NORTHAMPTON GENERAL HOSPITAL NHS TRUST

ANNUAL REPORT AND ACCOUNTS 2015/16

CONTENTS

All NHS organisations are required to publish an annual report and financial statements at the end of each financial year. This report provides an overview of the work of Northampton General Hospital NHS Trust between 1st April 2015 and 31st March 2016.

The report is made up of three parts:

- **Performance report**
  This covers our purpose and activities and includes analysis of our performance, commentary on wider events that have shaped our business and priorities and information about some of the projects we have invested in over the year.

- **Accountability report**
  This section covers details of our structure and governance as well as information about our staff and our remuneration report

- **Financial statements**
  The final section is the publication of our annual accounts

SECTION ONE: PERFORMANCE REPORT

Chairman and Chief Executive's Introduction

Welcome to our 15/16 annual report. This report summarises some of our main achievements and challenges over the last year. It covers our finances and other important measures of our overall performance.

The ongoing challenge to deliver the best possible care for all our patients within our available resources is never an easy one. Not only did we treat more inpatient and day cases than the previous year, but we also saw a significant rise in the number of emergency admission, with patient demand, particularly for emergency service through the winter months, at an all-time high.

The achievement of the A&E four-hour target was significantly impacted by the 4% increase (4,322 patients) in the number of patients attending our emergency department during the year. Our admissions were impacted by delays in discharging our patients who no longer need acute medical care but require support in place before they can safely leave hospital. Nevertheless, across the hospital, throughout a difficult winter, our staff maintained focus on delivering safe compassionate care.

Our estates team had a busy year overseeeing a number of projects designed to improve our buildings and facilities for the benefit of our patients as well as easing pressure on our emergency department. The introduction of our enhanced ambulatory care facilities led to a notable number of patients being treated and discharged on the same day with a four-fold increase in patient capacity for that service. This means we have dedicated facilities for patients who require consultation with our emergency care specialists but aren't unwell enough to warrant attendance at A&E. Similar facilities were previously housed in the emergency department which had capacity to treat 100 patients a month; the new centre allows us to treat up to 400 patients each month.

We also opened a brand new discharge suite to help free up beds on wards and give our patients who are ready to leave hospital a comfortable place to wait while paperwork or prescriptions are processed and while they wait for their transport home. The new area, which has nursing staff, has facilities for up to 20 patients in chairs and four side rooms for patients in beds.

However, we recognise that these and other mitigating actions will not stem the rise in emergency activity, and so during the year we looked at how we could increase our bed capacity. As the financial year drew to a close, we had identified potential for a 60-bed facility located alongside our A&E department.

During the year we moved our very busy blood taking unit into new larger premises including a special waiting area for children with toys and games provided. We extended its opening hours to provide an improved service for patients. Last year we saw 63,000 patients and that's 10,000 more than the year before - so there's no doubt the upgrade was needed to make sure our patients have a good experience.

Turning to finances, despite our best efforts we ended the financial year in deficit. Caring for higher numbers of patients with increasingly complex medical and nursing needs presents enormous challenges for a hospital in one of the UK's biggest growth areas and one of our key priorities is to work with partners locally and the wider NHS economy to look for realistic and sustainable solutions. This takes place alongside our own drive to improve quality and efficiency with over 20 service improvement projects undertaken in the course of the year.

During the year we were affected by a number of national events and developments, the most significant being industrial action taken by junior doctors across the country as part of a national dispute between junior doctors and the government. Four periods of strike action took place in the time period covered by this report during which our overriding concern was to provide safe services to patients. We prepared meticulously, with many staff involved in the contingency planning process that put patient safety at the centre of our response to the situation. What the strikes and our collective response demonstrated is that we have the resources and skills and spirit to deal calmly and competently with emergency situations on an organisational scale.

We gave our support to a national campaign that aims to make the NHS the safest healthcare system in the world. The *Sign up to Safety* campaign asks NHS organisations to deliver a three-year action plan to strengthen patient safety, reduce harm for patients and save lives. The campaign emphasises the importance of listening to patients, carers and staff; and learning from successes and when things go wrong. We signed up to the campaign because it mirrors perfectly what we're aiming to achieve with our in-house patient safety academy: the delivery of harm-free care for every patient; and the championing of a culture of openness and honesty.

We were delighted to welcome Dr Kate Granger, founder of the *Hello My Name Is ...* campaign, to Northampton during the summer. Dr Granger founded the campaign when she was receiving treatment for cancer and noticed that many staff looking after her did not introduce themselves before delivering care. Her visit was an inspiration for all of us delivering care to patients and a reminder of why compassion in care is of utmost importance in building relationships.

As an employer, we took steps to bolster the support we give to our employees, with a particularly popular initiative being the presentation of a commemorative daisy pin badge to our newly-qualified nurses to welcome them to their new role. Newly qualified nurses face many challenges and it's important that they have strong support during that crucial first six months as they make the transition from student to career nurse. The badges are a way of saying thank you to our new nurses who've chosen Northampton General Hospital as the start of their nursing career. They're also a visual prompt for our other staff, patients and visitors that the nurse wearing the badge is new to practice. They'll help us to remember how daunting a new job can be and how the little gestures can make a big difference.

In a year in which we cared for more people than ever before, we had so much to celebrate and the nominations flooded in from members of the public, patients and

staff for our 2015 Best Possible Care Awards - which made shortlisting the entries a very difficult task!

We hold these awards to recognise our employees and volunteers who make an exceptional contribution to patient care – and they took place last year thanks to funding from the Northamptonshire Health Charitable Fund and sponsorship from Arup, Capsticks, Deloitte, HSB, and Simply Business. In the midst of all the discussion around pressures on NHS services, our Best Possible Care Awards are an opportunity to take stock of and celebrate the competence and commitment, the professionalism and pride, the exuberance and enthusiasm that we see every day in every ward and every department.

As well as our own awards, we were delighted that a number of our employees were recognised on the national stage for their exceptional achievements: cconsultant paediatrician Dr Andrew Williams won the WellChild award for best doctor for his "exceptional contribution" to helping sick children; Macmillan lung cancer nurse specialist Lisa Wells won a national award for leadership and innovation in cancer nursing - the Lynn Adams Award presented by the UK Oncology Nursing Society; and Shez Holmes, our Macmillan neuro-oncology clinical nurse specialist, was shortlisted for a Macmillan Professionals Excellence Award for her work supporting patients with brain tumours.

We also celebrated the fact that Brian Stone, one of our Friends of NGH volunteers, was awarded a British Empire Medal in the New Year's Honours. Brian, aged 77, was nominated for providing more than 20 years' service to a range of charities and organisations in Northampton including his invaluable work with the Friends of NGH, first as a guide and buggy driver, and now as a ward visitor.

Two events in particular during the year served as reminders of how profoundly the work we undertake affects the lives of our patients and their families.

In June, representatives of the hospital attended the opening of an art exhibition at the invitation of 23 year old University of Northampton artist Mareika Gillett. Four years earlier, Mareika Gillett lay critically ill and unconscious in A&E with a shattered pelvis, fractured spine, broken bones in every limb and shattered facial bones after a car drove through a red light and hit her as she crossed a road, just five weeks into her first year as a fine art student. Following the initial treatment to save her life, Mareika faced a daunting road to recovery involving five separate operations, specialist treatment to repair nerve damage in her arm and intensive physiotherapy as she learned to walk again. She was eventually able to return to university and complete her Fine Art Painting and Drawing Degree. Mareika exhibited her work along with other students at the University of Northampton's final degree exhibition - and invited hospital staff who had been involved in her treatment.

In December, we lost a much-admired and valued colleague when consultant obstetrician William Davies, known to us all as Roy, passed away. Roy is deeply mourned by his colleagues as somebody who loved his work and who was committed to making a difference for his patients. Roy will be remembered for his warm and compassionate care by the many parents in Northamptonshire who will be forever indebted to him for making a precious pregnancy possible. The tributes that

flowed in the wake of his death served as reminder to all of us of how privileged we are to work here – not just to treat our patients, but to care for and support them.

Finally, it would not be possible to present our year in retrospect without paying tribute to all of our staff and volunteers whose passion and commitment to the hospital, the NHS and our patients is beyond compare.

Paul Farenden, Chairman

Dr Sonia Swart, Chief Executive

An introduction to Northampton General Hospital

Who We Are

Northampton General Hospital is an acute NHS hospital trust that offers a full range of hospital services from the main hospital site close to the centre of Northampton. We also provide day case and outpatient services at Danetre Hospital in Daventry.

We have formally pledged our commitment to continuous improvements in the quality of care we provide and patient safety by strengthening our focus on corporate accountability for clinical performance. We are committed to providing the best possible care for all our patients and this is central to our strategy for the future.

What We Do

We provide general acute services for a population of 380,000 and hyper-acute stroke, vascular and renal services to 692,000 people living throughout the whole of Northamptonshire. We are an accredited cancer centre, providing services to a wider population of 880,000 who live in Northamptonshire and parts of Buckinghamshire. For one highly specialist urological treatment we serve an even wider catchment.

Our principal activity is the provision of free healthcare to eligible patients. We provide a full range of outpatients, diagnostics, inpatient and day case elective and emergency care and also a growing range of specialist treatments that distinguishes our services from many district general hospitals. We also provide a very small amount of healthcare to private patients.

Our Vision and Values

Our vision is to provide the best possible care for all of our patients. This means we deliver safe, clinically effective acute services focused entirely on the needs of the patient, their relatives and carers. These services may be delivered from our hospital sites or by our staff in the community.

Our values underpin all we do and were developed following discussion and consultation with our staff. They are:

- We put patient safety above all else
- We aspire to excellence
- We reflect, we learn, we improve
- We respect and support each another

For patients this means they can expect to:

- Receive the right treatment at the right time and in the right place in line with national guidelines
- Be kept safe from avoidable harm
- Be treated as individuals and have their individual needs addressed
- Be treated with compassion, respect and dignity
- Be kept fully informed and share in decision making about their care

- Have any concerns addressed as early as possible
- Be cared for in a clean and safe environment

Our Strategic Aims
Our Trust Board sets our overall strategic direction, within the context of NHS priorities, and monitors our performance against objectives. It also provides financial stewardship, clinical governance and corporate governance to ensure that we continue to provide high quality care that offers value for money.

To support delivery of these organisational priorities during 2015/16, we developed five strategic aims that are also aligned to our vision and values:

1. To focus on quality and safety
We will avoid harm, reduce mortality, and improve patient outcomes through a focus on quality outcomes, effectiveness and safety

2. To exceed our patients' expectations
We will continuously improve our patient experience and satisfaction by delivering personalised care which is valued by patients

3. To strengthen our local services
Provide a sustainable range of services delivered locally

4. To enable excellence through our people
We will develop, support and value our staff to provide our patients with quality care delivered by a highly trained and motivated workforce.

5. To ensure a sustainable future
To provide effective and commercially viable services for our patients, ensuring a sustainable future for NGH

Strategic Priorities
We have developed eight strategic priories to steer the delivery of our vision and strategic aims. These are:

- Provide resilient core hospital services
- Continue to improve urgent care services
- Collaborate and integrate with other providers to provide care closer to home
- Develop partnerships with Kettering General Hospital in response to the Challenged Health Economy work-stream
- Strengthen our hyper-acute services through working with our tertiary providers
- To become the hospital provider of choice for local GPs and patients
- To deliver excellence in the care of elective patients
- Develop our hospital as a health and wellbeing campus

Service developments
During the year we invested in and developed a range of services:

- Invested in improved seven day services across radiology, pharmacy and cardiology
- Invested in more nursing staff to increase our workforce
- Invested in further consultant appointments across ophthalmology, breast surgery and cardiology
- Integrated reablement and admission avoidance pathways e.g. heart failure, cardiac, pulmonary vascular rehabilitation

Risks and uncertainties
The current healthcare environment remains very challenging and the constrained financial environment and difficulty in recruiting a substantive workforce are our main strategic risks. However we continually focus on:

- transforming the way that our staff work and how we deliver key services to respond to changing patient needs, ensuring that we are able to respond to the demands placed on our services and the organisation
- maximising efficiency and reducing cost so that we are a high value organisation
- strengthening the way that we work with other organisations and partners, to establish partnerships and strategic alliances where this is mutually beneficial and improves the quality and efficiency of our services for patients
- We have taken every opportunity to be at the forefront of the development of new care models, working collaboratively with primary and secondary care organisations to optimise service delivery

Looking forward
We are committed to providing the following in 2016/17:

- Further investment in our workforce to include additional nursing and consultant staff. This will help us reduce the number of agency staff used across the hospital
- Integrated pathways for frail and elderly patients through new and innovative approaches
- Multi-disciplinary community clinics to include dermatology, rheumatology, and musculoskeletal services

Plans for the future
We are working in collaboration with system leaders from around the county to develop a five year Sustainability and Transformation Plan (STP) for Northamptonshire, written on a *bottom up* basis to truly reflect the needs of patients and services at a detailed level.
The aim of the plan is to align all partners in Northamptonshire to plan and deliver as one place. Some headlines for this work are:

- Recovering urgent care and cancer quality and performance issues
- Sustaining primary care
- Accelerating clinical collaboration between the acute providers
- Design of a truly integrated demand and capacity model
- Reviewing and redesigning IT provision to support clinical change

- Emergence of new integrated models of provision between multi-sector partners

The following principles have been agreed by the partners in Northamptonshire

- Delivering headroom in year one through the additional allocations for following years
- Total commitment to an open book approach
- System sustainability leading to organisational sustainability
- System management of controlled 'deficits support' by transformation
- Clear health outcomes informed by Public Health analysis
- Clear implementation plans with identified timescales, resources and benefits
- Ownership by all organisations
- Stakeholder, public and patient engagement - single standard communications
- Clear system and organisation metrics

It is clear that in order to remain as a viable organisation we will need to consider new approaches to the way in which some services are managed and run. We are committed to implementing new models of care and we will take every opportunity to be at the forefront of their development.

Working with our local community

During the period covered by this report, we published our patient experience & engagement strategy (2015-2018) which details our vision for patient experience and engagement in the hospital, and how we aim to achieve it. The strategy focusses on five key aspects:

- Ask
- Listen
- Share
- Improve
- Engage.

During the year, we made numerous improvements in response to the feedback we received from the Family & Friends Test. From herbal tea and noiseless bin lids to doctors in white coats and sleep-well packs, we listened to what our patients, staff and visitors told us and we acted on it.

We also made it easier than ever to give feedback. Now, as well as feedback from SMS text messaging and automated calls, we have a suite of postcards tailored to specific departments and wards.

We created an easy-read version of the feedback postcard to help our patients with a learning disability or dementia in giving their feedback. We designed a children's survey for our younger patients to have opportunities to give their feedback, with three different surveys available depending on the age of the child. And we've used QR codes make the survey available in 50 different languages. To help us collect all those postcards, we now have 70 postboxes right across the hospital.

As well as offering multiple methods for collection, we are also now collecting demographic information from our patients, to ensure that we are providing the best possible experience to everyone, equally.

During the year, we entered into a research agreement with University of Northampton that we hope will pave the way for academic research to be put into practice and open up new opportunities for research projects to improve health and wellbeing. We signed a Memorandum of Understanding which commits both organisations to working together on biological, medical and health related research, for the benefit of people in the county and further afield. This development paves the way for a more meaningful research alliance between our organisations and the exploration of new areas for future research.

Our staff and patients benefited from other partnerships we entered into during the year; we joined forces with Boots to change the way prescriptions are dispensed to people following an outpatient appointment. This initiative means our outpatients will have shorter waiting times for prescriptions and more convenient and accessible pharmacy services. We can reinvest our highly-skilled NHS pharmacists in ward-based work so they can concentrate their efforts on ensuring our inpatients that need the most care, get the necessary medication as quickly as possible. As well as an enhanced prescription service, the new Boots pharmacy offers hospital employees and visitors retail and over-the-counter facilities, as well as the same professional advice and support that's available in its high-street pharmacies.

Another significant partnership saw Northampton Leisure Trust (NLT) NLT take over the management of our on-site Cripps Recreation Centre; NLT now operate and manage Cripps alongside its four other leisure facilities across Northampton under the Trilogy brand. As well as a refurbished and modernised gym and fitness programmes, NLT is working with us as a strategic partner as we deliver our health and wellbeing strategy.

PERFORMANCE ANALYSIS

Performance against our strategic priorities

In 2015/16 we made progress in implementing our strategic priorities as set out in our five year clinical strategy. We:

- Developed our urgent care pathways and services
- Developed and launched our health and wellbeing strategy with a broad programme of events and actions to support the health and wellbeing of our staff and patients
- Improved our theatre and outpatient efficiencies, ensuring patients are seen and treated in a more timely way
- Worked in partnership with both University Hospitals Leicester and Kettering General Hospital to set up a South East Midlands oncology centre which will deliver a sustainable, high quality patient focused oncology service for our local population
- Started closer collaboration with Kettering General Hospital to develop countywide rheumatology and orthopaedic services across both hospitals

Achievement against key performance standards

We achieved ten out of the 14 national performance indicators as at the end of 2015/16.

