-scoring risks that need management attention because of their operational significance, but do not have significant potential to affect the organisation's financial situation nor have major reputation.

The Trust is clear that in order to be successful in maintaining high standards of care, it is essential that a top down and bottom up approach to risk management be delivered. The Trust has opted in to the National Health Service Litigation Authority (NHSLA) review process and achieved level 1 compliance in October 2012.

14.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise risks to the achievement of HRCH policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically.

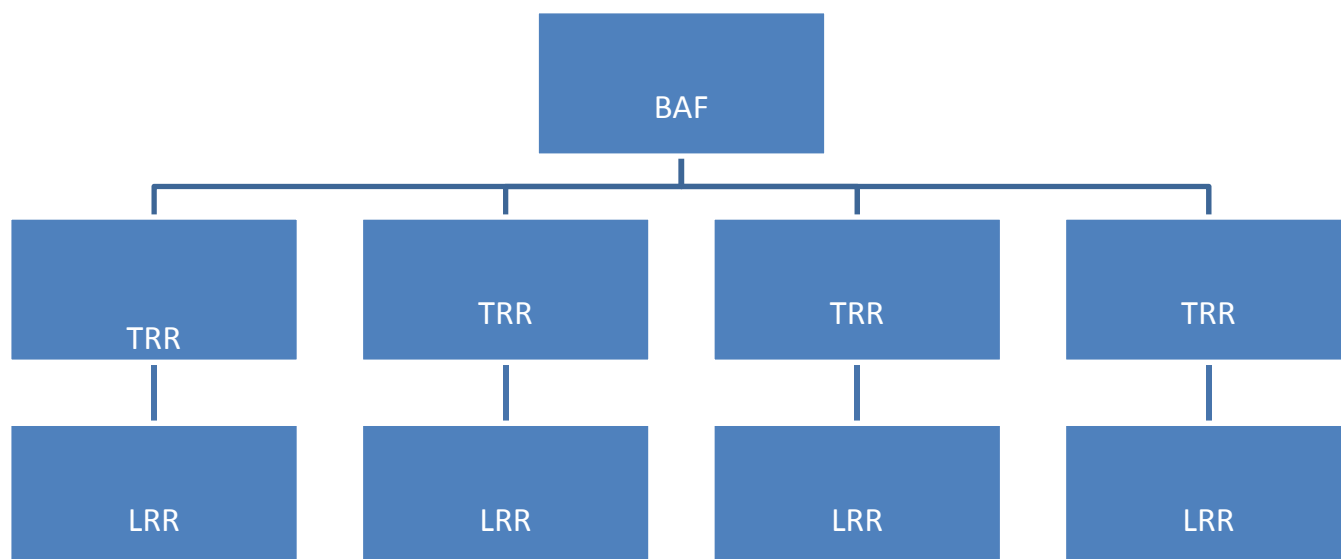
A clear process is in place for the monitoring, action and reporting of risks. The risk management strategy was refreshed in mid 2012 and was approved by the NHSLA. Clear data and reporting on risks is presented to the Board. The Integrated Governance Committee (IGC) has a clear remit for ensuring that action plans have been followed up and that learning has taken place and is shared across the organisation. In addition, HRCH has invested significantly in providing external and internal training on risk management to all senior managers, including whole board training and staff. Local services have their own risk registers, which are updated and maintained on a monthly basis.

In accordance with the Risk Management Strategy, risks are monitored through the Organisation Wide Risk Register process described below.

In the future, potential risks and uncertainties that may affect the organisation and its value include the new commissioner landscape whereby the PCTs have now become three contracting bodies (CCG's), NHS England national commissioning bodies and local authorities. Each will have its own priorities. HRCH will work closely with these organisations to mitigate these risks.

Diagram of Organisation Wide Risk Register (OWRR)

The below depicts how the risks feed into the BAF.