Indicator	Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
A&E: Total time in A&E (month)	95%	93.70%	94.2%	89.66%	81.8%
A&E: 12 hour trolley waits	0	0	0	0	0
Diagnostic waiting times (number of patients waiting < 6weeks)	99%	100%	100%	99.98%	99.9%
Cancer: Percentage of 2 week GP referral to 1st outpatient appointment	93%	92.0%	95.6%	96.7%	96.9%
Cancer: Percentage of 2 week GP referral to 1st outpatient - breast symptoms	93%	87.9%	98.2%	99.8%	99.4%
Cancer: Percentage of patients treated within 62 days of referral from screening	90%	89.1%	97.6%	95.3%	93.8%
Cancer: Percentage of patients treated within 62 days of referral from hospital specialist	85%	86.7%	68.8%	83.3%	86.4%
Cancer: Percentage of patients treated within 62 days urgent referral to treatment of all cancers	85%	77.0%	78.0%	80.9%	76.5%
Cancer: Percentage of patients treated within 31 days	96%	96.7%	97.1%	96.9%	94.6%
Cancer: Percentage of patients for second or subsequent treatment treated within 31 days - surgery	94%	96.7%	100.0%	92.3%	96.8%
Cancer: Percentage of Patients for second or subsequent treatment treated within 31 days - drug	98%	99.5%	99.4%	98.4%	97.0%
Cancer: Percentage of Patients for second or subsequent treatment treated within 31 days - radiotherapy	94%	99.3%	97.8%	98.6%	96.6%
RTT waiting times – Patients on incomplete pathways with a current wait time < 18 weeks	92%	95.6%	95.4%	95.4%	93.9%
RTT waiting times - number of patients waiting > 52 weeks	0	0	0	0	1

The performance was delivered in the face of a significant increase in demand for our services compared to the previous year, in part due to the benefits of our new clinically-led divisional structure which was established at the beginning of 2015 with senior clinical leaders driving improvements in performance.

The following sections provide a more detailed picture of our performance over the course of the year.

1.1 Activity

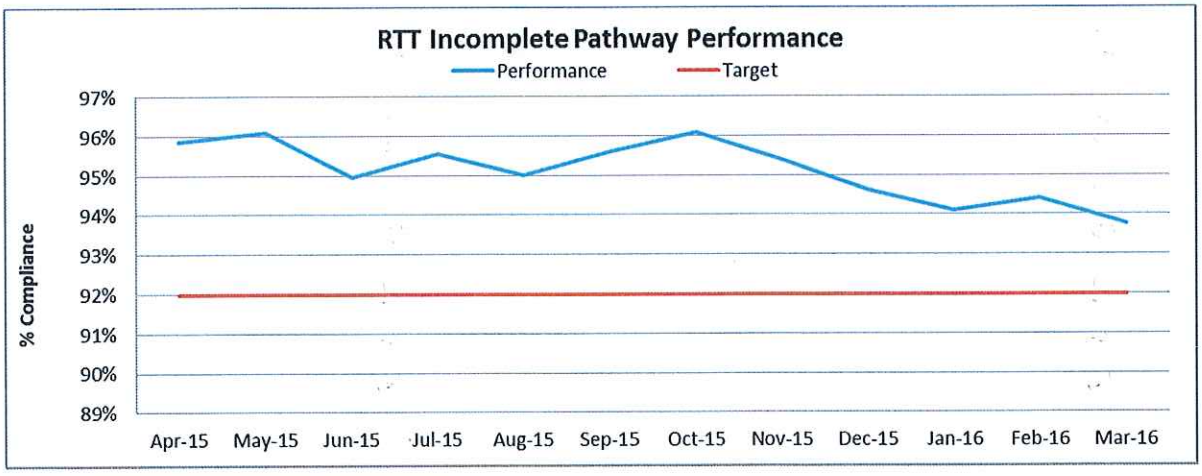
The demand on our services increased during 2015/16 when compared to the previous year. A breakdown of this activity is provided in the table below, contrasted against the previous year's activity.

Activity Comparison	2014-15	2015-16	Diff	% Diff
Non-Elective Inpatients	40,349	43,456	3,107	8%
Elective Inpatients	6,208	5,824	-384	-6%
Elective Daycases	38,346	39,610	1,264	3%
New outpatient attendances - Consultant led	80,037	83,474	3,437	4%
Follow-up outpatient attendances - Consultant led	149,977	155,562	5,585	4%
New outpatient attendances - Nurse led	38,571	42,127	3,556	9%
Follow-up outpatient attendances - Nurse led	114,953	154,412	39,459	34%
Total number of outpatient DNA's	30,350	34,770	4,420	15%
Patients seen in Accident & Emergency	109,305	114,179	4,874	4%
Number of babies born	4,685	4,726	41	1%
Average length of stay (in days)	3.55	4.36	0.81	23%

The main increase seen within the activity is shown in the rise in non-elective admissions, which has proved to be a challenge for us.

1.2 Referral to Treatment Performance

We have successfully achieved the Referral to Treatment Incomplete pathway indicator target of 92% throughout the year, maintaining an average well above this level of 95%.



At a specialty level, there were some capacity challenges in oral surgery in the first months of the year, but these have since been resolved. More recently the main area of challenge has been the trauma & orthopaedics specialty, which has been affected by the significant rise in non-elective admissions and the inability to provide capacity for some routine elective procedures.

Directly attributable to the increased acuity and the increase in non-elective inpatients activity, there were 31 patients who experienced a cancelled operation for a non-clinical reason and who were then not rebooked within 28 days. We recognise that this is not acceptable, although should be seen in the context of the 45,403 inpatients who were treated during 2015/16.

1.3 Cancer Waiting Times

At the end of 2015/16, we had achieved six of the nine national cancer performance indicators.

Indicator	Target	Q1	Q2	Q3	Q4
Percentage of 2 week GP referral to 1st outpatient appointment	93.0%	92.0%	95.6%	96.7%	96.1%
Percentage of 2 week GP referral to 1st outpatient - breast symptoms	93.0%	87.9%	98.2%	100.0%	99.3%
Percentage of patients treated within 31 days	96.0%	96.9%	97.1%	97.1%	95.2%
Percentage of patients treated within 62 days urgent referral to treatment of all cancers	85.0%	78.6%	78.0%	82.0%	77.5%
Percentage of patients treated within 62 days of referral from screening	90.0%	89.1%	97.6%	95.4%	95.0%
Percentage of patients treated within 62 days of referral from hospital specialist	85.0%	100.0%	68.8%	75.9%	96.3%
Percentage of patients for second or subsequent treatment treated within 31 days - surgery	94.0%	100.0%	100.0%	92.5%	92.0%
Percentage of Patients for second or subsequent treatment treated within 31 days - drug	98.0%	99.5%	99.4%	98.3%	98.5%
Percentage of Patients for second or subsequent treatment treated within 31 days - radiotherapy	94.0%	98.8%	97.8%	99.0%	96.5%

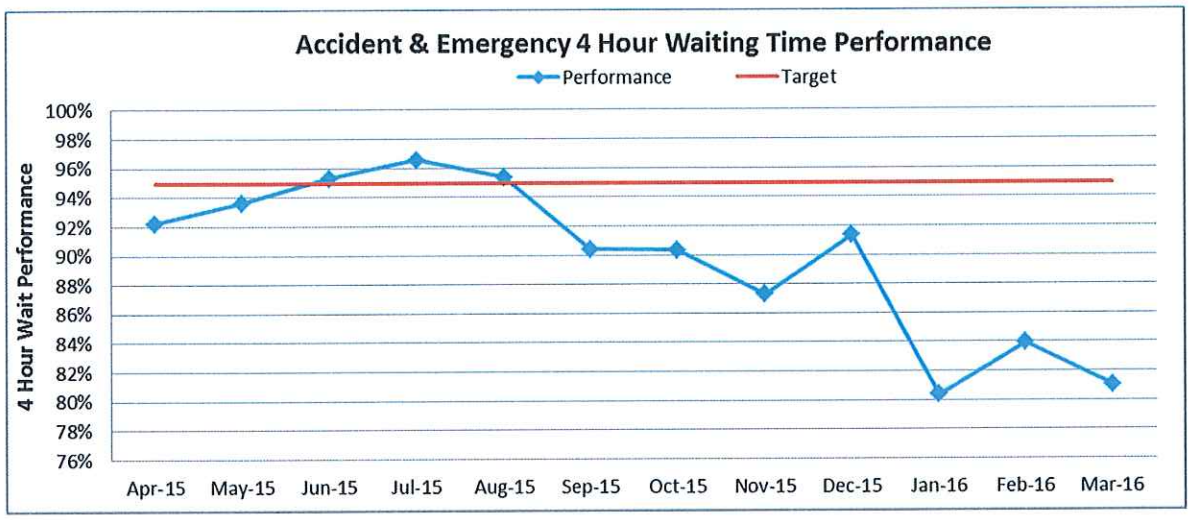
Over the year we saw a 14% increase in the two week wait cancer pathways and a rise in the number of complex cancer cases, requiring multiple diagnostic interventions and treatments.

We developed an internal cancer board to oversee performance as well as a *Breaking the Cycle* project. The focus of this initiative was on reviewing pathways and reducing waits across diagnostics, including MRI, CT and endoscopy.

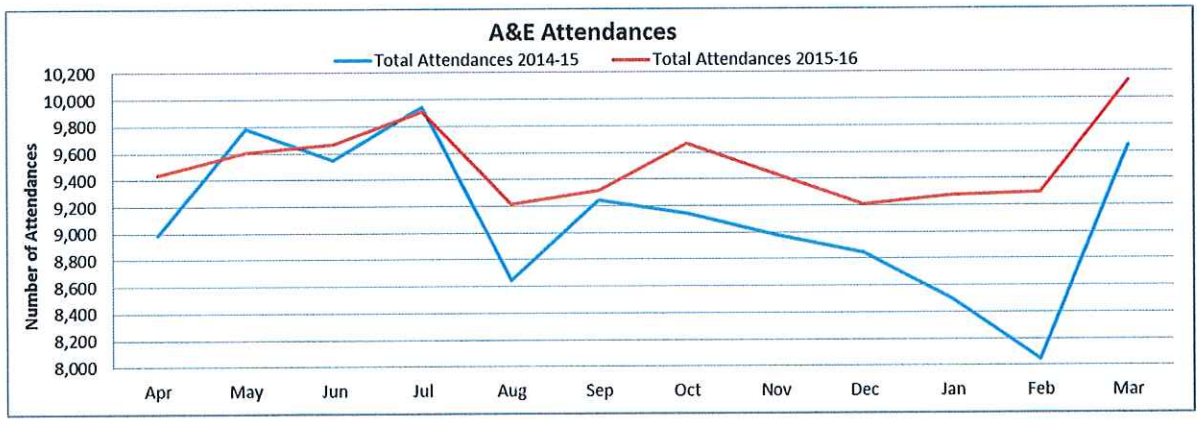
In addition, a county wide cancer improvement group has been established and is supporting us to deliver actions which will enable achievement of the cancer performance indicators during the latter part of 2016/17.

1.4A&E 4 Hour Standard

We achieved the national target for the A&E 4-hour waiting time performance indicator during the summer of 2015. However, during the autumn and winter months performance dropped below the national standard due to an increase in A&E attendances, subsequent admissions and higher acuity of those patients requiring admission. Our ability to safely discharge patients who no longer required acute hospital care remained a challenge through 2015/16 with the numbers of delayed transfers of care (DTOC) averaging at 70 patients at any one time. The table below shows our performance for this indicator.



The achievement of the target was significantly impacted by the 4% increase (4,322 patients) in the number of patients attending A&E during 2015-16, when compared to 2014/15, with the majority of this increase seen between August 2015 and March 2016 (see the table below).



During 2016/17, we have implemented an inpatient productivity programme to seek opportunities to strengthen ward processes, early patient review and enhanced seven day working.

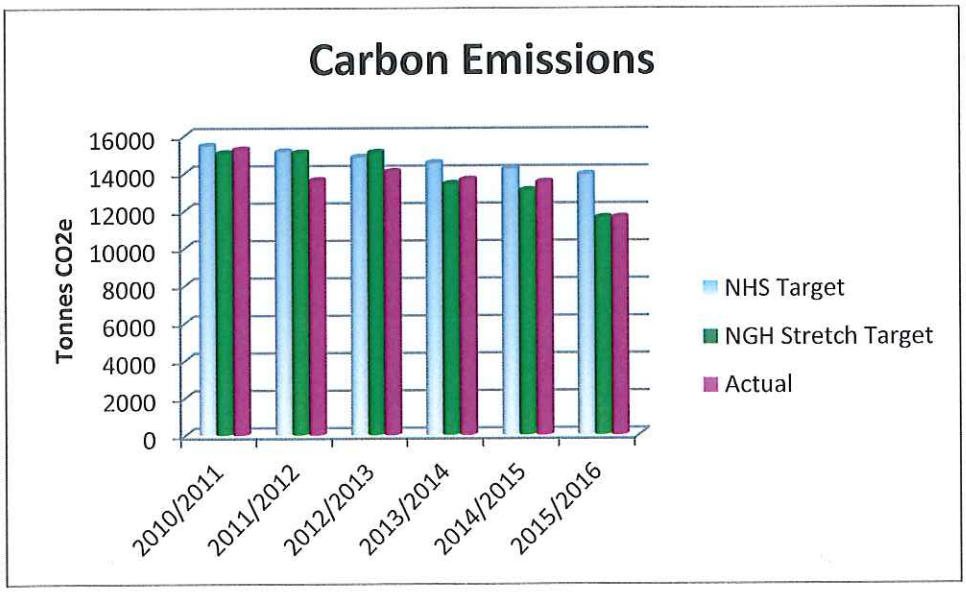
In addition, we are working with Northamptonshire County Council and other partner organisations to reduce the number of patients who are experiencing a delay from hospital (DTOC) to alleviate the high demand for our inpatient beds.

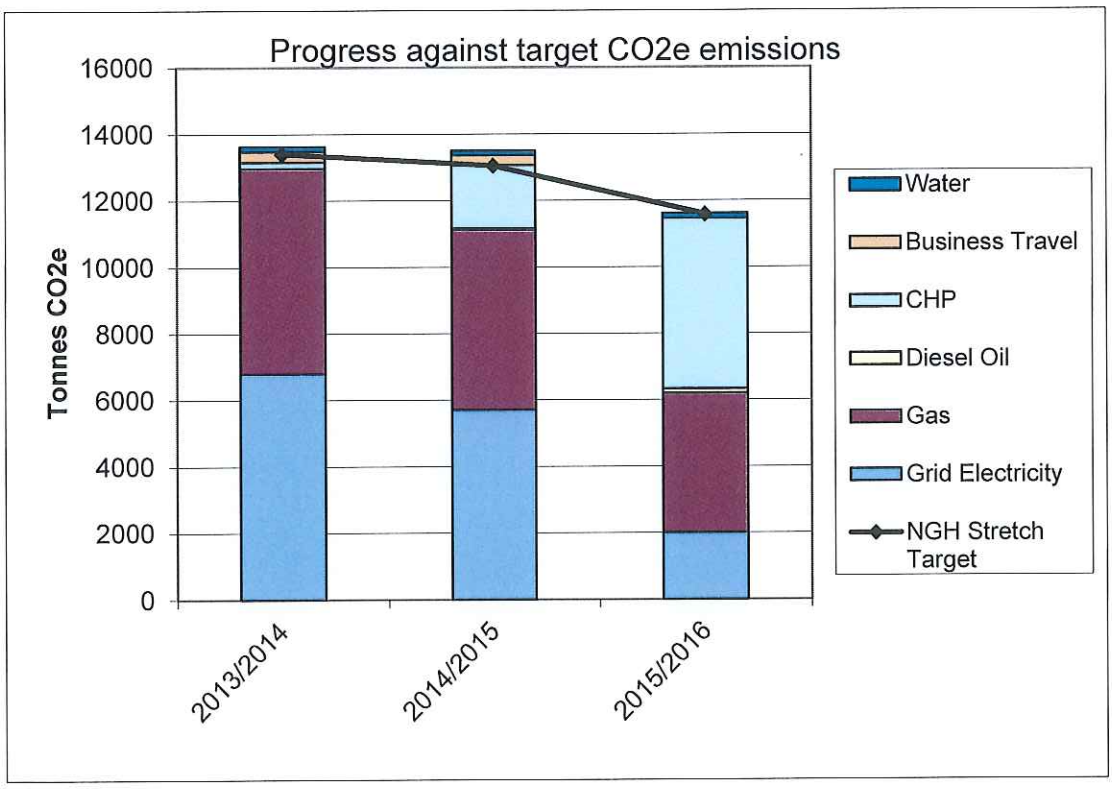
We are planning to increase the current acute bed base by 60 beds to be able to manage the rise in demand which is expected in the coming year.

Sustainability at NGH.
As well as achieving reaccreditation to green level in the Investors in the Environment scheme, our energy and sustainability manager was voted Large Business Green Champion. 2015 also saw the successful application by the catering department for the Bronze level in the Food for Life scheme from the Soil Association.

We were shortlisted in the HSJ Awards for improving environmental and social sustainability and were highly commended in the NHS Sustainability Day Awards food category. Further accolades came in the Northampton in Bloom awards when the Willow garden, which was redesigned for patients and wildlife, was awarded Silver Gilt.

Carbon Management Plan
2015/16 marked the end of the five-year carbon management plan which had the goal of achieving a 25% reduction in emissions from our property and travel. This was a stretch target; the NHS target was a 10% reduction in emissions. Although the biomass was not operational and the CHP engine was inactive for two months, this stretch target was only missed by approximately three per cent (assuming business mileage emissions remain constant). With a full year of both the CHP and biomass we're confident that emissions from buildings remain on target for the 34% reduction required by 2020.





	2013/2014	2014/2015	2015/2016
Consumption Data			
Gas kWh	33,538,628	29,250,909	22,683,936
Electricity kWh	14,315,605	14,611,750	15,222,263
Water m3	136,369	127,781	136464
Business Travel miles	1,079,683	977,976	**
Financial Data £			
Gas	1,140,618	1,148,238	1,276,017
Electricity	1,465,853	1,131,103	477,196
Water	278,441	268,190	263,063
Business Mileage	449,155	431,790	**
Carbon Credits	167,736	214,397	191,202

*volume used higher than expected due to change in measurement technique for remaining oil
**Data unavailable at time of printing

Investment
Further changes were made to our lighting, with the library and medical records departments changing to LED fitted with advanced controls to reduce lighting in low occupancy areas. These were funded through a Salix loan. At the end of the financial year, the final two transformers were replaced with more efficient equipment which should reduce energy consumption in these areas by a minimum of 3%, a saving of 0.6% of the total site demand and an additional 45 tonnes of CO_2e per year.

In the next year further lighting changes will be made, along with the start of a program to replace parts of the heating system with more efficient plate heat exchangers, both of which should be eligible for Salix funding. Further optimisation of the Building Management System (which controls all the site's heating and ventilation) is also planned.

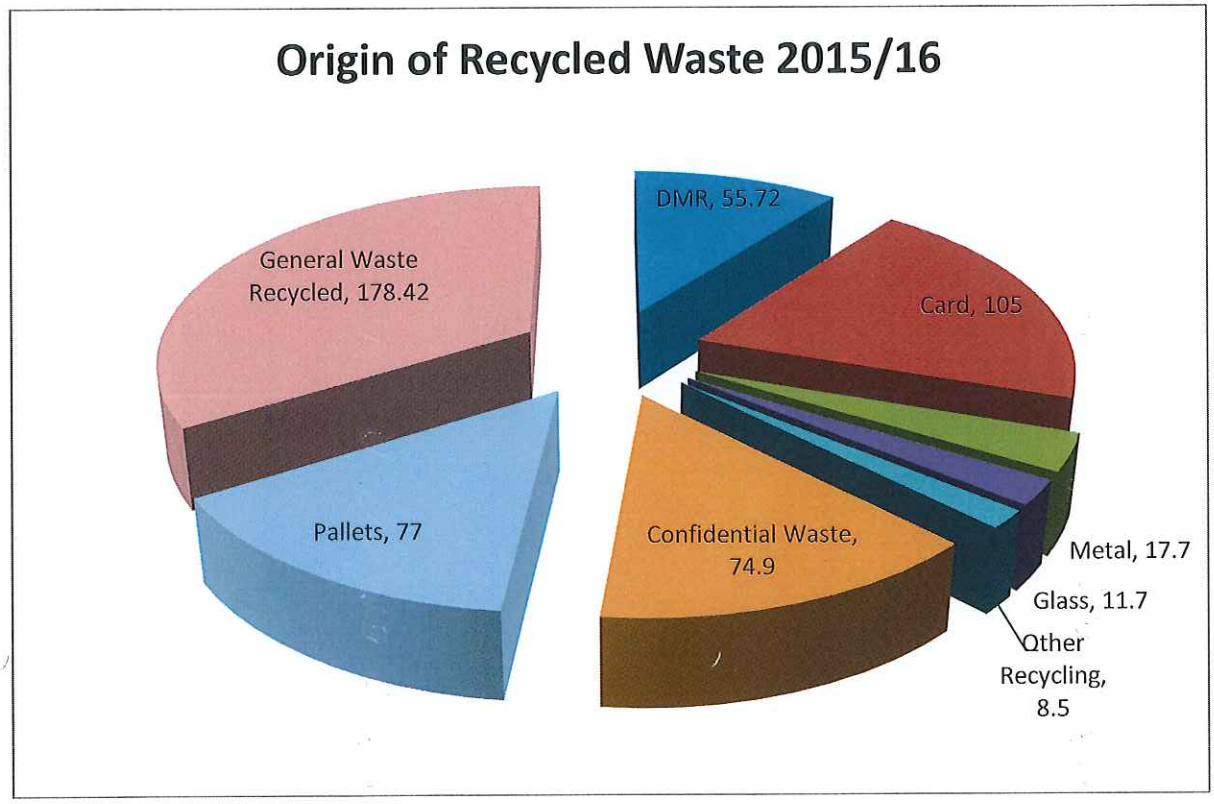
Water Use

Water use has increased in the last financial year due to planned maintenance of all our site's water tanks and additional flushing regimes to ensure high water quality. Water meters will be fitted to crucial areas of the hospital to determine which areas are the highest users and to look for appropriate water saving measures.

Waste and Recycling

In 2015/16 we segregated 198 tonnes of recycling, including plastics, cans, metal and card. A further 178 tonnes of waste was separated by our waste management contractor and sent for recycling from their materials recovery facility. In addition we recycled 75 tonnes of confidential waste and sold 77 tonnes of pallets for reuse. As a total of our non-clinical waste we segregated 37% at NGH and a further 19% was segregated at the waste management company, making a total of 56%. Standard recycling rates for UK households are approximately 43%.

Levels of clinical waste have remained static for the last three years despite increasing patient activity. There will be a continuing drive to move waste to the most environmentally preferable option, which is likely to reduce costs further. In 2015 our average cost per tonne of waste was £189 compared with £233 in 2014, a 19% reduction.



Recycling volumes have increased following the removal of under desk bins in several departments and the start of recycling in theatres. We also recycle mobile phones and asthma inhalers. The latter part of the year has been spent optimising the clinical waste management, and raising awareness of recycling including a household small appliance amnesty in February.

The coming year will see continued efforts to improve recycling rates as well as find some waste streams from which there is the potential to gain a revenue. The majority of the remaining XRays will also be culled and the silver recycled.

Carbon footprint and procurement

We completed the first level of Defra's Procuring 4 Carbon Reduction Framework and are starting on level two. Using this framework an approximate carbon footprint has been calculated at 75,288 tonnes CO_2e, an increase of 18% on the previous year. The majority of this rise has come from increased spend on construction, medical equipment and chemicals and gases. The carbon footprint from anaesthetic gases has been calculated at 2525 tonnes CO_2e, which is approximately the same as that calculated in 2014. However, this is an estimate of the carbon footprint based on expenditure in different categories. The new inventory management system will reduce stockholding, expenditure and wastage in most areas.

Other green initiatives

During the year, we made a number of changes to menus. As well as ensuring that no harmful additives or GM foods are used, the amount of freshly prepared food was increased from less than 60% to over 90% (a minimum of 75% was required). Meat purchased complies with farm assurance standards, all eggs are free range and fish are chosen so they are not on the Marine Conservation Society's 'Fish to Avoid' list. Menus are changed quarterly to ensure that they are reflecting seasonal produce.

We replaced a kitchen macerator to dispose of food waste with two anaerobic digesters. These use enzymes to break down the food and release grey water rather than sending fats down to the drain. In addition to saving hot water, there are also substantial maintenance savings.

We took part in NHS Sustainability Day, promoting the new energy centre that has been officially operating for most of the calendar year and launching a photography competition inviting staff to send in pictures of what sustainability means to them.

In addition to talking to all new starters every month, training in how to be green now forms part of the program for all of our new healthcare assistants.

We carried out a second travel survey and as a result we purchased two new cycle shelters. The survey results were also used to inform our latest travel plan. We held three Dr Bike sessions during the year during which our local SusTrans representative carried out safety checks and services on staff bikes.

Sustainability plans for next year
The next year will see the start of a new five year Sustainability Strategy aimed at moving us beyond looking at just energy and waste and will ensure that we are more resilient to deliver our services into the next decade. In order to ensure we are targeting the right areas for investment and engagement the metering strategy will be extended to include water and heat meters.

Information technology
Reliance on ICT to improve patient care and assist with our business processes continues to grow and once again our capital programme was delivered as planned.

We continue to improve our essential IT infrastructure and this year replaced the SANs in both our data centres to accommodate the exponential growth of our IT systems. Resilience of our network has also completed with the separation of our N3 connections to the outside world and dual homing between switches internally.

The National Programme for IT contract comes to an end in 2016 and much of 2015/16 was spent on business case development and approval and procurement of a new patient administration solution to integrate with our existing electronic patient record systems. Emis was chosen as our successful bidder and as we already has their applications in accident and emergency, pharmacy and in many areas for electronic prescribing and medicines administration we look forward to a successful implementation and the benefits this will bring.

We prepared for the introduction of a new PACS system which will allow us to share radiology images with seven other NHS Trusts across the East Midlands and we have extended our commitment to our laboratory information system to allow an evaluation of options to take place.

The benefits of VitalPac have been extended to include fluid management and nutritional screening and other modules will be implemented over the coming year.

Finally – many of our clinicians are now enjoying the benefits of Single Sign On with context management which enables a joined up view of our "Best of Breed" electronic patient record.

Emergency preparedness
We are a Category 1 responder as defined by the Civil Contingencies Act (CCA, 2004) and therefore emergency preparedness, resilience and response (EPRR) is a very important element of our activity.

The CCA requires NHS organisations to operate safe patient care during emergency situations, while maintaining essential services. We therefore need to plan for, and respond to, a wide range of incidents and emergencies. These could be anything from extreme weather conditions to an outbreak of an infectious disease or a major transport incident.

We have a major incident plan that is tested on a regular basis. Our suite of emergency response plans are developed in collaboration with other agencies

involved in emergency planning, including Northamptonshire Police, Northamptonshire Fire and Rescue Service, East Midlands Ambulance Service, local clinical commissioning groups and Northamptonshire County Council's emergency planning team to ensure we provide a cohesive response.

During the year, we:

- Increased staff training through attendance our staff induction.
- Reviewed business continuity management and major incident plans for all areas of the hospital.
- Managed the preparation and response to industrial action.
- Enhanced the major incident alerting system across the hospital.
- Undertaken a deep dive into our Chemical, Biological, Radiological and Nuclear (CBRN) preparedness.
- Created a new CBRN storage facility, easily accessible to A&E.
- Delivered training for CBRN responders within A&E in accordance with updated guidance.
- Engaged in multi-agency exercises to test and develop the capability of the local health economy.

In the coming 12 months we will be working to:

- Engage in training and exercising of all local plans.
- Develop and deliver a hospital-wide 'live' exercise.
- Deliver training for major incident loggists.
- Continue to engage with health and other response partners to deliver the best possible response to incidents in the county.

QUALITY ACCOUNT

An annual Quality Account published by NHS healthcare providers and the independent sector describes the quality of its services and delivered to its local communities and stakeholders. The report covers patient safety, Effectiveness of treatments and patient feedback. It also highlights the key developments during 2015/16. A separate statutory report in more detail is available via NHS Choices or our website.

Our Quality Strategy

The purpose of our quality strategy is to ensure we provide the best possible care for all of our patients. We define quality as embracing three key components:

1. Patient safety
   - Eliminating avoidable harm.

2. Effectiveness of care
   - Delivery of care and treatment at the right time in the right place.

3. Patient experience
   - Compassionate care delivered by caring and committed staff

Our Quality Priorities – actions and progress in 20115/16

We agreed five core work streams demonstrating our commitment to quality following input from staff, patients, and the public:

1. Supporting patients in getting home
2. Listening to our patients
3. Investing in our staff
4. 'Sign up to Safety'
5. Improving End of Life Care

Highlights of 2015/16 performance include:

- Increased throughput of patients, allowing us to treat a greater number of patients without increasing resources
- Prompt, well-coordinated discharge with reduced waiting for medication and transport
- Investigations from incidents and complaints resulting in meaningful changes where required
- Reporting and learning from errors which are then shared at learning forums
- Improved staff Family & Friends Test (FFT) results
- Improved data in relation to: appraisal; staff turnover; sickness absence; and attendance on mandatory training
- More robust identification for patients who are supported on an end-of-life pathway

Quality Priorities 2016/17

The key quality priorities that will have sustained focus for 2016/17, and beyond, are:

- Reducing harm from failure to rescue
- Reducing avoidable harm from failures in care
- To deliver patient and family centred care
- To lead and promote a reflective culture of safety and improvement
- To ensure operational processes support essential planning, delivery and record keeping
- To deliver reliable and effective care (care bundles)

We will deliver these priorities through our clinically-led divisional structure as part of our overarching programme of Changing Care at NGH supported by our Patient Safety Academy.

Progress with each of these priorities will closely monitored to ensure the best possible care for our patients. Each of these Quality Priorities will be overseen by the medical and nursing directors and reported to the Quality Governance Committee on a quarterly basis.

Building upon the work of the previous quality improvement strategy, the focus for 2016/17 aligns our visions and values with clinical services; enabling us to provide the best possible care to every patient.

Serious Incidents (SI)
Our internal governance structures, overseen by our medical director, ensure robust processes are in place to review and investigate serious incidents in which lapses in care result in patient harm. Our commissioners have oversight and scrutiny of all such investigations and the resulting reports' to ensure proportionate scrutiny, appropriate actions are taken, and key learning is shared.

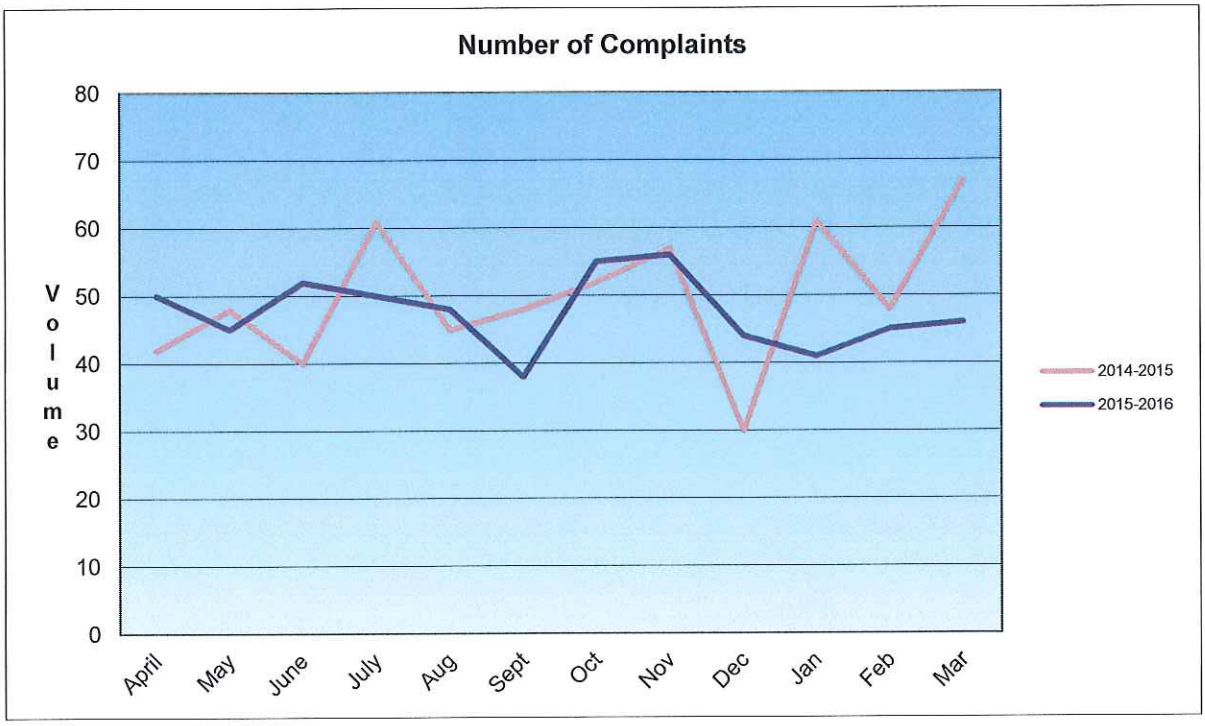
During 2015-16 we declared 19 serious incidents (SIs); this is a significant reduction in the number reported the previous year. A subset of this are incidents are defined by the Department of Health as 'Never Events'; all NHS Trusts report such incidents separately under a distinct criteria due to the serious and largely preventable nature of such incidents. We reported three never events during 2015/16 and a number of actions were implemented to further reduce the risk and possibility of recurrence.

The culture of incident reporting in NGH is continuing to mature, with the total number of incidents reported increasing annually indicating an open reporting culture and a commitment to learn and improve the quality of care we deliver.

Complaints
We received a total of 570 written complaints that were investigated through the NHS complaints procedure, compared to 599 complaints received the previous financial year.

Total no of complaints for the year	570
Average response rate (including 307 renegotiated timescales)	*90%
Total no of complaints that exceeded the renegotiated timescale	*49
Complaints that were still open at the time that the information was prepared (14th April 2016)	*94
Total patient contacts/episodes (Versus 2014/2015)	678,140 (607,659)
Percentage of complaints versus number of patient contacts/episodes (Versus 2014/2015)	0.08% (0.10%)

**Figures correct at time of collation.*



	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total
2014-2015	42	48	40	61	45	48	52	57	30	61	48	67	599
2015-2016	50	45	52	50	48	38	55	56	44	41	45	46	570

Trend Analysis

The following table provides the top 5 themes emerging from complaints.

	2015-2016	% of Total Complaints Received
Clinical Care	228	40%
Communication	146	26%
Delays	44	8%
Discharge	41	7%
Cancellations	33	6%

SECTION TWO ACCOUNTABILITY REPORT

STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTABLE OFFICER OF THE TRUST

The Chief Executive of the NHS Trust Development Authority has designated that the Chief Executive should be the Accountable Officer to the trust. The relevant responsibilities of Accountable Officers are set out in the Accountable Officers Memorandum issued by the Chief Executive of the NHS Trust Development Authority. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;

- value for money is achieved from the resources available to the trust;

- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;

- effective and sound financial management systems are in place; and

- annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

I confirm that, as far as I am aware, there is no relevant audit information of which the trust's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the trust's auditors are aware of that information.

I confirm that the annual report and accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

Dr Sonia Swart

Chief Executive

Date 26.5.16

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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.

By order of the Board

26.5.16 Date  Dr Sonia Swart

Chief Executive

26/5/2016 Date  Simon Lazarus

Finance Director

Annual Governance Statement 2015/2016

1. **Scope of Responsibility**

As Accountable Officer, I am responsible for maintaining a sound system of internal control that supports the achievement of the Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me.
I am also responsible for ensuring that the Trust is administered prudently and economically and that resources are applied efficiently and effectively.

I acknowledge my responsibilities as set out in the Accountable Officer Memorandum, including in relation to the production of statutory accounts, effective management systems and regularity and propriety of expenditure.

As Chief Executive I am accountable to the Trust Board. I am also responsible, via the NHS Accounting Officer, to Parliament for the stewardship of resources within the Trust

2. **Governance framework of the organisation**

The Trust's governance framework and system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to:

- Identify and prioritise the risks to the achievement of the organisation's policies, aims and objectives and
- Evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically

During 2015/16 the organisation continued to align and embed improved systems of control and risk management to support a new organisational operational structure and improve risk management and assurance mechanisms.