LRR: Local Risk Register

TRR: Trust Risk Register

BAF: Board Assurance Framework

The Trust's Organisation Wide Risk Register (OWRR), which comprises the local risk registers, the Trust Risk Register, as well as the BAF, seeks to present an overview of the main risks facing the organisation. The local risk registers are reviewed, updated and monitored regularly by the relevant directorate and if necessary a risk can be escalated onto the Trust Risk Register, which is monitored quarterly by the Integrated Governance Committee and monthly by the Quality & Safety Committee. The BAF is monitored monthly by the Executive and by each director who assesses the current status of their BAF entries by having oversight of the OWRR. The BAF is also monitored at least quarterly by the Integrated Governance Committee and the Trust Board. The Audit Committee oversees the process of the BAF by having sight of the whole of the BAF annually. The OWRR is reviewed in its entirety at least annually by both the Integrated Governance Committee and the Trust Board.

The OWRR is a 'live' document, regularly reviewed and updated by the risk owners and risk leads.

14.3 Information Governance Framework

The governance framework has been fully in place at HRCH for the year ended 31 March 2013.

The agenda is driven by Department of Health (DH) policy that itself is derived from a need to comply with obligations imposed by key 'data handling' legislation. These are, primarily, the Data Protection Act 1998 and Freedom of Information Act 2000 but include other relevant legislation. These statutory obligations are supplemented by further DH/NHS policy

recommendations that define the scope of the Information Governance (IG) agenda and all obligations placed on NHS Trusts by it. This policy is driven by a recognised need to handle both personal and corporate information in an appropriate manner through the creation and maintenance of an internal IG framework. Annual completion of the NHS Connecting for Health IG Toolkit is the 'backbone' of evidence provided by the Trust which enables measurement of current data handling standards and any improvements made to them, year on year.

There are four key interlinked strands to the Information Governance Policy:

- Openness;
- Legal compliance;
- Information security; and
- Quality assurance.

14.4 Risk Frameworks

The Risk Management Strategy ensures that risk management is embedded in the activity of the organisation in a number of ways to support the overall strategy of the Trust. In particular, it informs the business planning and objective setting for the organisation, and risk identification is included as a checklist against all reporting to the Trust Board and Board committees.

As part of the OWRR, the local risk registers are managed operationally at the frontline and feed into the governance structure via management team meetings. The introduction of Datix Web software has enabled risk leads to input any new risks immediately, improving the overall reporting ability and follow up by frontline staff. New risks are immediately identified on Datix Web and the relevant director and service lead automatically alerted. In addition, the Head of Quality and Patient Safety oversees the risks and identifies triggers. This enables staff to receive first hand support from the risk team in determining the level of the risk and ensuring it is managed appropriately.

Any local risks that have not been reduced or mitigated after a three month period automatically progress to the Trust Risk Register to ensure appropriate management action is taken.

The Trust has a robust mechanism for reporting and managing serious incidents (SIs). All SIs are alerted to the Director of Quality and are signed off by a director prior to submission.

The information governance working group is the main group for managing and overseeing the IG Toolkit. Chaired by the Assistant Director for Quality and Clinical Excellence this group provides assurance that we are meeting the requirements of the IG Toolkit and monitors any information incidents/issues. The group is attended by the Senior Information Risk Owner (SIRO) and Caldicott guardian. HRCH was fully compliant with the IG Toolkit Level 2 in March 2013.

The Trust manages its risks to data security through a number of different approaches. The Trust has a Board level SIRO. The SIRO chairs the Information Governance and IM&T Group which is responsible for setting the framework for information governance standards in the Trust and ensuring delivery of action plans to improve compliance. A key part of the

group's work is to review compliance against the Information Governance Toolkit and to ensure the evidence is externally assured through audit. The key strands of the Trust's management of risk to data security are:

- ensuring that the Trust has an Information Governance Policy that provides a framework for managing information risk that is in line with the strategy, information and security and overall Risk Management Policy;
- developing a range of information governance training packages and literature, suitable to the needs of different staff groups and mandating this annually;
- ensuring the Trust's IT systems are physically secure and have sufficient password protection and firewalls to prevent harm from malware or external hacking—this also includes provision of encrypted portable devices and provision of email encryption facilities.

Through the embedding of the processes detailed in this statement the Trust Board and Audit Committee of HRCH are assured that internal controls are strong and risks mitigated to a low level to avoid misuse of resources, data integrity and a material impact on the annual accounts of the organisation.