Trust Board and Committee structure

Northampton General Hospital NHS Trust has a Board of Directors (the Board) which compromises both Executive and Non-Executive Directors and has met monthly throughout the year.
Voting members comprise the Chair and five non-Executive Directors and five Executive Directors, including the Chief Executive along with four non-voting Directors.

The role of the Board is to govern the organisation effectively and in doing so to build public and stakeholder confidence that their health and healthcare is in safe hands and ensure the Trust is providing safe, high quality patient – centred care.

The Board holds its meetings in public bi monthly and papers are available on the Trust website. The Board regularly reviews performance against national standards and regulatory requirements and a summary of performance against these priorities is available through the Trust's Annual report. The Board places a strong emphasis on quality and safety of patient care and in addition to performance reports, regularly hears directly from patients and carers, including patient stories and ward visits.

With reference to the requirements of the Trust's standing orders, the Director of Corporate Development, Governance and Assurance and Trust secretary has assessed the arrangements for the discharge of statutory functions. No irregularities or gaps in legal compliance have been identified.

The Trust Board approved the organisation's Quality Account in June 2015, further to review by the Quality Governance Committee. The accuracy of the Quality Account is assured through internal review and data checking processes as part of the Trust's data quality arrangements.

The Trust's External Auditors also undertook an audit of the 2015/16 Quality Account and their findings are being taken into account for the production of this year's Quality Account which is due to be agreed by the Board in June 2016.

The Board has reviewed its effectiveness against the Care Quality Commission's Well Led framework where a full gap analysis and action plan was agreed by the Trust Board. This will be reviewed again the first quarter of 2016/17.

In early 2015 the Board commenced a development programme and this has culminated in a programme to support the Board in understanding its Quality agenda and was underpinned by a two day Board Development course for the whole Board, led by AQuA, in March 2016.

Following a governance review in 2014, the organisation strengthened it governance structures during 2015 and this culminated in a committee effectiveness review presentation to the Trust Board in November 2015. As a result further amendments and improvements were recognised and these will be implemented in early 2016 to further strengthen organisational governance and assurance arrangements.
The principle committees of the Trust Board which support it in undertaking its responsibilities are:

Audit Committee
The Audit committee has overall responsibility for independently monitoring, reviewing and reporting to the Trust Board on all aspects of governance, risk management and internal control. It is supported in this role by the Quality Governance committee.

Quality Governance Committee
The Quality Governance committee monitors, reviews and reports on the quality and safety of services provided by the Trust. This includes the review of governance, risk management and internal control systems to ensure the delivery of safe, high quality, patient centred care.

Finance Investment and Performance Committee
The Finance, Investment and Performance committee undertakes on behalf of the Trust Board objective scrutiny of the Trust's financial plans, investment policy and major investment decisions.
Additionally it is responsible for overseeing the delivery of all key performance metrics for finance and operational delivery. The committee reviews the Trust's monthly financial and operational performance and identifies key issues and risks requiring discussion or decision by the Trust Board.

Workforce Committee
The Workforce committee monitors, reviews and reports on the organisational development and workforce performance of the Trust. This includes the achievement of associated key performance indicators and advising the Trust Board on key strategic organisational and workforce initiatives.

Remuneration and Appointments Committee
The Remuneration and Appointments committee has delegated authority from the Board to appoint and remove the Chief Executive and together with the Chief Executive to appoint and remove other Directors. In addition, it sets the remuneration, allowances and other terms and conditions of office for the Trust's Executive Directors.

Charitable Funds Committee
The Charitable Funds Committee acts on behalf of the Corporate Trustee, in accordance with the Northampton General Hospital NHS Trust Standing Orders to oversee the charity's operation and to ensure that the administration of charitable funds is distinct from its exchequer funds.

Board and Subcommittee Attendance

Name	Position	Date of Commencing Appointment	Board Record of Attendance *April 2015 to Jan 2016*	Membership of Board Committees					
				Audit Committee	Quality Governance Committee	Finance Investment & Performance Committee	Workforce Committee	Remuneration and Appointments Committee	Charitable Funds Committee
Paul Farenden	Non- Executive Director, Chair	1.3.12	11/12		x	x	x	x	
Phil Zeidler	Non- Executive Director, Vice Chair	1.12.08	10/12	x		x		x	x
David Noble	Non- Executive Director	1.1.13	12/12	x	x	x		x	x
Liz Searle	Non- Executive Director	1.1.13	7/12	x	x			x	

Name	Position	Date of Commencing Appointment	Board Record of Attendance *April 2015 to Jan 2016*	Membership of Board Committees					
				Audit Committee	Quality Governance Committee	Finance Investment & Performance Committee	Workforce Committee	Remuneration and Appointments Committee	Charitable Funds Committee
Graham Kershaw	Non- Executive Director	1.3.13	10/12	x	x		x	x	
Nick Robertson*	Non- Executive Director	1.2.09	5/6	x			x	x	x
Olivia Clymer	Non- Executive Director	2.11.15	4/5	x	x		x	x	
Sonia Swart	CEO	23.9.13	12/12		x	x	x		
Debbie Needham	Chief Operating Officer/ Deputy CEO	10.4.14	11/12		x	x	x		
Catherine Thorne	Director of Corporate Development Governance and Assurance	19.1.15	11/12	Attend	x		x		
Simon Lazarus	Director of Finance	11.3.14	12/12	Attend	x	x			
Janine Brennan	Director of Workforce and Transformation	2.4.13	11/12		x	x	x		
Charles Abolins	Director of Facilities	x.x.99	12/12		x	x	x		
Chris Pallot	Director of Strategy and Partnerships	11.10.10	11/12		x	x			
Rachael Corser**	Interim Director of Nursing	5.1.15	2/3		x	x	x		
Mike Cusack	Medical Director	26.9.14	11/12		x		x		
Carolyn Fox	Director of Nursing	20.7.15	9/9		x	x	x		

**Stepped down - 30 September 2015*
***Stepped down - 20 July 2015*

3. The risk and control framework and risk assessment

As designated accountable Officer I have overall responsibility for risk management with specific responsibilities delegated to other Executive Directors and senior managers within the organisation.

Risk Management framework

The trust has a comprehensive Risk Management Strategy and Policy which has Board approval and is available to staff via the Trust's intranet pages.

These documents describe the Trust's overall risk management strategy, responsibilities for risk at each level of the organisation, the risk management process and the Trust's risk identification, evaluation and control system.

The leadership and governance framework for risk management is as follows:

- The Audit Committee meets 4-5 times annually and oversees the overall performance of the risk management system. Additionally the Trust's Board-level Quality Governance committee on a monthly basis and monitors reviews and reports on the quality of services provided by the Trust. It provides assurance to the Audit Committee and the Trust Board that effective governance, risk management and internal control systems are in place to ensure that the Trust's services deliver safe, high quality, patient-centred care. Key risks are highlighted to and reviewed by the Trust Board both as part of its regular monitoring of performance and in the context of specific issues that may arise.

- The Trust has a Risk Group which is chaired by the Director of |Corporate Development, Governance and Assurance providing executive oversight of risk management issues. The Risk Group is responsible for ensuring the development and implementation of effective systems and processes for risk management at each level of the Trust. All new risks with a proposed score of 15 and above ('Significant') are reviewed by the Risk Group who also undertakes a monthly review of corporate directorate and Divisional / Directorate risks with a score of 12 ('High') and above and those risks with high consequence but low likelihood.
  The Risk Group reviews the Trust's corporate risk register on an ongoing basis and this is presented to the Trust Board and its sub committees on a quarterly basis.

- The Trust has a Governance team with a focus on integrated risk management – the team support the process of identification, assessment, analysis and management of risks and incidents at every level in the organisation and the aggregation of results at a corporate level.

- The Director of Corporate Development, Governance and Assurance is the Trust's Senior Information Risk Owner (SIRO). Working closely with the Medical Director as Caldicott Guardian, the SIRO is responsible for taking ownership of information risk at Board level and advising the Chief Executive accordingly.

- For each of the Trust's Divisions' the Divisional Director has lead responsibility for governance and risk issues and is responsible for coordinating risk management processes within the Divisions, including management of the Divisional risk register supported by the Divisional manager. The Divisional management groups have responsibility for monitoring, managing and where necessary escalating risks on their risk registers and significant risks are reviewed at monthly performance review meeting.

Risk management training is delivered to staff in accordance with the Trust's risk management training needs analysis. This begins at corporate induction which all staff are required to attend.

There is clear policy and guidance on the type of courses that staff need to attend and the frequency of attendance required. Attendance at mandatory risk management training courses is monitored and fed-back to Divisions and Corporate directorates via a central monitoring database with Human Resources which allows corrective action to be taken by management teams as required aimed to improve attendance rates throughout the year.

Board Assurance Framework (BAF)
Throughout 2015/16 the organisation reviewed the processes for developing the BAF and risk management processes and recruited a Director of Corporate Development, Governance and Assurance to continue this work.

The BAF is based around the Trust's strategic objectives and is mapped to the Care Quality Commission's Fundamental Standards. It identifies the principal risks to the achievement of those objectives, the key controls in place to manage those risks and the sources of assurance about the effectiveness of those controls.

It also details any gaps in control and assurance in relation to the risks, including strategic objectives related to service delivery, workforce, finance, service transformation, and infrastructure and information systems, together with actions to address them. The actions include identifying additional resources, putting in place new systems, processes, operating procedures and monitoring arrangements, strengthening project and programme management, and effective working with partners.

The BAF is updated monthly by the Executive Director leads with a full review at the end of each quarter which is then presented to the Trust Board. In addition risks to objectives are reported to a Trust Board assurance committee for monitoring and oversight. It is also crossed referenced to the Corporate Risk Register.
The Trust's principal risks can be found listed in Appendix 1.

Internal Audit
During the year the Trust engaged TiAA Ltd as its Internal Auditors; they have integrated successfully with the Trust continuing progress in completing the internal audit programme as agreed at the start of the financial year.

Counter Fraud
Northampton General Hospital NHS Trust Local Counter Fraud service ensures an annual plan of proactive work to minimise the risk of fraud within the Trust and is fully compliant with NHS Protect Counter Fraud Standards for providers. Preventative measures include reviewing Trust

policies to ensure they are fraud-proof utilising intelligence, best practice and guidance from NHS Protect.

The Trust is committed to promoting and maintaining an absolute standard of honesty and integrity, and to eliminating fraud and illegal acts committed within the Trust and detection exercises are undertaken where a known area is at high risk of fraud.

Fraud is deterred by publicising proven cases of NHS fraud and staff are encouraged to report suspicions of fraud through utilising communications, presentations and fraud awareness literature throughout the Trust's sites. The Local Counter Fraud Specialist liaises with Internal Audit in order to capture any fraud risks from internal audits undertaken within the Trust. Counter Fraud reports are presented to the Audit and Risk Committee and include details of reported suspicions of fraud in addition to actual fraud.

Stakeholder involvement in risk

Partners and stakeholders are involved in managing risks which impact on them through their involvement in and contributions to many aspects of the work of the Trust, including for example:

- **Patients and the public**
  - The work of the Trust's Patient Forum, the Patient Advice and Liaison Service and specific patient representative groups.
  - Patient membership of key Trust committees and groups.
  - The work of the local Health and Wellbeing Boards.
  - Meetings of the Trust Board held in public which include monthly Patient Stories.
  - An extensive volunteering programme across hospital departments
  - A Patient & Public Engagement Network to ensure engagement is managed effectively with people that wish to be involved given opportunities throughout the organisation.
  - A dedicated and committed group of ward audit volunteers who conduct surveys and audits on behalf of the Trust
  - The National Patient Survey Programme and the results of real time feedback through the Friends and Family Test available on wards, and through the NGH external website.
  - Representation on the Patient & Carer Experience and Engagement Group (PCEEG) from Health Watch and internal focus groups (such as BME, Dignity, end of life).
  - During the coming year the Trust will be implementing the use of a Membership Engagement Service database to further encourage active membership and engagement with the Trust.

- **Staff**
    - Strong focus on encouraging staff to raise concerns
    - Plan to appoint a Freedom to Speak Up Guardian supported by special volunteers
    - Board to Ward and "Beat the Bug" visits by Executive and non-Executive Directors.
    - Monthly Core Brief to staff by Executive team.
    - Partnership forum with staff-side representation.
    - Staff Engagement Strategy that includes specific vehicle through which staff views are sought on key matters.
- **Partners**
    - Regular performance discussions with commissioners and the Trust Development Authority.
    - Regular Board to Board meetings and discussion with the Trust Board of Kettering Hospital
    - Weekly Operations Executive Meeting comprising the Chief Executive Officers of Health and Social Care partners across the Northamptonshire County.
    - Healthier Northamptonshire - a countywide, multi partner forum for transformation delivery.
    - System Resilience Group.

Compliance matters
The Trust has an Equality and Human Rights Strategy, that was adopted in 2013 and this is due for review in April 2016.

For our workforce we have our Equality Objectives and 4 Year Equality and Diversity Plan, which linked to the outcomes of our EDS2 (Equality Delivery System) self-assessment and these are also due for review in 2016.

The Trust has undertaken and published the data required for 2015 in accordance with the NHS England Workforce Race Equality Standard (WRES). Both an annual Equality and Human Rights and Annual Equality and Human Rights Monitoring Report are published on our website along with other key equality and diversity documents.

The Trust has an Equality and Diversity Staff Group that meets on a quarterly basis and it reports into the Trust's Workforce Committee.

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

Northampton General Hospital NHS Trust has reviewed the required risks and Carbon Reduction Delivery Plans are in place in accordance with

emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with. Adaptation reporting uses a risk based approach in conjunction with resilience planning founded on weather-based risks e.g. heat wave, extreme cold, drought, flood.

Details of compliance with the Care Quality Commission's Essential Standards of Quality and Safety can be found in Section 4 below.

Information Governance (IG)

Northampton General Hospital NHS Trust is committed to ensuring it manages all the information it holds and processes in an efficient, effective and secure manner through the application of robust IG policies and procedures to support the delivery of high quality patient care. The IG team also run a series of audits and checks across the organisation to ensure compliance.

The Trust has had two data security breaches during the year which have been reported to the Information Commissioners Office and details are included within section 4.

Quality Account

The Trust produces an annual Quality Account report in respect to its quality priorities and the quality of services by an NHS healthcare provider. This Quality Account is an important way that the Trust reports and demonstrates improvements to the services delivered

In addition to a review of the quality of the services the Quality Account includes specific statements relating to assurance and the Trust's performance against national standards.

The indicators within this document are subject to external audit scrutiny and the auditors are required to provide an independent assurance opinion to the organisation. During 2014/15 the Trust received an unqualified limited assurance opinion for its Quality Account.

4. Review of the effectiveness of risk management and internal control

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways.

The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of Internal Audit's work.
The Head of Internal Audit Opinion for 2015/16 concludes in summary that:

Reasonable assurance can be given that there are adequate and effective management and internal control processes to manage the achievement of the organisation's objectives.

This is based on:

a) An assessment of the design and operation of the underpinning Assurance Framework and supporting processes; and

b) An assessment of the range of individual opinions arising from risk-based audit assignments contained within internal audit risk-based plans that have been reported throughout the first nine months of the financial year. This assessment has taken account of the relative materiality of these areas and management's progress in respect of addressing control weaknesses.

Additional areas of work that may support the opinion will be determined locally but are not required for Department of Health purposes e.g. reliance being placed upon Third Party Assurances.

c) TIAA has carried out 18 assurance reviews to date, which were designed to ascertain the extent to which the internal controls are adequate and to ensure that activities and procedures are operating to achieve the Trust's objectives. For each assurance review an assurance assessment was provided. A summary is set out below:

Assurance Assessments	Number of Reviews
Substantial Assurance	4
Reasonable Assurance	12
Limited Assurance	2
No Assurance	0

However, the full opinion does note that there are some areas where improvements can be made in design or consistency of application which may increase the effectiveness of some controls to eliminate or mitigate risks to the achievement of some of the objectives. These include the audits where 'Limited Assurance' was given in:

- **Health & Safety - Asbestos and Safe Management of Water Policies**
- **Agency Staffing**

The Trust has implemented in immediate improvements and a longer term action plan to address areas for improvement highlighted in these audits.

My review has been informed by

- Executives and managers within the organisation, who have responsibility for the development and maintenance of the system of risk management and internal control.
- Performance against national and local standards.
- The Trust's ongoing assessment of compliance with the CQC's Fundamental standards
- The findings of the comprehensive inspection of Northampton General Hospital NHS Trust by the Chief Inspector of Hospitals.
- The work of internal audit through the year. Details of the internal audit reports completed during 2015/16 and the level of assurance provided are set out in the head of internal audit opinion.
- Outcomes of the Trust's clinical audit programme.
- The results of external audits work on the Trust's annual accounts and local tailored performance management reviews.
- Patient and staff surveys and feedback and other sources of external scrutiny and accreditation including clinical peer review arrangements.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Quality Governance Committee, Risk Management Group and the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place. Key roles have been as follows:

- The Board has played a key role in reviewing risks to the delivery of the Trust's performance objectives through monthly monitoring and discussion of the Corporate Performance Report and detailed financial and quality and safety reports, and through Board and committee reporting on progress against other strategic objectives.
- The Audit and Risk Committee has overseen the effectiveness of the risk management arrangements.
- The Risk Management Group has reviewed the Trust's risk register and the Board Assurance Framework and monitored key clinical and non-clinical risks highlighted by Trust committees and individual managers.
- Executive Directors have ensured that key risks have been highlighted and monitored within their functional areas and the necessary action taken to address them.
- Both Internal and External Audit have provided scrutiny and assurance in relation to governance and control arrangements across a wide range of the Trust's activities.

The Trust has identified the following significant control issues and the actions which have been or are being taken to address them.

Compliance with Care Quality Commission (CQC) Essential Standards of Quality and safety

Northampton General Hospital NHS Trust is registered with the Care Quality Commission (CQC) and following the CQC Chief Inspector of Hospital's Inspection in January 2014 with a follow up inspection in September 2014 The Trust received an overall rating of 'Requires Improvement'.
There are currently no outstanding warning notices for the Trust.

Data Security
During the year there were two incidents involving personal data which were reported to the Information Commissioners Office (ICO).

Incident 1
A spreadsheet containing patient information was emailed from the Trust to the CCG to indicate patient volumes in order to support a business case. The spreadsheet contained approximately 150 patient details such as Patient Name, PAS number, diagnosis, care plan.
The data required by the CCG was numbers of patient only, the CCG are not entitled to patient level information in this case. Unfortunately the patient data was not removed; the whole spreadsheet was released and sent unencrypted to the CCG.

Incident 2
A patient list which included clinical data was found in the on-site library (provided by a third party NHS organisation).

Lessons Learned – Incident 1 and 2

1. Staff made aware of the importance of certifying a recipient's rights to personal identifiable data (PID) and that recipients of any person identifiable data (PID) must have the appropriate rights to receive patient level information.
2. Remind staff that not all monitoring/regulatory bodies have the appropriate rights to patient level information, especially when the information is not for the direct care of that patient. Staff were educated that they must identify this as appropriate and seek advice from senior management or IG team when sharing.
3. Ensure awareness of the use of secure accounts for information transfer.
4. Staff must ensure any embedded document/reports are scrutinised for PID.
5. Teams or departments that send information out of the Trust regularly must have a process in place where a senior member staff or fellow colleague reviews the information before it is sent.
6. Care must be taken when physically transferring information or documents which contain PID from on location to another, onsite and offsite. All transfers must be carried out in line with Trust policies.

Incident 3
A preadmissions list containing 42 patient details was sent insecurely to a new service provider. The recipient was entitled to receive patient level information however the mode of transfer led to a breach of the DPA 1998. Investigation and learning from this incident were still underway at the time of writing this statement.

All three incidents were graded as Level 2 on the Information Governance (IG) Toolkit Incident reporting tool and the Information Governance (IG) team within the Trust put together an action plan, working closely with the ICO caseworker in order to provide significant assurance of the Trust's IG agenda.

National Performance Standards
Despite the increasing challenges with urgent care during 2015/16, the Trust has met the majority of national performance standards. However it underachieved on the standards for:

4Hr A&E standard
2015/16 was another challenging year for the Trust's urgent and emergency care pathways and our emergency department saw an additional 4,322 patients (4.3% increase), patients together with 3,730 more admissions than the previous year representing a 15.1% increase.

After a challenging start to the year, during June, July and August the acuity of patients decreased and performance was sustained above the 95% standard however this deteriorated from September onwards with the Trust seeing an increase in both acuity and activity.

These issues contributed to a high bed occupancy rate throughout autumn and winter of 2015/16 and these issues remain challenging for the Trust with additional factors of high numbers of delayed discharges, with often in excess of 15% of acute beds occupied with patients waiting for ongoing care and support outside of an acute hospital setting.

A new clinically led and managed organisational structure was put into place during 2015 and is now embedding with senior clinical leaders taking accountability for performance.

Looking forward to 2016/17 the Trust is implementing an inpatient productivity project as part of our cost efficiency and productivity programme 'Changing Care @ NGH'. This will focus on weekend discharge, ward leadership and standardising ward process supported by a new ward accreditation scheme.

The external support required to reduce the number of patients who are delayed continues to be a challenge and the likely financial cuts in adult social care will inevitably impact performance within the hospital, therefore

to support this likely increase in activity there is a proposed business plan to put in place an additional 60 acute beds during winter 2016.

Cancer waiting times
The two cancer standards which were not achieved in 2015/16 were the 31 day wait standard (quarter 2) and 62 day wait standard (quarters 1-4)

During 2015/16, the Trust saw an increase of 14% in referrals to the two week wait pathways along with an increase in complex cancer cases, requiring multiple diagnostic interventions and treatments.

During 2015 the Trust developed an internal cancer board to oversee performance and a "Breaking the Cycle" project. This project has been focused on reducing waits across diagnostics, including MRI, CT and Endoscopy with further CT, MRI and Endoscopy capacity planned for 2016. Additionally agreement was reached both Kettering General Hospital and University Hospitals Leicester in respect to patients referred after day 42 to the tertiary centre whereby the receiving hospital will be allocated the full breach.

A county wide Cancer improvement group has been established and is supporting the trust to deliver actions which will enable achievement of the cancer performance during 2016/17.

52 week RTT
One patient waited over 52 weeks for treatment which was investigated and discovered to be the result of an administrative error, further training was put in place to support the relevant staff.

Number of patients not treated within 28 days of any last minute cancellations for non-clinical reasons
During 2015/16 the Trust had 31 patients who breached this target which represented an increase from 2014/15. These were largely due to pressures from the urgent care pathway. All affected patients were routine elective admissions and involved clinically led decisions to treat more urgent patients.

Divisional management teams are held to account through monthly review meeting with the Executive Directors as described in the Trust's Performance Management Framework document.

Quality & accuracy of waiting List data & associated risks
During 2015/16 the Trust has undertaken a comprehensive programme to provide assurance around the data that is published and/or submitted externally. This work has been supported through the recruitment of dedicated audit staff that review and corroborate information held both electronically and on paper.

The programme of work includes audits against the accuracy and use of "clock stops" and RTT status codes. A full review of all reports used to generate figures for national returns is also part of this programme.

Audit findings are presented to the Trust's Assurance, Risk and Compliance Group and additionally any recommendations and findings are circulated to Divisional Managers across the organisation.

The trust has is re-establishing a data quality steering group with the responsibility of responding to any issues identified through audits both internally and externally. This group will also ensure that any change to national guidance is identified and implemented in a timely manner with full documentation maintained.

Current areas of risk include:

1. Non adherence to the access policy and timely input of data onto PAS. This is being mitigated by providing training to all key staff on the use of the access policy and more intensive training for small groups is currently taking place on RTT rules. Consideration is currently underway around mandatory role specific annual training.

2. Multiple systems being accessed to provide information both internally and externally, which could lead to discrepancies in the information being presented. This is being mitigated by a full assessment of internal and external data returns including information being processed through the data warehouse.

Never events
During the year Northampton General Hospital reported 3 incidents that fell under the reporting category of Never Events.

These were as follows:

- Wrong site surgery: Incorrect tooth extraction.
- Wrong site surgery: Bilateral Oophorectomy performed.
- Incorrect implant: Incorrect strength lens inserted during cataract surgery.

Immediate actions were put in place and a full root cause analysis was undertaken for each event and a comprehensive action and improvement plan implemented. This was shared with the Trust's commissioners and overseen through the Quality Governance structures of the organisation. Additionally, a thematic analysis of these three never events is to be undertaken on completion of the final root cause analysis.
All theatre clinical teams involved in the incidents will be required to attend a simulation session to reinforce lessons learnt.

During 2016/17 the Trust will be re-invigorating the organisation's Safety and Learning Forum to further improve organisational sharing and learning.

Financial Improvement Plan
Northampton General Hospital has an established programme for improving quality and efficiency. This is the Changing Care @ NGH programme which consists of projects led by clinical leaders and executive directors. In 2015/16 the programme delivered £12 million of savings.

For 2015/16 the Trust started the year with a planned deficit of £21.2 million and accepted a partial stretch target to improve the position to £20.4 million deficit. The final deficit reported prior to audit of the accounts was £20.15 million.

The Trust is continuing to work with Health Economy Partners including commissioners, other healthcare providers and local government to identify a medium term sustainability and transformation plan aimed at returning the health system to a more sustainable financial position within five years. NGH does however like many NHS providers currently face a very challenging financial environment and is anticipating a deficit of £27.4 million in 2016/17 based on the latest available information at the time of writing.

Nurse Recruitment
The national shortage of trained nurses continues to pose a significant risk to the organisation. We continue with efforts to mitigate this risk and in addition to an "Overseas Nurses" recruitment programme the Trust has moved to a twelve hour shift standardisation within nursing which has seen an improvement in shift fill rates and improved continuity of care for our patients.

In addition a revised staff retention strategy is being implemented in order to support our existing staff and reduce turnover rates.

Conclusion
With the exception of the internal control issues that I have outlined in this statement, my review confirms that Northampton General Hospital NHS Trust has a generally sound system of internal controls that supports the achievement of its policies, aims and objectives and that those control issues have been or are being addressed.

Dr Sonia Swart

Chief Executive Officer
Northampton General Hospital NHS Trust

Annual Governance Statement Appendix 1

Organisational Principal risks

1. Risk of suboptimal standards of care and patient experience related to difficulties in recruiting to substantive nursing posts across the organisation.

2. Risk of suboptimal standards of care and patient experience, in addition to a failure to meet national performance targets, due to high demand on emergency and urgent care services.

3. Risk of failing to meet emergency and urgent care demand and failing to meet national performance targets due to large numbers of delayed transfers of care leading to shortages in bed capacity.

4. Risk of systems failures related in relation to the Trusts' estate due to ageing infrastructure.

5. Risk of suboptimal standards of care and patient experience related to difficulties in recruiting to the medical workforce posts across the organisation.

6. Risk the Trust may not meet its statutory duties in relation to financial controls due to increased demand and activity, particularly related to emergency pathway pressures.

7. Risk of suboptimal standards of care and patient experience due to increased demand on cancer pathways together with late referrals.

8. Risk of not meeting cost improvement targets due to organisational pressure, poor organisational and stakeholder engagement causing slippage in programme schemes.

9. Risk of action by the ICO for failure of staff to comply with Trust systems and processes which ensure compliance with confidentiality of person identifiable information.

Report from the Director of Finance

Economic Outlook and Impact on the Trust

The NHS continues to experience extreme financial pressures with almost all NHS Acute Hospitals in deficit in 2015/16 with the size of deficits rising considerably compared to 2014/15.

In 2014/15 nationally NHS Providers (NHS hospitals and community and mental health Trusts) incurred a financial deficit of approximately £0.8 billion but in 2015/16 this increased to in excess of £2 billion.

The situation reflects systematic underfunding of NHS providers and we have been affected by this; our financial performance was also characterised by an increasing deficit although the rate of increase was less severe than the national position.

We continued to target improvements in quality and efficiency through our established Changing Care@ NGH programme. The provision of high quality care even in the face of extreme financial pressures is being prioritised with appropriate improvements in efficiency being planned and delivered subject to rigorous quality impact assessments.

There is some additional funding available nationally in 2016/17 and it is too soon to say what impact this will have on the NHS Provider sector. The funding settlements beyond 2016/17 are extremely tight and all the indications are that NHS Providers like NGH will continue to face very significant financial challenges going forward.

Financial Performance

We originally planned a deficit of £21.2 million in 2015/16. The Trust Development Authority (NHS Trust regulator) challenged us to improve our position to a stretch target deficit of £18.8 million which our Board responded to by agreeing a partial stretch target and revising its planned deficit to £20.4 million. The final actual deficit was £20.15 million, greater than the previous year's deficit of £16.5 million. However we were able to stay on track to deliver our revised £20.4 million plan throughout the year and although our deficit has increased, the increase is less dramatic than the national trend. In holding our deficit to £20.15 million, we had to deliver £12 million of savings through the Changing Care@ NGH programme.

We met its other financial duties to manage our capital expenditure within our capital resource limit, our borrowing within our external finance limit and paying suppliers within 30 days for more than 95% of invoices paid.

Capital Expenditure

We invested £18.1 million in 2015/16 improving our estate, medical equipment and information technology (IT) assets. In the year we made a successful application for new equipment funding of £9.4 million to finance the costs of some major medical equipment replacement including two new linear accelerators for radiotherapy cancer treatment and a new MRI scanner and CT scanner.

Charitable Funds
Northamptonshire Health Charitable Funds continued to support the our work and also made progress to moving to independent charitable status.

Risk management
We review risks against our principal objectives on a regular basis and an agreed system of internal control is in place. This is described in more detail in the Annual Governance Statement, which can be found on page 30.

Counter-fraud policies
We take all reasonable steps to comply with the requirements set out in the code of conduct for NHS managers, and have appointed TIAA Ltd to provide an accredited counter-fraud specialist service. Their remit also includes compliance with the Bribery Act.

Charges for information
We have complied with HM Treasury's guidance on setting charges for information, as outlined in Appendix 6.3 HM Treasury's guidance 'Managing Public Money'. This includes the use of charges in relation to requests for information as in accordance with relevant legislation, including the Freedom of information Act 2000; Environmental Information Regulations 2004; Data Protection Act 1998; and the Access to Health Records Act 1990. Standard charges are published on our website together with contact information if a special request is to be made.

Compliance with the NHS Constitution
Based on the reports it receives, the Board is able to provide reasonable assurance that it is compliant with the rights and pledges within the NHS Constitution and has had regard to the NHS Constitution in carrying out its function.

Better Payment Practice Code
The Confederation of British Industry (CBI) outlines the process in relation to:

Paying suppliers on time
- Within the terms agreed at the outset of the contract
- Without attempting to change payment terms retrospectively
- Without changing practice on length of payment for smaller companies on unreasonable grounds

Giving clear guidance to suppliers
- Providing suppliers with clear and easily accessible guidance on payment procedures
- Ensuring there is a system for dealing with complaints and disputes which is communicated to suppliers
- Advising them promptly if there is any reason why an invoice will not be paid to the agreed terms

Encouraging good practice
By requesting that lead suppliers encourage adoption of the code throughout their own supply chains. The normal payment terms for an approved invoice are 30 days from invoice date. Exceptions to this may arise where there is disagreement over the

invoice or it is received with insufficient time for processing. In the exception cases payment is made as soon as possible after agreement or receipt of the invoice as relevant. Where there is a dispute over an invoice our policy is to communicate this to the supplier as soon as the difference of view is apparent and agree how to proceed towards resolution.

We are signed up to the Better Payment Practice Code

Simon Lazarus
Director of Finance
Northampton General Hospital NHS Trust

Corporate Governance: The Trust Board

Led by the chairman, Paul Farenden, our trust board comprises executive and non-executive directors who are responsible for determining our strategic direction, agreeing our policy framework and monitoring our performance. Its statutory obligations are set out in the codes of conduct and accountability, published by the Department of Health.

The trust board discharges its responsibilities through bi-monthly public board meetings and bi-monthly board of director meetings, an annual public meeting and a framework of formal subcommittees. The supporting committee structure is designed to:

- Deliver the board's collective responsibility for the exercise of our powers and performance
- Assess and manage financial and quality risk
- Ensure compliance with Department of Health guidance, relevant statutory requirements such as the Care Quality Commission requirements and contractual obligations.

The current composition of the Board is:

- Chairman
- Five non-executive directors (one of whom is vice-chairman)
- Five executive directors with voting rights
- Four executive directors

The directors do not have material interests in organisations where those organisations or related parties are likely to do business, or are possibly seeking to do business with Northampton General Hospital NHS Trust.

The directors are not aware of any relevant audit information of which the trust's auditors are unaware and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the trust's auditors are aware of that information.

Directors during 2015 /16 * denotes voting members of the Trust Board.

Job Title	Name	Comments
Chairman*	Paul Farenden	
Chief Executive Officer*	Sonia Swart	
Non-Executive Directors*	Phil Zeidler (vice Chair)	
	Graham Kershaw	
	Elizabeth Searle	
	Nicholas Robertson	Stepped down 30th Sept 2015
	David Noble	

Job Title	Name	Comments
	Olivia Clymer	Commenced November 2015
Chief Operating Officer*	Debbie Needham	
Medical Director*	Michael Cusack	
Director of Nursing*	Rachel Corser (interim) Carolyn Fox	To July 2015 From July 2015
Director of Finance*	Simon Lazarus	
Director of Facilities and Capital Development	Charles Abolins	
Director of Workforce and Transformation	Janine Brennan	
Director of Strategy and Partnerships	Chris Pallot	
Director of Corporate Development, Governance and Assurance	Catherine Thorne	

Board members

Paul Farenden, CIPFA, MBA

Chairman

Paul was appointed as Chairman on 1st March 2013 and reappointed in 2015. A local man, who was previously chief executive at the Dudley Group of Hospitals NHS Foundation Trust, Paul has some 40 years' experience in healthcare finance, management and leadership. A qualified accountant, Paul has been chief executive in three NHS Trusts over the last 20 years, where he has led large-scale organisational change. Paul's experience has provided him with an in-depth understanding of both the NHS and the wider healthcare system.

Phil Zeidler

Vice Chairman

Phil had a successful career as an entrepreneur in financial services, building a number of businesses, including the largest independent outsourced distributor of general insurance in the UK. Currently chairman of two insurance businesses, a music fund and two strategy of change consultancies, his core skills lie in strategic planning, innovation and developing strategic relationships. He is married to a consultant paediatrician.

Graham Kershaw

Non-executive director

Graham holds a first class honours degree in business from Leeds Metropolitan University and an MBA. He is a fellow of both the Chartered Institute of Secretaries and Administrators and the Chartered Institute of Personnel and Development. Graham also holds a professional marketing qualification. Graham has been a main board director of a number of major UK retail companies including Lloyds Pharmacy,

Capio UK and Joshua Tetley's. He is currently managing director of Cogniscence Ltd a business providing change management and business turnaround input mainly to the public sector.

David Noble
Non-executive director
David Noble's career has been in finance covering both the public and private sectors. Most recently David has spent nine years as finance director of the equipment procurement and support sector of the Ministry of Defence, leading change programmes to improve the performance of the organisation. He chairs the audit committee.

Elizabeth Searle
Non-executive director
After qualifying as a nurse and working in cancer and palliative care, Liz Searle held posts in higher education developing palliative care courses, with Macmillan as Director of Education Development and Support, and at Sue Ryder Care as Head of Palliative Care working with their hospices.