15. Significant Issues

There were no significant issues.

Accountable Officer: Richard Tyler – Chief Executive

Organisation: Hounslow and Richmond Community Healthcare NHS Trust

Signature:



Richard Tyler, Chief Executive

Date: 6/6/2013

16. Statement of accounts

Summary Financial Statements 2012-13

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF HOUNSLOW AND RICHMOND COMMUNITY HEALTHCARE NHS TRUST ON THE SUMMARY FINANCIAL STATEMENT

We have examined the summary financial statement for the year ended 31 March 2013 set out on pages 44 to 46.

This report is made solely to the Board of Directors of Hounslow and Richmond Community Healthcare NHS Trust in accordance with Part II of the Audit Commission Act 1998. Our

audit work has been undertaken so that we might state to the Board of the Hounslow and Richmond Community Healthcare NHS 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 Board of the Hounslow and Richmond Community Healthcare NHS Trust for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the Annual Report. Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the Annual Report with the statutory financial statements.

We also read the other information contained in the Annual Report and consider the implications for our report if we become aware of any misstatements or material inconsistencies with the summary financial statement.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/03 "The auditor's statement on the summary financial statement in the United Kingdom" issued by the Auditing Practices Board. Our report on the statutory financial statements describes the basis of our opinion on those financial statements.

Opinion

In our opinion the summary financial statement is consistent with the statutory financial statements of Hounslow and Richmond Community Healthcare NHS Trust for the year ended 31 March 2013 on which we have issued an unqualified opinion. We have not considered the effects of any events between the date on which we signed our report on the statutory financial statements 6 June 2013 and the date of this statement.



Tamas Wood for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
Public Sector Audit
12th Floor
15 Canada Square
Canary Wharf
London
E14 5GL

2 July 2013

These pages represent a summary of the main financial statements of the organisation. The full audited accounts are available on the HRCH website www.hrch.nhs.uk. The attached statements have been separately reviewed by external auditors.

Statement of Comprehensive Income for year ended 31st March 2013

	2012/13 £ 000	2011/12 £ 000
Employee benefits	(40,137)	(38,273)
Other costs	(18,512)	(14,548)
Revenue from patient care activities	58,446	53,580
Other Operating revenue	893	900
Operating surplus/(deficit)	690	1,659
Investment revenue	14	8
Surplus/(deficit) for the financial year	704	1,667
Public dividend capital dividends payable		0
Retained surplus/(deficit) for the year	704	1,667
Other Comprehensive Income	0	0
Total comprehensive income for the year	704	1,667

Statement of Financial Position as at 31st March 2013

	2012/13 £ 000	2011/12 £ 000
Non-current assets		
Trade and other receivables	1	4
Total non-current assets	1	4
Current assets		
Trade and other receivables	2,383	1,763
Cash and cash equivalents	6,659	3,814
Total current assets	9,042	5,577
Total current assets	9,042	5,577
Total assets	9,043	5,581
Current liabilities		
Trade and other payables	(6,006)	(3,631)
Provisions	(666)	(283)
Total current liabilities	(6,672)	(3,914)

Non-current assets plus/less net current assets/liabilities	<u>2,371</u>	<u>1,667</u>
Total non-current liabilities	<u>0</u>	<u>0</u>
Total Assets Employed	<u>2,371</u>	<u>1,667</u>
FINANCED BY		
Retained earnings	2,371	1,667
Total Taxpayers' Equity	<u>2,371</u>	<u>1,667</u>

Statement of Changes in Taxpayers' Equity at 31st March 2013

	Retained earnings £000
Changes in taxpayers' equity for 2012-13	
Balance at 1 April 2013	1,667
Retained surplus/(deficit) for the year	704
Balance at 31 March 2013	<u>2,371</u>

Statement of Cash Flows for the Year Ended 31st March 2013

	2012/13 £ 000	2011/12 £ 000
Cash Flows from Operating Activities		
Operating Surplus/Deficit	690	1,659
(Increase)/Decrease in Trade and Other Receivables	(617)	(1,767)
Increase/(Decrease) in Trade and Other Payables	2,375	3,631
Provisions Utilised	(123)	0
Increase/(Decrease) in Provisions	506	283
Net Cash Inflow/(Outflow) from Operating Activities	<u>2,831</u>	<u>3,806</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	14	8
Net Cash Inflow/(Outflow) from Investing Activities	<u>14</u>	<u>8</u>

NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	<u>2,845</u>	<u>3,814</u>
CASH FLOWS FROM FINANCING ACTIVITIES	0	0
Net Cash Inflow/(Outflow) from Financing Activities	<u>0</u>	<u>0</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,845	3,814
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the year	3,814	0
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies	0	0
Cash and Cash Equivalents (and Bank Overdraft) at year end	<u>6,659</u>	<u>3,814</u>

17. Remuneration report

Hounslow and Richmond Community Healthcare NHS Trust (HRCH) Nominations and Remuneration Committee is responsible for determining the pay and contractual arrangements for our most senior managers and for monitoring and evaluating their performance. Information relating to executive and non-executive directors is therefore included in this report.

The committee comprises the Chairman and two non executive directors of the Board. The Nominations and Remuneration Committee reviews the salaries of its most senior managers annually. Cost of living awards are in accordance with the guidance issued by the Department of Health.

Standardised terms and conditions of service apply to the most senior managers, who are employed on open ended contracts of employment. Performance of the most senior managers is assessed formally through our individual performance and development review process, but performance-related pay does not feature in the remuneration package for 2012/13.

Details of directors' remuneration and pension entitlements are covered in the following tables. This has been subject to audit.

Information from the Register of Interests recorded by Board directors during the year can be found within this report.

Membership of the Remuneration Committee has three non executive directors including the Trust Chairman; the quorum of the committee is two.

During 2012/13 the following individuals were non executive directors:

C Cole
P Lloyd
A Mehta
P Basra
J Rutherford
L Payne

Starting salaries for Executive Directors are determined by the committee with reference to independently obtained NHS salary survey information, internal relations and equal pay provisions and other labour market factors where relevant, e.g. for cross sector and functional disciplines such as human resources.

Progression is determined by the committee for:

- Annual inflation considerations in line with nationally published indices (RPI/CPI), Department of Health guidance and other nationally determined NHS pay settlements;
- Specific review of the individual salaries in line with independently obtained NHS salary survey information, other labour and market factors where relevant, e.g. for cross sector, functional disciplines, internal relativities and equal pay provisions.

Such review is only likely where an individual director's portfolio of work or market factors change substantially:

Other senior managers are paid in accordance with the national NHS Agenda for Change pay system.

Contracts

Contracts are normally substantive (permanent) contracts subject to termination by written notice, by either party, except in cases of gross misconduct, when summary dismissal would be imposed.

On occasion as required by the needs of the organisation, appointments may be of a temporary or 'acting' nature in which case a lesser notice period may be agreed.

Termination liabilities for Executive Directors.

There are no provisions for compensation for early termination for any Executive Directors, as detailed in the table below.

Other termination liabilities for all Executive Directors are the entitlements under NHS Agenda for Change and NHS Pension scheme. Statutory entitlement also applies in the event of unfair dismissal. The balance of annual leave earned but untaken would be due to be paid on termination.

Details of service contracts

Name	Post Title	Date of Contract	Unexpired Term	Notice Period	Provision for Compensation for Early Termination	Other Termination Liability
Tyler R	Chief Executive	1 April 2011	Substantive	6 months	None	See text above
Moench R	Director of Human Resources	1 April 2011	Substantive	6 months	None	As above
Hawkins D	Director of Finance and IT	1 April 2011	Substantive	3 months	None	As above
Gregory S	Director of Quality and Clinical Excellence	1 April 2011	Substantive	3 months	None	As above
Manley J	Director of Operations	1 April 2011	Substantive	3 months	None	As above
Ranson R	Medical Director	30 May 2012	Substantive	3 months	None	As above
Mitchell H	Commercial Director	1 April 2011	Substantive	6 months	None	As above