Olivia Clymer
Non-executive director
Olivia's early career was spent with the Environment Agency, which subsequently led to roles in related areas in both the public and private sector. Her experience of the voluntary and community sector and local authority helped to develop her focus on regeneration and the challenges of social and economic disadvantage. Olivia has served as a member for the Consumer Council for Water and as a housing association board member for nine years. She is currently an associate non-executive director for Dudley and Walsall Mental Health Trust. Her experience in social care and systems transformation has informed her interest in the challenging area of sustainable healthcare provision.

Dr Sonia Swart, MA, MB, BCh, MD, FRCP, FRCPath
Chief Executive
Sonia was appointed as chief executive on 20th September 2013, having been our medical director since September 2007 and acting chief executive since July 2013. Sonia qualified from the University of Cambridge and went on to train in general medicine and clinical haematology. She worked as a consultant haematologist in North Warwickshire before joining Northampton General Hospital in 1994. Prior to becoming Medical Director, Sonia combined an active clinical role with a number of managerial activities, including head of pathology, clinical director for diagnostics and clinical lead for the foundation trust application. Sonia has made a commitment to align the trust's aims, values, objectives and corporate governance to support a clinically-led quality agenda.

Deborah Needham
Chief Operating Officer
Deborah is the responsible office for emergency planning, IT and information as well as information. Deborah trained as a registered general nurse in Lancashire, where she held positions in both respiratory and emergency medicine units before moving to London in 1998 as a ward sister. After graduating as a nurse, Deborah gained a

diploma in respiratory medicine and nursing care and a BA (Hons) in healthcare management.

Simon Lazarus
Director of Finance
Simon joined NGH in March 2014 from the Oxford University Hospitals NHS Trust where he was the deputy director of finance. Simon has held a number of senior roles in NHS hospital finance since joining the NHS in 1993. He has a special interest in improving hospital finances, financial planning and major capital projects. Simon is a chartered accountant and has a degree in natural sciences from Cambridge University. Simon started his career in the private sector working in London before joining the NHS.

Dr Michael Cusack
Medical Director
Dr. Michael Cusack, a consultant cardiologist, has joined our executive team from the end of September 2014. Mike was closely involved with reconfiguration of cardiac services across sites, led the Black Country Cardiovascular Network from 2008-2012 and has been involved in various aspects of pathway redesign. He has a longstanding interest in medical management and has been a clinical director and more recently a divisional medical director of a large surgical division at Royal Wolverhampton Hospital. His responsibility there included all surgical specialties, anaesthetics, theatres, support and maternity services in a medically-led management model.

Carolyn Fox
Director of Nursing
Carolyn began her nursing career in Sheffield and qualified as a registered nurse in 1990. She held staff nurse positions and went on to become a ward manager in respiratory medicine. Carolyn worked in London as a clinical nurse specialist before relocating to the North West. With an interest in quality, Carolyn worked as a national programme manager, NHS Quality Improvement Scotland and assistant director of nursing, Salford Royal Foundation Trust before joining Aintree University Hospital as deputy director of nursing.

Charles Abolins, FBIFM, MHCIMA
Director of Facilities and Capital Development (non-voting)
Charles is responsible for our estates and facilities, procurement and capital development, purchasing and supply. After graduating in hospitality management from Birmingham College of Food and Tourism, Charles has held a number of facilities management posts in the NHS. Since joining NGH, Charles has been responsible for leading and implementing complex, major capital building programmes and managing a wide range of facilities support services. He is our lead for sustainability.

Janine Brennan
Director of Workforce and Transformation (non-voting)
Janine was appointed as director of workforce & transformation on 2nd April 2013, having worked previously as director of workforce and organisational development at Royal Berkshire NHS Foundation Trust. She qualified in law and human resources

management and has worked in a number of acute NHS Trusts, as well as the public sector and not-for-profit organisations. Janine's special interest is in developing staff commitment and engagement in ways that lead to improvements in the care we give to patients.

Chris Pallot MSc, BA (Hons), DipHSM, DipM
Director of Strategy and Partnerships (non-voting)
Chris has worked with us since January 2010. He joined the NHS management training scheme in 1995 after graduating from university and since then has gained a postgraduate Diploma in Marketing and an MSc in Management. During his career, Chris has held previous positions at Kettering General Hospital, the NHS Modernisation Agency, Northamptonshire Heartlands PCT and NHS Northamptonshire. In previous roles he has been responsible for operational management, service improvement and commissioning & contracting. As director of strategy and partnerships, he has responsibility for strategy development, contracting, market development and clinical coding services.

Catherine Thorne
Director of Corporate Development, Governance and Assurance (non-voting)
Catherine was appointed as director of corporate development, governance and assurance in January 2015 having previously held the post of director of governance for London North West Healthcare NHS Trust. She started her career clinically within radiotherapy and oncology services, transitioning into a variety of senior NHS roles in quality assurance, service improvement and governance. Catherine acts as the board secretary in addition to responsibility for clinical governance, health and safety, and compliance, risk and legal services.

Table of Attendance 2015/16

A = Maximum number of meetings the Director could have attended

B = Number of meetings Director actually attended

	Trust Board / Board of Director Meetings		Audit Committee		Quality Governance Committee		Finance, Investment & Performance Committee		Workforce committee		Remuneration Committee	
Name	A	B	A	B	A	B	A	B	A	B	A	B
Chairman	A	B	A	B	A	B	A	B	A	B	A	B
Paul Farenden	12	12			12	10	12	10	11	4	3	3
Chief executive	A	B	A	B	A	B	A	B	A	B	A	B
Dr Sonia Swart	12	12			12	7	12	10	11	9	3	3
Non-executive Directors	A	B	A	B	A	B	A	B	A	B	A	B
Graham Kershaw	12	10	4	4	12	8			11	9	3	3
David Noble	12	12	4	4	12	7	12	11			3	3
Nicholas Robertson	6	5	2	4	6	0					2	2
Elizabeth Searle	12	7	2	2	12	9					3	2
Phil Zeidler	12	10	1	1			12	9			3	3
Olivia Clymer	5	4	1	1	5	1	5	1	5	4	1	1
Executive Directors	A		A	B	A	B	A	B	A	B	A	B
Deborah Needham	12	11			12	8	12	9	11	7		
Simon Lazarus	12	12	4	4	12	6	12	10				
Rachael Corser	4	2			4	1	3	3	4	0		
Carolyn Fox	9	9			9	9			9	8		
Dr Michael Cusack	12	11			12	9	4	1	11	8		
Chris Pallot	12	11			12	5	12	10				
Janine Brennan	12	11			12	8	12	9	11	10	3	3
Charles Abolins	12	11			12	8	12	10	11	10		
Catherine Thorne	12	11	4	4	12	9	3	2	11	9		

Board Meetings

The Board meets in public session every other month with a board of directors meeting in the intervening months. Where the board meets in public this is also followed by a second session held in private. Information regarding board meetings, including agenda and papers, is published on our website.

Audit committee

The audit committee meets around six times per year. Its purpose is to review the systems of integrated governance, risk management and internal control, to ensure that there is an effective internal audit function, to review the findings of the external auditor, to review the findings of other significant assurance functions and considers the draft annual report and financial statements before submission to the board.

Finance Investment and Performance Committee

The finance investment and performance committee meets monthly. The committee's purpose is to maintain a detailed overview of our assets and resources in relation to the achievement of financial targets and business objectives and the financial stability on behalf of the board. In addition, this committee is responsible for ensuring the delivery of all key performance metrics.

Quality Governance Committee

The quality governance committee meets monthly. The purpose of the committee is to ensure there is an effective system of integrated governance, risk management, and internal control across the clinical activities of the organisation that support the organisation's objectives of delivering the best possible outcomes of care to patients.

Workforce Committee

The workforce committee meets monthly. The purpose of the committee is to provide assurance to the trust board on organisational development and workforce performance and on the achievement of associated key performance indicators and to make recommendations to the trust board on key strategic organisational development and workforce initiatives.

Declaration of Interests of Trust Board Members

(as at 5 January 2016)

Member	Directorships (a)	Other business (b)	Charity/ Voluntary sector (c)	Others (d)
Charles Abolins	None	None	None	None

Member	Directorships (a)	Other business (b)	Charity/ Voluntary sector (c)	Others (d)
Janine Brennan	None	None	None	Husband is an employee of Oxford University Hospitals – Director of Clinical Services
Rachael Corser Left September 2015	None	None	None	None
Paul Farenden	None	None	Hon Treasurer NHS Retirement Fellowship	None
Dr Michael Cusack	None	None	None	None
Caroline Fox Started July 2015	None	None	None	None
Graham Kershaw	None	None	None	None
Simon Lazarus	None	None	None	None
Deborah Needham	None	None	None	None
David Noble	Director, David C Noble Ltd	None	None	None
Chris Pallot	None	None	Chairman, Voluntary Impact Northampton shire	None
Nick Robertson Left 30 September 2015	None	None	Trustee of 'Mental Health Matters'/Chair	Governor, Northampton University (1st

Member	Directorships (a)	Other business (b)	Charity/ Voluntary sector (c)	Others (d)
			of Audit Committee	August 2011)
Liz Searle	None	None	Clinical Director at Keech Hospice	None
Dr Sonia Swart	None	None	None	None
Catherine Thorne	None	None	None	None
Phil Zeidler	Director Amp Channel 2 Ltd Director Dead Happy Limited Chairman EDBL Ltd Non-executive chairman, IG04 Ltd Non Executive Director of NMG Group Holdings Director of Playbrave Sports Ltd Senior Independent Director AssurOne Group Non-Executive Chairman Simply business Non-Executive Director Curium Solutions	None	None	Wife is consultant paediatrician at NGH
Olivia Clymer Commenced 1 Nov 2015	Non-Executive Director for Dudley and Walsall Mental Health Trust	None	Secretary of Sailing Club	None

Guidance to Codes:

a. *Directorships, including non-executive directorships held in private companies or plcs (with the exception of those of dormant companies);*
b. *Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS; majority or controlling shareholdings in organisations likely or possibly seeking to do business with the NHS;*
c. *A position of authority in a charity or voluntary body in the field of health and social care;*
d. *Any connection with a body that NGH may contract with or compete with (include family members)*

Each director knows of no information which would be relevant to the auditors for the purposes of their audit report, and of which the auditors are not aware, and; has taken "all the steps that he or she ought to have taken" to make himself/herself aware of any such information and to establish that the auditors are aware of it.

Remuneration and staff report

A Remuneration & Appointments Committee meets at least annually. Membership is made up of Non-Executive Directors. The duties of the Remuneration & Appointments Committee are set out in the Terms of Reference:

The primary role of the Remuneration and Appointments Committee is to establish a formal process for developing policy on executive remuneration and to oversee the appointment process for executive directors.

The Remuneration and Appointments Committee will determine the Remuneration and terms of service for the Chief Executive and executive directors, acting in accordance with the scheme of delegation and reservation of powers to the Board and approve any non-contractual benefits in relation to the termination of employment for executive directors.

The Remuneration & Appointments committee will oversee the process for the appointment of new members to the Trust board of directors ensuring that there is a formal, lawful procedure in place.

The Committee will also ensure that systems and processes are in place for the development of board members where appropriate.

Pay Multiples

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 the Trust in the financial year 2015-16 was £225-230k (2014-15, £225-230k). This was 10.49 times (2014-15, 11.0 times) the median remuneration of the workforce, which was £22k (2014-15, £21k).

In 2015-16 and 2014-15 no employees received remuneration in excess of the highest-paid director. Remuneration ranged from £1k for part-time staff to £180k for the next highest paid director. (2014-15 £1k - £180k)

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

The ratio has decreased in 2015/16 by 0.51. Nursing staff represent the largest increase in Total Average Staff Numbers. The majority of staff on Agenda for Change terms and conditions received a 1% pay increase. This has contributed to the increase in the overall median remuneration of the workforce.

Salary and Pensions report

Salary and Pension entitlements of senior managers

Remuneration

Name and Title	2015-16					
	Salary (bands of £5,000) £000	Expense payments (taxable) to nearest £100 £00	Performance Pay and Bonuses (bands of £5,000) £000	Long term Performance Pay and Bonuses (bands of £5,000) £000	All Pension-related Benefits (bands of £2,500) £000	Total - Salary & Benefits (bands of £5,000) £000
Paul Farenden - Chairman	20-25	25				20 - 25
Sonia Swart - Chief Executive Officer	225-230					225 - 230
Deborah Needham - Chief Operating Officer / Deputy Chief Executive Officer	125-130				22.5 - 25	150 - 155
Michael Cusack - Medical Director	180-185				17.5 - 20	195 - 200
Carolyn Fox - Director of Nursing, Midwifery & Patient Services (20 July 15 onwards)	75-80				200 - 202.5	275 - 280
Rachael Corser - Interim Director of Nursing, Midwifery & Patient Services (up to 19 July 15)	30-35				67.5 - 70	100 - 105
Simon Lazarus - Director of Finance	120-125				17.5 - 20	140 - 145
Charles Abolins - Director of Facilities & Capital Development	95-100				0	95 - 100
Janine Brennan - Director of Workforce and Transformation	110-115				5 - 7.5	120 - 125
Chris Pallot - Director of Strategy & Partnerships	95-100				15 - 17.5	110 - 115
Catherine Thorne - Director of Corporate Development, Governance & Assurance	100-105				0	100 - 105
Phil Zeidler - Non-Executive Director (Vice Chairman)	5-10	6				5 - 10
Nicholas Robertson - Non-Executive Director (up to 30 September 15)	0-5	5				0 - 5
Graham Kershaw - Non-Executive Director	5-10	14				5 - 10
David Noble - Non-Executive Director	5-10	7				5 - 10
Elizabeth Searle - Non-Executive Director	5-10	5				5 - 10
Olivia Clymer - Non-Executive Director (2 November 15 onwards)	0-5					0 - 5

Name and Title	2014-15					
	Salary (bands of £5,000) £000	Expense payments (taxable) total to nearest £100 £00	Performance Pay and Bonuses (bands of £5,000) £000	Long term Performance Pay and Bonuses (bands of £5,000) £000	All Pension-related Benefits (bands of £2,500) £000	Total - Salary & Benefits (bands of £5,000) £000
Paul Farenden - Chairman	20-25	19				20 - 25
Sonia Swart - Chief Executive Officer	225-230					225 - 230
Deborah Needham - Chief Operating Officer / Deputy Chief Executive Officer	125-130				227.5 - 230	355 - 340
Michael Cusack - Medical Director	90-95				240 - 242.5	330 - 335
Carolyn Fox - Director of Nursing, Midwifery & Patient Services (20 July 15 onwards)	0					0
Rachael Corser - Interim Director of Nursing, Midwifery & Patient Services	25-30				27.5 - 30	55 - 60
Simon Lazarus - Director of Finance	120-125				115 - 117.5	235 - 240
Charles Abolins - Director of Facilities & Capital Development	95-100				85 - 87.5	180 - 185
Janine Brennan - Director of Workforce and Transformation	110-115					110 - 115
Chris Pallot - Director of Strategy & Partnerships	95-100				5 - 7.5	105 - 110
Catherine Thorne - Director of Corporate Development, Governance & Assurance	20-25					20 - 25
Phil Zeidler - Non-Executive Director (Vice Chairman)	5-10	9				5 - 10
Nicholas Robertson - Non-Executive Director	5-10	5				5 - 10
Graham Kershaw - Non-Executive Director	5-10	6				5 - 10
David Noble - Non-Executive Director	5-10					5 - 10
Elizabeth Searle - Non-Executive Director	5-10					5 - 10
Olivia Clymer - Non-Executive Director (2 November 15 onwards)	0					0

Salary Notes

The following Senior Manager's 2014-15 salary represents a part year:
Michael Cusack (Sept - March)
Rachael Corser (Jan - March)
Catherine Thorne (Jan - March)

Nicholas Robertson's 2014-15 salary represents a full year

Relocation packages were paid, exempt of PAYE & NICs, in accordance with HMRC guidelines, to the following:
Michael Cusack - £3k (2014-15 £5k)
Carolyn Fox - £5k

Carolyn Fox and Olivia Clymer were appointed to the Board in 2015-16. Therefore no salary or pension values are reported for 2014-15

The benefits paid to Non-Executives and Chairman above relate to travel and subsistence between home & office

All pension related benefits represent the annual increase in total pension benefits entitlement. This represents the values payable at the beginning and end of the financial year, adjusted for inflation, irrespective of whether or not the position was held for full or part year and length of NHS service. Where this value is negative a nil balance is shown.

Pension Benefits

Name & Title	Real increase in pension at Pension Age (bands of £2,500)	Real increase in pension lump sum at Pension Age (bands of £2,500)	Total accrued pension at Pension Age at 31 March 2016 (bands of £5,000)	Lump sum at Pension Age related to accrued pension at 31 March 2016 (bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2015	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2016	Employer's contribution to stakeholder pension
	£000	£000	£000	£000	£000	£000	£000	£000
Sonia Swart - Chief Executive Officer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
Deborah Needham - Chief Operating Officer / Deputy Chief Executive Officer	0 - 2.5	0	35 - 40	110 - 115	511	21	538	0
Michael Cusack - Medical Director	0 - 2.5	0	40 - 45	120 - 125	681	21	711	
Carolyn Fox - Director of Nursing, Midwifery & Patient Services (20 July 15 onwards)	5 - 7.5	17.5 - 20	25 - 30	85 - 90	297	107	453	0
Rachael Corser - Interim Director of Nursing, Midwifery & Patient Services (up to 19 July 15)	0 - 2.5	0 - 2.5	15 - 20	45 - 50	173	13	217	0
Simon Lazarus - Director of Finance	0 - 2.5	0	30 - 35	90 - 95	520	20	545	0
Charles Abolins - Director of Facilities & Capital Development	0 - 2.5	0 - 2.5	50 - 55	160 - 165	N/A	0	N/A	0
Janine Brennan - Director of Workforce and Transformation	0 - 2.5	2.5 - 5	45 - 50	135 - 140	822	27	859	
Chris Pallot - Director of Strategy & Partnerships	0 - 2.5	0	25 - 30	70 - 75	360	12	377	0
Catherine Thorne - Director of Corporate Development, Governance & Assurance	0 - 2.5	0 - 2.5	35 - 40	105 - 110	617	19	644	0

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

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's (or other allowable beneficiary's) pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with the Occupational Pensions Schemes (Transfer Values) Regulations 2008.