Salaries and allowances entitlement of senior managers

2012-13						2011-12			
Name	Title	Salary (bands of £5,000) £000	Other Remuneratio n (bands of £5000) £000	Performance related Bonus Payments (bands of £5,000) £000	Benefits in kind (Rounded to the nearest £00) £00	Salary (bands of £5,000) £000	Other Remuneratio n (bands of £5000) £000	Performance related Bonus Payments (bands of £5,000) £000	Benefits in kind (Rounded to the nearest £00) £00
Richard Tyler	Chief Executive	120-125	0	0	0	115-120	0	0	0
Rachael Moench*	Director of Human Resources	60-65	0	0	0	85-90	0	0	0
David Hawkins	Director of Finance and IT	85-90	0	0	0	85-90	0	0	0
Siobhan Gregory	Director of Quality and Clinical Excellence	90-95	0	0	0	85-90	0	0	0
Jo Manley	Director of Operations	95-100	0	0	0	90-95	0	0	0
Rosalind Ranson	Medical Director	60-65	0	0	0	n/a	n/a	n/a	n/a
Daniela Lessing**	Medical Director	n/a	n/a	n/a	n/a	145-150	0	0	0
Heather	Commercial	85-90	0	0	0	80-83	0	0	0

Mitchell – Maternity Leave	Director								
Stuart Butt - covering maternity leave	Interim Director of Estates and Commercial Development	0-45	0	0	0	n/a	n/a	n/a	n/a
Stephen Swords	Chairman	15-20	0	0	0	15-20	0	0	0
Carol Cole	Non Executive Director	5-10	0	0	0	5-10	0	0	0
Ajay Mehta	Non Executive Director	5-10	0	0	0	5-10	0	0	0
Judith Rutherford	Non Executive Director	5-10	0	0	0	5-10	0	0	0
Pablo Lloyd	Non Executive Director	5-10	0	0	0	5-10	0	0	0
Dr Prabhjot Kaur Basra	Non Executive Director	5-10	0	0	0	5-10	0	0	0
Lorna Payne	Non Executive Director	0-5	0	0	0	n/a	n/a	n/a	n/a

* Director of Human Resources left December 2012

** Medical Director's salary inclusive of her substantive post

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

The banded remuneration of the highest paid director in Hounslow and Richmond Community Healthcare NHS Trust in the financial year 2012/13 was £122,500 (2011/12 - £147,500). This was 4.43 times (2011/12 - 4.64) the median remuneration of the organisation's workforce. In 2012/13, Nil (2011/12 Nil), employees received remuneration in excess of the highest paid director. Remuneration ranged from £14,153 to £89,370 (2011/12 £13,903- £89,370)

The reduction of 0.26 times is due to a change from the highest paid director who was previously the Trust's Medical Director, who left at the end of 2011/12 which led to the Chief Executive becoming the highest paid director for 2012/13.

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

Pension Benefits

Name and title	Real increase in pension at age 60 (bands of £2,500) £000	Real increase in pension lump sum at aged 60 (bands of £2,500) £000	Total accrued pension at age 60 at 31 March 2013 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 March 2013 (bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2013 £000	Cash Equivalent Transfer Value at 31 March 2012 £000	Real increase in Cash Equivalent Transfer Value £000	Employer's contribution to stakeholder pension £000
Richard Tyler Chief Executive	0 - 2.5	2.5-5	25-30	75-80	454	415	24	17
Rachael Moench Director of Human Resources	5 - 7.5	15-20	20-25	70-75	387	275	103	72
David Hawkins Director Of Finance and IT	0 - 2.5	5-7.5	20-25	70-75	371	328	33	23
Siobhan Gregory Director of Quality and Clinical Excellence	0 - 2.5	0-7.5	30-35	90-95	507	455	38	27
Jo Manley Director of Operations	2.5 - 5	7.5-9	35-40	105-110	640	573	49	34
Heather Mitchell Commercial Director	2.5 - 5	0	5-10	0	50	24	25	18

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members. Pension details have only been disclosed for those directors in post during 2012/13.

Cash Equivalent Transfer Values

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

Real Increase in CETV

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

Off Payroll Engagements

During 2012-13 HRCH had one engagement at a cost of over £58,200 per annum in place as of 31 January 2012 and this has since been re-negotiated/re-engaged to include contractual clauses allowing HRCH to seek assurance as to their tax obligations.

There has been one new off-payroll engagement between 23 August 2012 and 31 March 2013, for more than £220 per day and more than six months for whom assurance has been received and accepted.

Exit packages have been as a result of completion of the 2011-12 major re-organisation.

Exit package cost band (including any special payment element)	Number of compulsory redundancies Number	Cost of compulsory redundancies £000s
Less than £10,000		
£10,001 - £25,000		
£25,001 - £50,000		
£50,001 - £100,000	1	97
£100,001 - £150,000		
£150,001 - £200,000		
>£200,000		
Total	1	97

HOUNSLOW AND RICHMOND COMMUNITY HEALTHCARE NHS TRUST DIRECTORS DECLARATION OF INTERESTS
March 2013

Name and position	Any Executive or Non-Executive Directorship of a company	An interest or position held in any firm, company or business which is trading with the Trust or likely to be considered a potential trading partner with the Trust	An interest in an organisation providing health and social care services to the NHS	A position of authority in a charity or Voluntary Organisation in the field of health and social care	Any connection with any organisation, entity or company considering entering into a financial arrangement with the Trust including but not limited to lenders or banks
Richard Tyler - Chief Executive	None	None	None	None	None
Stephen Swords – Chairman	None	None	None	None	None
Stuart Butt Interim Director of Estates and Commercial Development (from 27/12/12)	Director of Flag 19 Consulting Ltd	None	None	None	None
Judith Rutherford - Non Executive Director	Director of Anderford Ltd Lay member of Audit	None	None	None	None

Name and position	Any Executive or Non-Executive Directorship of a company	An interest or position held in any firm, company or business which is trading with the Trust or likely to be considered a potential trading partner with the Trust	An interest in an organisation providing health and social care services to the NHS	A position of authority in a charity or Voluntary Organisation in the field of health and social care	Any connection with any organisation, entity or company considering entering into a financial arrangement with the Trust including but not limited to lenders or banks
	& Risk Committee of Royal College of Veterinary surgeons (since September 2012)				
Pablo Lloyd – Non Executive Director	UK Skills Trustee Skills Show Ltd – Non Executive Director Aspero Limited - Director Ixion Holdings Ltd – Non Executive Director	None	None	None	None

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	Drucker Society London - Trustee				
Carol Cole – Non Executive Director	None	None	None	Vice Chair of Deafness Research UK Observer Trustee at Action on Hearing Loss	None
Ajay Mehta – Non Executive Director	None	None	None	Kidasha - Trustee	None
Dr Rosalind Ranson – Medical Director	None	None	None	None	None
David Hawkins –	None	None	None	None	None

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Director of Finance and Information Management and Technology					
Jo Manley Director of Operations	None	None	Husband is Information Governance Manager at West Middlesex Hospital	None	None
Siobhan Gregory Director of Quality and Clinical Excellence	None	None	None	None	None

Name and position	Any Executive or Non-Executive Directorship of a company	An interest or position held in any firm, company or business which is trading with the Trust or likely to be considered a potential trading partner with the Trust	An interest in an organisation providing health and social care services to the NHS	A position of authority in a charity or Voluntary Organisation in the field of health and social care	Any connection with any organisation, entity or company considering entering into a financial arrangement with the Trust including but not limited to lenders or banks
Lorna Payne – Non Executive Director	None	None	Employed by London Borough of Havering (until 04/04/2013)	None	None