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

On 16 March 2016, the Chancellor of the Exchequer announced a change in the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate from 3.0% to 2.8%. This rate affects the calculation of CETV figures in this report. Due to the lead time required to perform calculations and prepare annual reports, the CETV figures quoted in this report for members of the NHS Pension scheme are based on the previous discount rate and have not been recalculated.

A rate of 1.2% Consumer Price Index (CPI) annual inflation has been used to calculate the real increases.

No lump sum is shown for senior managers who only have membership in the 2008 Section of the NHS Pension Scheme, unless they chose to move their 1995 Section benefits under Choice. No CETV is shown for pensioners, senior managers over 60 (1995 Section) or over 65 (2008 Section)

Off-Payroll Engagements

Off-Payroll Engagements Table 1

For all off-payroll engagements as of 31 March 2016, for more than £220 per day and that last longer than six months:

Narrative	Number
Number of existing engagements as of 31 March 2016	36
Of which, the number that have existed:	
for less than one year at the time of reporting	32
for between 1 and 2 years at the time of reporting	0
for between 2 and 3 years at the time of reporting	0
for between 3 and 4 years at the time of reporting	0
for 4 or more years at the time of reporting	4

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

Off-Payroll Engagements Table 2
For all new off-payroll engagements between 1 April 2015 and 31 March 2016, for more than £220 per day and that last longer than six months:

Narrative	Number
Number of new engagements, or those that reached six months in duration, between 1 April 2015 and 31 March 2016	32
Number of new engagements which include contractual clauses giving the Trust the right to request assurance in relation to income tax and National Insurance obligations	29
Number for whom assurance has been requested	32
Of which:	
assurance has been received	3
assurance has not been received	0
engagements terminated as a result of assurance not being received	0

Off-Payroll Engagements Table 3
For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2015 and 31 March 2016

Narrative	Number
Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the year	0
Number of individuals that have been deemed "board members, and/or senior officers with significant financial responsibility" during the financial year. This figure includes both off-payroll and on-payroll engagements	10

Expenditure on consultancy

Details of our expenditure on consultancy can be found at Note 8 (page 86) in the Annual Accounts.

Exit packages
Details of exit packages can be found at Note 10.4 (page 89) in the Annual Accounts.

Our Staff

Equality
During 2015/16, we continued to work towards the achievement of the objectives of our four year plan based on the outcomes of our Equality Delivery System (EDS2) assessment undertaken the previous year. EDS2 is about making positive differences to healthy living and working lives so that everyone counts.

The four year plan's objectives are:

Goal	Objective
1. Better Health outcomes for all	We will develop a programme of data collection and analysis to understand areas where there are health inequalities amongst protected groups. This will be completed in line with our quality programme and in conjunction with NHS Northamptonshire
2. Improved access and experience	We will increase engagement and involvement with representatives from protected groups. In two years we aim to achieve representation from 100% of the protected groups.
3. Empowered, engaged and well supported staff	We aim, by 2014, to improve our staff satisfaction rates as reported in the annual staff survey so that we are in the top 25% of Trusts for response to the question regarding whether staff would recommend the Trust as place to work.
4. Inclusive leadership at all levels	To develop a management and leadership strategy and programme for all staff based on the standards set out in the NHS Leadership Framework and its supporting frameworks.

The detailed action plan can be accessed via our website http://www.northamptongeneral.nhs.uk/WorkforUs/Equality,DiversityHumanRights/Equality,DiversityHumanRights.aspx

Gender distribution of staff

Directors & Non-Executives

	Count	Percentage
Female	7	46.67
Male	8	53.33
Grand Total	**15**	**100**

Senior Managers (Band 8-A and above) & Senior Medical Staff

Consultants

Pay Scale	Count	Female	Male
MC21	1	1	
MQ00	3	1	2
XR11	2	2	
YC53	2	1	1
YC62	1	1	
YC72	59	21	38
YC73	18	0	18
YM51	3	3	
YM52	7		7
YM53	12	5	7
YM54	5	1	4
YM55	11	1	10
YM56	5	2	3
YM57	12	4	8
YM58	8	2	6
YM59	1		1
YM60	3	1	2
YM61	6	2	4
YM62	1		1
YM63	1	1	
YM64	1	1	
YM65	1		1
YM66	1	1	
YM68	2	1	1
YM69	1		1
YM70	2		2
YM72	77	23	54
YM73	6	1	5
Total	252	76	176

Gender	Count	%
Female	76	30.15873
Male	176	69.84127
Grand Total	252	100

Senior Managers Band 8a and above

Pay scale	Count	Female	Male
XN08/XR08	117	86	31
XN09/XR09	38	24	14
XN10/XR10	13	6	7
XN11/XR11	5	4	1
Total	173	120	53

Gender	Count	%
Female	120	69.36
Male	53	30.64
Grand Total	173	100

Combined Data

Gender	Count	%
Female	196	46.12
Male	229	53.88
Grand Total	425	100

All Employees

	Count	**Percentage**
Female	3866	78.95
Male	1031	21.05
Grand Total	**4897**	**100**

Staff numbers

A more detailed breakdown of our staff numbers can be found at Note 10.2 (page 88) in the Annual Accounts

Employment of People with a Disability Policy

We have an employment of people with a disability policy, the purpose of which is:

- To raise awareness of the employment of people with disabilities throughout the organisation and ensure employees are aware of our commitment towards disabled people.
- To ensure recruitment procedures are reviewed and developed to encourage applications and the employment of people with disabilities.

- To ensure that staff and potential job applicants with a disability are treated fairly and receive the same opportunities as other staff to develop with appropriate and reasonable support.
- To take all reasonable steps to ensure that the working environment does not prevent disabled people from taking up positions for which they are suitably qualified.
- To assist staff who become disabled during their employment to adapt to the disability and to continue in post wherever possible, or, if this is not possible, to be redeployed or retrained, where this is practicable.
- To ensure, where possible, any reasonable and practicable adjustments to work arrangements or the working environment are made to meet the ascertained needs of the employee.

The policy provides guidance on the employment of people with a disability, details the responsibilities of all staff groups during the recruitment and selection process of an individual who has identified they have a disability or associate with a person who has a disability and gives guidance on the management and support of a current employee who develops or has an existing disability, including reasonable adjustments.

We have made a commitment to operate under the Jobcentre Plus "two ticks" Disability Symbol.

As part of this commitment, we will:

1. Interview all disabled applicants who meet the minimum criteria for a job vacancy and consider them on their abilities.
2. Discuss with disabled employees, at any time but at least once a year, what both parties can do to make sure disabled employees can develop and use their abilities.
3. Make every effort when employees become disabled to make sure they stay in employment.
4. Take action to ensure that all employees develop the appropriate level of disability awareness needed to make these commitments work.
5. Review these commitments each year and assess what has been achieved, plan ways to improve on them and let employees and Jobcentre Plus know about progress and future plans.

The above policy is is underpinned by our Equality & Human Rights Strategy and supported with further information contained in our:

- Management of Sickness Absence Policy
- Recruitment, Selection & Retention Policy.

NHS Staff Survey

During 2015, for the first time all of our staff were surveyed for the national NHS Staff Survey, resulting in three times as many responses as the previous year, with a total of 1,442 employees returning the survey. Of the 32 key findings we had 10 statistically significant improvements, 13 stayed the same and 10 could not be compared to the previous year's survey. There were no deteriorations. The areas with improved responses included overall staff engagement and staff recommendation as a place to work or receive treatment.

During the year, we developed our organisational effectiveness strategy which sets out a long term programme of work that aims to steadily improve our performance against the survey's key findings.

This includes

- *Embedding a clinically led structure*

  Clinical directorates operate a clinically-led model, with four divisions, each with three clinical directorates. The aim is to put senior clinicians in charge of running our clinical services so that decisions are made by the clinical experts in that area and as close to the patient as possible..

- *Francis Crick Development Programme*

  We delivered the Francis Crick Programme, a leadership and management programme for senior leaders operating in the new clinically led structure. Further cohorts will be developed during 2016.

- *Improving Quality and Efficiency and Making Quality Count*

  Making Quality Count is our formal programme of learning that aims to up-skill staff to enable them to drive continuous improvements in their area of work. There have been 18 MQC projects to date, with over 200 people participating in the programme; significant improvements in patient experience and efficiency have been seen with projects also delivering over £300k of financial benefit.

  The improving quality and efficiency team supported 21 service improvement projects and continue to work on longer term programmes of work such as theatre productivity, inpatient productivity and outpatients productivity workstreams.

Health and Wellbeing

During the year we developed our first health and wellbeing strategy which affirms our commitment to playing our part in improving the health and wellbeing of not only its employees but the wider community of Northamptonshire.

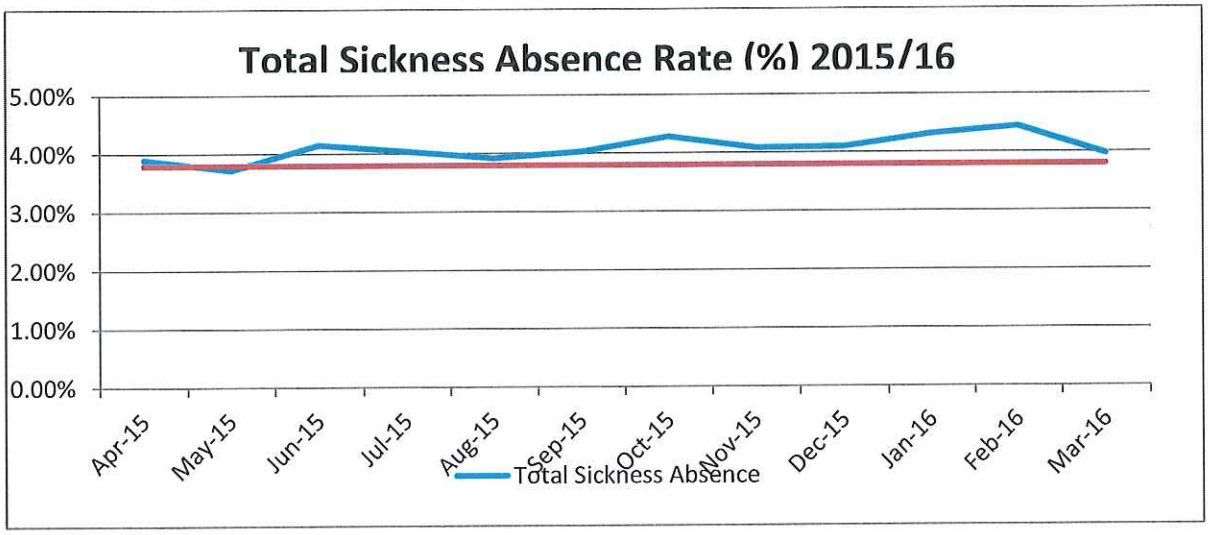
An employee health survey identified support in nutrition and weight management as the main priorities for maintaining healthy active lives. We have been working with its partners Northamptonshire County Council and Northampton Leisure Trust to respond to those findings. Measures taken include the introduction of low calorie meals at our on-site restaurants, reduced payment rates at our on-site gym, a subsidised 12 week fitness and nutrition programme. We also implemented an annual programme of events for physical activity and free health checks for employees over 40. We invested in the Global Corporate Challenge to motivate

employees and enhance team working. On-site physiotherapy, occupational health and stress audits are in place and available to all employees.

Sickness absence

Sickness absence rates remained above our target of 3.8% with total sickness absence average for the financial year at 4.08%.

	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Short Term Sickness Absence	2.42%	2.16%	2.47%	2.25%	2.32%	2.63%	2.63%	2.37%	2.16%	2.83%	2.63%	2.20%
Long Term Sickness Absence	1.48%	1.56%	1.68%	1.78%	1.60%	1.41%	1.65%	1.71%	1.94%	1.49%	1.82%	1.77%
Total Sickness Absence	3.90%	3.72%	4.15%	4.04%	3.92%	4.03%	4.28%	4.08%	4.10%	4.31%	4.44%	3.97%



Learning and development

All mandatory training continued to meet CQC compliance and work started through the East Midlands streamlining group to ensure that all training is aligned to the Core Skills Training Framework or National Mandatory standards. This ensures staff who move from NHS Trust to NHS Trust have their training transferred with them so they do not spend time repeating training. This has meant that ward based staff can start work more quickly.

A new VRQ in Team Leading became available this year and was offered to staff who are aspiring to become a team leader. The course consisted of modules on: preparing to lead the team; support; development of self and the team; equality & diversity and the team; communication and the team leader and motivating the team. All new staff attend an induction programme which delivers all mandatory training subjects. During the year we introduced two inductions a month: groups are smaller so the programme is more interactive with group work, quizzes and case studies. This variety of learning activities means that we are meeting different learning styles to help embed learning.

This year we won an Employer of the Year award for our support of apprentices. We continue to offer apprentices in business administration and customer service, and this year expanded to include four-year apprenticeships in electrical engineering and mechanical engineering We also employed ten apprentices in healthcare to work on the wards to train to become healthcare assistants.

Occupational Health Service
We introduced a new electronic health questionnaire, completed online by new employees and accessed directly by the occupational health team. This new system has meant a reduction of two weeks for the management of health questionnaires.

The same system has also been developed to provide appointments by email and automatically generated appointment reminder letters, which has assisted in the move from paper based to electronic patient records.

We worked with the occupational health department of University Hospitals of Leicester to provide the Northampton Occupational Health Service with two consultant occupational physicians, reducing the waiting times for appointments.

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF NORTHAMPTON GENERAL HOSPITAL NHS TRUST

We have audited the financial statements of Northampton General Hospital NHS Trust for the year ended 31 March 2016 on pages 72 to 113 under the Local Audit and Accountability Act 2014. These financial statements have been prepared under applicable law and the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to NHS Trusts in England. We have also audited the information in the Remuneration Report and Staff Report that is subject to audit.

This report is made solely to the Board of Directors of Northampton General Hospital NHS Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Board of the Trust, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of the Trust, as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of Directors, the Accountable Officer and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 27, the Directors are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

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

Scope of the audit of the financial statements

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

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

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

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2015, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016.

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2016 and of the Trust's expenditure and income for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to NHS Trusts in England.

Opinion on other matters

In our opinion:

- the parts of the Remuneration Report and Staff Report subject to audit have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to NHS Trusts in England; and
- the other information published together with the audited financial statements in the Annual Report and Accounts is consistent with the financial statements.

Matters on which we are required to report by exception

We are required to report to you if:

- in our opinion the governance statement does not comply with the NHS Trust Development Authority's guidance; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Trust under section 24 of the Local Audit and Accountability Act 2014; or

We have nothing to report in respect of the above responsibilities.

Other matters on which we report by exception – referral to Secretary of State

We have a duty under the Local Audit and Accountability Act 2014 to refer the matter to the Secretary of State if we have a reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

On 31 May 2016 we referred a matter to the Secretary of State under section 30 (1)(b) of the 2014 Act because we had reason to believe that the Trust is taking a course of action that, if followed to its conclusion, will lead to a breach of its 'breakeven duty' set out at paragraph 2(1) of Schedule 5 to the National Health Service Act 2006. The Trust reported an in-year deficit of £20.1 million in 2015/16, a cumulative deficit of £29.58 million and is forecasting a deficit of £27.4 million for 2016/17 which will lead to this breach.

Other matters on which we report by exception - adequacy of arrangements to secure value for money

In considering the Trust's arrangements for challenging how it secures economy, efficiency and effectiveness in its use of resources, we identified that the Trust has reported a deficit of £20.1 million in 2015/16, and it has failed to deliver a number of operational targets for the year, particularly the Accident and Emergency wait target.

On the basis of our work, with the exception of the matters reported paragraph above, we are satisfied that, in all material respects Northampton General Hospital NHS Trust put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2016.

Certificate

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

Tony Crawley for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
31 Park Row
Nottingham
NG1 6FQ

1 June 2016

Statement of Comprehensive Income for year ended 31 March 2016

	NOTE	2015-16 £000s	2014-15 £000s
Gross employee benefits	10.1	(191,283)	(184,523)
Other operating costs	8	(94,833)	(101,621)
Revenue from patient care activities	5	248,771	242,451
Other operating revenue	6	24,791	27,907
Operating surplus/(deficit)		(12,554)	(15,786)
Investment revenue	12	32	27
Other gains and (losses)	13	(83)	2
Finance costs	14	(440)	(22)
Surplus/(deficit) for the financial year		(13,045)	(15,779)
Public dividend capital dividends payable		(4,041)	(4,332)
Transfers by absorption - gains		0	0
Transfers by absorption - (losses)		0	0
Net Gain/(loss) on transfers by absorption		0	0
Retained surplus/(deficit) for the year		(17,086)	(20,111)

Other Comprehensive Income

		2015-16 £000s	2014-15 £000s
Impairments and reversals taken to the revaluation reserve		0	0
Net gain/(loss) on revaluation of property, plant & equipment	15	5,906	701
Net gain/(loss) on revaluation of intangibles		0	0
Net gain/(loss) on revaluation of financial assets		0	0
Other gain /(loss) (explain in footnote below)		0	0
Net gain/(loss) on revaluation of available for sale financial assets		0	0
Net actuarial gain/(loss) on pension schemes		0	0
Other pension remeasurements		0	0
Reclassification adjustments			
On disposal of available for sale financial assets		0	0
Total Other Comprehensive Income		5,906	701
Total comprehensive income for the year		(11,180)	(19,410)

Financial performance for the year

Retained surplus/(deficit) for the year	(17,086)	(20,111)
Prior period adjustment to correct errors and other performance adjustments	0	0
IFRIC 12 adjustment (including IFRIC 12 impairments)	0	0
Impairments (excluding IFRIC 12 impairments)	(3,315)	3,338
Adjustments in respect of donated gov't grant asset reserve elimination	250	248
Adjustment re absorption accounting	0	0
Adjusted retained surplus/(deficit)	(20,151)	(16,525)

The reversal of impairment of £3,315k predominantly relates to the full site revaluation exercise undertaken as at October 2015 and is excluded from retained deficit and statutory breakeven in accordance with the DH Manual for Accounts, note 17 refers.