Glossary of Financial Terms

Accruals	An accounting concept. In addition to payments and receipts of cash (and similar), adjustment is made for outstanding payments, debts to be collected, and stock (items bought, paid for but not yet used). This means that the accounts show all the income and expenditure that relates to the financial year.
Assets	An item that has a value in the future. For example, a debtor (someone who owes money) is an asset, as they will in future pay. A building is an asset, because it houses activity that will provide a future income stream.
Break-even (duty)	A financial target. Although the exact definition of the target is relatively complex, in its simplest form the break-even duty requires the NHS organisation to match income and expenditure, ie make neither a profit nor a loss.
Capital	In most businesses, capital refers either to shareholder investment funds, or buildings, land and equipment owned by a business that has the potential to earn income in the future. The NHS uses this second definition, but adds a further condition – that the cost of the building/equipment must exceed £5,000. Capital is thus an asset (or group of functionally interdependent assets), with a useful life expectancy of greater than one year, whose cost exceeds £5,000.
Capital charges	Capital charges are a device for ensuring that the cost associated with owning capital is recognised in the accounts. A charge is made to the income and expenditure account on all capital assets except donated assets and those with a zero net book value. The capital charge comprises depreciation, and a return similar to debt interest. This rate of return is set by the Treasury and is currently 3.5%.
Capital resource limit (CRL)	An expenditure limit determined by the Department of Health for each NHS organisation limiting the amount that may be expended on capital purchases, as assessed on an accruals basis (i.e. after adjusting for debtors and creditors).
Cost improvement programme	The identification of schemes to reduce expenditure/increase efficiency.
Current assets	Debtors, stocks, cash or similar – i.e. assets that are, or can be converted into, cash within the next twelve months.
Depreciation	The process of charging the cost of an asset over its useful life as opposed to recording its cost as a single entry in the income and expenditure records. Depreciation is an accounting charge (i.e. it does not involve any cash outlay). Accumulated depreciation is the extent to

which depreciation has been charged in successive years' income and expenditure accounts since the acquisition of the asset.

Financial reporting standard (FRS)	Issued by the Accounting Standards Board, financial reporting standards govern the accounting treatment and accounting policies adopted by organisations. Generally these standards apply to NHS organisations.
Fixed assets	Land, buildings or equipment that are expected to generate income for a period exceeding one year.
General medical services	Medical services provided by general practitioners (as opposed to dental, ophthalmic and pharmaceutical services provided by other clinical professions).
Governance	Governance (or corporate governance) is the system by which organisations are directed and controlled. It is concerned with how an organisation is run – how it structures itself and how it is led. Governance should underpin all that an organisation does. In the NHS this means it must encompass clinical, financial and organisational aspects.
Healthcare resource group (HRG)	HRGs are the 'currency' used to collate the costs of procedures/diagnoses into common groupings to which tariffs can be applied. HRGs place these procedures and/or diagnoses into bands, which are 'resource homogenous', that is, clinically similar and consuming similar levels of resources.
Indexation	A process of adjusting the value, normally of fixed assets, to account for inflation.
Net book value	The value of items (assets) as recorded in the balance sheet of an organisation. The net book value takes into consideration the replacement cost of an asset and the accumulated depreciation (i.e. the extent to which that asset has been 'consumed' by its use in productive processes).
Overheads	Overhead costs are those costs that contribute to the general running of the organisation but cannot be directly related to an activity or service. For example, the total heating costs of a hospital may be apportioned to individual departments using floor area or cubic capacity.
Payment by results	A financial framework in which providers are paid according to the level of activity undertaken. Payment is based on a national tariff system.

QIPP	Quality, Innovation, Productivity and Prevention: National Department of Health strategy involving all NHS staff, patients, clinicians and the voluntary sector. It aims to improve the quality and delivery of NHS care while reducing costs to make £20bn efficiency savings by 2014/15. These savings will be reinvested to support the front line.
Reference costs	NHS organisations are required to submit a schedule of costs of healthcare resource groups to allow direct comparison of the relative costs of different providers. The results are published each year in the National Schedule of Reference Costs.
Revenue	On-going or recurring costs or funding for the provision of services.
Tangible asset	A sub-classification of fixed assets, to exclude invisible items such as goodwill and brand values. Tangible fixed assets include land, buildings, equipment, and fixtures and fittings.
Variance	The difference between budgeted and actual income and/or expenditure. Variances are an accounting tool used to analyse the cause of over/under spends with a view to proposing rectifying action.
Working capital	Working capital is the money and assets that an organisation can call upon to finance its day-to-day operations (it is the difference between current assets and liabilities and is reported in the balance sheet as net current assets (liabilities)). If working capital dips too low, organisations risk running out of cash and may need a working capital loan to smooth out the troughs.

Annual review 2012/13

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To find out more about our services visit www.hrch.nhs.uk

Please let us know what you think of this report by emailing
communications@hrch.nhs.uk

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