Donated asset net benefit of £250k (consisting of £427k donated depreciation less £177k donated additions) is excluded from retained surplus and statutory breakeven duty in accordance with the DH Manual for Accounts.

Statement of Financial Position as at 31 March 2016

	NOTE	31 March 2016 £000s	31 March 2015 £000s
Non-current assets:			
Property, plant and equipment	15	**158,921**	141,422
Intangible assets	16	**1,270**	1,828
Investment property	18	**0**	0
Other financial assets		**0**	0
Trade and other receivables	22.1	**209**	215
Total non-current assets		**160,400**	143,465
Current assets:			
Inventories	21	**5,744**	5,961
Trade and other receivables	22.1	**16,340**	11,126
Other financial assets	23	**0**	0
Other current assets	24	**0**	0
Cash and cash equivalents	25	**1,602**	1,114
Sub-total current assets		**23,686**	18,201
Non-current assets held for sale	26	**375**	0
Total current assets		**24,061**	18,201
Total assets		**184,461**	161,666
Current liabilities			
Trade and other payables	27	**(24,345)**	(17,996)
Other liabilities	28	**(710)**	(721)
Provisions	34	**(2,802)**	(1,396)
Borrowings	29	**(276)**	(208)
Other financial liabilities	30	**0**	0
DH revenue support loan	29	**0**	0
DH capital loan	29	**(628)**	(159)
Total current liabilities		**(28,761)**	(20,480)
Net current assets/(liabilities)		**(4,700)**	(2,279)
Total assets less current liablilities		**155,700**	141,186
Non-current liabilities			
Trade and other payables	27	**0**	0
Other liabilities	28	**0**	0
Provisions	34	**(979)**	(1,072)
Borrowings	29	**(1,411)**	(248)
Other financial liabilities	30	**0**	0
DH revenue support loan	29	**(18,851)**	0
DH capital loan	29	**(7,186)**	(1,431)
Total non-current liabilities		**(28,427)**	(2,751)
Total assets employed:		**127,273**	138,435
FINANCED BY:			
Public Dividend Capital		**119,258**	119,240
Retained earnings		**(33,420)**	(16,684)
Revaluation reserve		**41,435**	35,879
Other reserves		**0**	0
Total Taxpayers' Equity:		**127,273**	138,435

The notes on pages 76 to 113 form part of this account.

The financial statements on pages 72 to 75 were approved by the Board on 26 May 2016 and signed on its behalf by

Chief Executive: Date: 26.5.16

Statement of Changes in Taxpayers' Equity
For the year ending 31 March 2016

	Public Dividend capital	Retained earnings	Revaluation reserve	Other reserves	Total reserves
	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2015	**119,240**	**(16,684)**	**35,879**	**0**	**138,435**
Changes in taxpayers' equity for 2015-16					
Retained surplus/(deficit) for the year	0	(17,086)	0	0	(17,086)
Net gain / (loss) on revaluation of property, plant, equipment	0	0	5,906	0	5,906
Net gain / (loss) on revaluation of intangible assets	0	0	0	0	0
Net gain / (loss) on revaluation of financial assets	0	0	0	0	0
Net gain / (loss) on revaluation of available for sale	0	0	0	0	0
Impairments and reversals	0	0	0	0	0
Other gains/(loss) (provide details below)	0	0	0	0	0
Transfers between reserves	0	350	(350)	0	0
Reclassification Adjustments					
Transfers between Reserves in respect of assets transferred under absorption	0	0	0	0	0
On disposal of available for sale financial assets	0	0	0	0	0
Reserves eliminated on dissolution	0	0	0	0	0
Originating capital for Trust established in year	0	0	0	0	0
Permanent PDC received - cash	18	0	0	0	18
Permanent PDC repaid in year	0	0	0	0	0
PDC written off	0	0	0	0	0
Transfer due to change of status from Trust to Foundation Trust	0	0	0	0	0
Other movements	0	0	0	0	0
Net actuarial gain/(loss) on pension	0	0	0	0	0
Other pensions remeasurement	0	0	0	0	0
Net recognised revenue/(expense) for the year	**18**	**(16,736)**	**5,556**	**0**	**(11,162)**
Balance at 31 March 2016	**119,258**	**(33,420)**	**41,435**	**0**	**127,273**
Balance at 1 April 2014	**103,611**	**2,878**	**35,727**	**0**	**142,216**
Changes in taxpayers' equity for the year ended 31 March 2015					
Retained surplus/(deficit) for the year	0	(20,111)	0	0	(20,111)
Net gain / (loss) on revaluation of property, plant, equipment	0	0	701	0	701
Net gain / (loss) on revaluation of intangible assets	0	0	0	0	0
Net gain / (loss) on revaluation of financial assets	0	0	0	0	0
Net gain / (loss) on revaluation of assets held for sale	0	0	0	0	0
Impairments and reversals	0	0	0	0	0
Other gains / (loss)	0	0	0	0	0
Transfers between reserves	0	549	(549)	0	0
Reclassification Adjustments					
Transfers to/(from) Other Bodies within the Resource	0	0	0	0	0
Transfers between revaluation reserve & retained earnings reserve in respect of assets transferred under absorption	0	0	0	0	0
On disposal of available for sale financial assets	0	0	0	0	0
Originating capital for Trust established in year	0	0	0	0	0
New temporary and permanent PDC received - cash	26,129	0	0	0	26,129
New temporary and permanent PDC repaid in year	(10,500)	0	0	0	(10,500)
Other movements	0	0	0	0	0
Net actuarial gain/(loss) on pension	0	0	0	0	0
Other pension remeasurement	0	0	0	0	0
Net recognised revenue/(expense) for the year	**15,629**	**(19,562)**	**152**	**0**	**(3,781)**
Balance at 31 March 2015	**119,240**	**(16,684)**	**35,879**	**0**	**138,435**

Statement of Cash Flows for the Year ended 31 March 2016

	NOTE	2015-16 £000s	2014-15 £000s
Cash Flows from Operating Activities			
Operating surplus/(deficit)		**(12,554)**	(15,786)
Depreciation and amortisation	8	**9,941**	11,407
Impairments and reversals	17	**(3,315)**	3,338
Other gains/(losses) on foreign exchange	13	**0**	0
Donated Assets received credited to revenue but non-cash	6	**(7)**	(149)
Government Granted Assets received credited to revenue but non-cash		**0**	0
Interest paid		**(381)**	0
PDC Dividend (paid)/refunded		**(3,811)**	(4,480)
Release of PFI/deferred credit		**0**	0
(Increase)/Decrease in Inventories		**217**	(825)
(Increase)/Decrease in Trade and Other Receivables		**(5,446)**	1,396
(Increase)/Decrease in Other Current Assets		**0**	0
Increase/(Decrease) in Trade and Other Payables		**3,314**	690
(Increase)/Decrease in Other Current Liabilities		**(11)**	(90)
Provisions utilised		**(687)**	(835)
Increase/(Decrease) in movement in non cash provisions		**1,978**	(430)
Net Cash Inflow/(Outflow) from Operating Activities		**(10,762)**	(5,764)
Cash Flows from Investing Activities			
Interest Received		**32**	27
(Payments) for Property, Plant and Equipment		**(13,298)**	(14,290)
(Payments) for Intangible Assets		**(398)**	(650)
(Payments) for Investments with DH		**0**	0
(Payments) for Other Financial Assets		**0**	0
(Payments) for Financial Assets (LIFT)		**0**	0
Proceeds of disposal of assets held for sale (PPE)		**0**	297
Proceeds of disposal of assets held for sale (Intangible)		**0**	0
Proceeds from Disposal of Investment with DH		**0**	0
Proceeds from Disposal of Other Financial Assets		**0**	0
Proceeds from the disposal of Financial Assets (LIFT)		**0**	0
Loans Made in Respect of LIFT		**0**	0
Loans Repaid in Respect of LIFT		**0**	0
Rental Revenue		**0**	0
Net Cash Inflow/(Outflow) from Investing Activities		**(13,664)**	(14,616)
Net Cash Inform / (outflow) before Financing		**(24,426)**	(20,380)
Cash Flows from Financing Activities			
Gross Temporary (2014/15 only) and Permanent PDC Received		**18**	26,129
Gross Temporary (2014/15 only) and Permanent PDC Repaid		**0**	(10,500)
Loans received from DH - New Capital Investment Loans	29	**6,651**	1,590
Loans received from DH - New Revenue Support Loans	29	**35,351**	0
Other Loans Received	29	**73**	118
Loans repaid to DH - Capital Investment Loans Repayment of Principal	29	**(427)**	0
Loans repaid to DH - Working Capital Loans/Revenue Support Loans	29	**(16,500)**	0
Other Loans Repaid	29	**(208)**	(288)
Cash transferred to NHS Foundation Trusts or on dissolution		**0**	0
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT		**(44)**	0
Capital grants and other capital receipts (excluding donated / government granted cash receipts)		**0**	0
Net Cash Inflow/(Outflow) from Financing Activities		**24,914**	17,049
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**488**	(3,331)
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		**1,114**	4,445
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	25	**1,602**	1,114

NOTES TO THE ACCOUNTS

1. Accounting Policies

The Secretary of State for Health has directed that the financial statements of NHS Trusts shall meet the accounting requirements of the Department of Health Group Manual for Accounts, which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the DH Group Manual for Accounts 2015-16 issued by the Department of Health. The accounting policies contained in that manual follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the Manual for Accounts permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the trust for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Trust are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

1.1.1 Basis of accounting – going concern

As described in the Directors' Report of the Annual Report, the current financial environment for all NHS Trusts is unprecedented. The Trust is incurred a deficit of £20.15m in 2015-16 with the recurrent nature of the financial position leading the Board to agree a deficit plan of £27.4m for the 2016/17 financial year. In so doing, the Directors have considered the impact of incurring a deficit in terms of cash flow and have included a requirement for additional cash borrowing of £27.4m in the FY16-17 NHS Improvement (NHSI) plan submission.

The Board of Directors has concluded that the Trust is able to demonstrate that it is a going concern on the following basis;

- Agreement of the 2016/17 annual plan, key assumptions and associated cashflow financing with NHS Improvement to include access a Revolving Working Capital Facility to finance the planned deficit.
- The Trust has signed service contracts with CCGs and Specialised Commissioners for 2016/17 which demonstrate the continuation of the provision of a service in the future. Contracts are agreed on the basis of fully compliant Payment by Results (PbR) contracts.
- The Department of Health and NHS Improvement will confirm to the Trust arrangements for accessing Interim Working Capital Facilities to manage operational cashflow during 2016/17 with further longer term revenue loans to be arranged to finance longer term debt. The Board will consider the conditions for accepting loans in approving each application and will take steps to develop a formal recovery plan to address the accumulated deficit in the medium term in conjunction with NHS Improvement.
- Previous guidance issued by Regulators and External Auditors that the reporting of an actual or planned deficit should not in itself trigger difficulties in respect of the concept of going concern.
- Robust arrangements are in place for the delivery of cost improvement plans supported by a revised governance and accountability framework to ensure delivery.
- For the period ended 31st March 2016, the Trust has a cumulative deficit of £29.5m (11%) for the purposes of calculating the statutory NHS breakeven duty. The Trust must therefore recover this deficit over the next financial year (or a longer period where agreed by NHSI) to avoid breaching the Statutory Breakeven duty.

In preparing the annual plan for 2016/17 the Directors have considered a range of risks to the financial position, notably the identification of a robust CIP programme in and a medium term financial recovery plan. The Board remains reasonably confident that the plan will be delivered, enabling on-going operations to continue. After making enquiries, and considering the uncertainties described above, the Directors have a reasonable expectation that the Trust will have access to adequate cash resources through the NHSI to continue in operational existence for the foreseeable future.

1.2 Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

1.3 Movement of assets within the DH Group

Transfers as part of reorganisation fall to be accounted for by use of absorption accounting in line with the Treasury FReM. The FReM does not require retrospective adoption, so prior year transactions (which have been accounted for under merger accounting) have not been restated. Absorption accounting requires that entities account for their transactions in the period in which they took place, with no restatement of performance required when functions transfer within the public sector. Where assets and liabilities transfer, the gain or loss resulting is recognised in the SOCI, and is disclosed separately from operating costs.

Other transfers of assets and liabilities within the Group are accounted for in line with IAS 20 and similarly give rise to income and expenditure entries.

1.4 Charitable Funds

Under the provisions of IAS 27 Consolidated and Separate Financial Statements, those Charitable Funds that fall under common control with NHS bodies are consolidated within the entity's financial statements. In accordance with IAS 1 Presentation of Financial Statements, restated prior period accounts are presented where the adoption of the new policy has a material impact. The Trust has decided not to consolidate the charity on the basis of materiality.

NOTES TO THE ACCOUNTS

Notes to the Accounts - 1. Accounting Policies (Continued)

1.5 Critical accounting judgements and key sources of estimation uncertainty

In the application of the NHS Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.5.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the NHS Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

- Ongoing status as a going concern;
- That no major service discontinuation is anticipated;
- Selection of indices for land and building valuations;
- All lease liabilities have been identified through a review of contract documentation.

1.5.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- Provisions - estimation provided to assess likelihood of possible financial obligations;
- Partially completed spells - estimation required regarding length of stay and case mix;
- Employee Benefits - estimate of levels of employee benefits not fully paid in year;
- Receivables - including injury cost recovery and other accounts receivable - estimation required to assess the level of where it is probable that the debt is irrecoverable

Further details of these estimations are given with each related note to the Accounts.

1.6 Revenue

Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable. The main source of revenue for the Trust is from commissioners for healthcare services. Revenue relating to patient care spells that are part-completed at the year end are apportioned across the financial years on the basis of length of stay at the end of the reporting period compared to expected total length of stay using the financial year's case-mix and tariff rules.
Where income is received for a specific activity that is to be delivered in the following year, that income is deferred.

The NHS trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid e.g. by an insurer. The NHS Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts.

Income from sale of goods relates includes catering and car parking.

1.7 Employee Benefits

Short-term employee benefits

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

Retirement benefit costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the Trust commits itself to the retirement, regardless of the method of payment.

1.8 Other expenses

Other operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.

NOTES TO THE ACCOUNTS

Notes to the Accounts - 1. Accounting Policies (Continued)

1.9 Property, plant and equipment

Recognition
Property, plant and equipment is capitalised if:
- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

Valuation
All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at fair value.
Land and buildings used for the Trust's services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any impairment.

Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:
- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.

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

Fixtures and equipment are carried at fair value, with the carrying value of existing assets written off over their remaining useful lives. The Trust only indexes equipment where the asset life is greater than 5 years, using the CHAZ index, which is RPI less housing costs.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Income.

Subsequent expenditure
Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.10 Intangible assets

Recognition
Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the Trust; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

NOTES TO THE ACCOUNTS

Notes to the Accounts - 1. Accounting Policies (Continued)

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to sell or use the intangible asset
- how the intangible asset will generate probable future economic benefits or service potential
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

Measurement
The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

1.11 Depreciation, amortisation and impairments
Freehold land, properties under construction, and assets held for sale are not depreciated.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the NHS Trust expects to obtain economic benefits or service potential from the asset. This is specific to the NHS Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over their estimated useful lives.

At each reporting period end, the NHS Trust checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

Impairments are analysed between Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME). This is necessary to comply with Treasury's budgeting guidance. DEL limits are set in the Spending Review and Departments may not exceed the limits that they have been set.

AME budgets are set by the Treasury and may be reviewed with departments in the run-up to the Budget. Departments need to monitor AME closely and inform Treasury if they expect AME spending to rise above forecast. Whilst Treasury accepts that in some areas of AME inherent volatility may mean departments do not have the ability to manage the spending within budgets in that financial year, any expected increases in AME require Treasury approval.

1.12 Donated assets
Donated non-current assets are capitalised at their fair value on receipt, with a matching credit to income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are as described above for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

1.13 Government grants
Government grant funded assets are capitalised at their fair value on receipt, with a matching credit to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

1.14 Non-current assets held for sale
Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

NOTES TO THE ACCOUNTS

Notes to the Accounts - 1. Accounting Policies (Continued)

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of Comprehensive Income. On disposal, the balance for the asset on the revaluation reserve is transferred to retained earnings.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

1.15 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The Trust as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are recognised in calculating the Trust's surplus/deficit.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

The NHS Trust as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the NHS Trust's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

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

1.16 Inventories

Drugs and consumables are valued at current replacement costs; this is considered to be a reasonable approximation to fair value due to the high turnover of stocks. Fuel Oil is valued at the lower of cost and net realisable value, recognising that it has limited commercial value.

1.17 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the NHS Trust's cash management.

1.18 Provisions

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's applicable discount rate in real terms (1.37% for employee early departure obligations).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

A restructuring provision is recognised when the Trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

NOTES TO THE ACCOUNTS

Notes to the Accounts - 1. Accounting Policies (Continued)

1.19 Clinical negligence costs
The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the trust pays an annual contribution to the NHSLA which in return settles all clinical negligence claims. The contribution is charged to expenditure. Although the NHSLA is administratively responsible for all clinical negligence cases the legal liability remains with the NHS Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the trust is disclosed at Note 34.

1.20 Non-clinical risk pooling
The NHS Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the NHS Trust pays an annual contribution to the NHS Litigation Authority and, in return, receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses as and when they become due.

1.21 Carbon Reduction Commitment Scheme (CRC)
CRC and similar allowances are accounted for as government grant funded intangible assets if they are not expected to be realised within twelve months, and otherwise as other current assets. They are valued at open market value. As the NHS body makes emissions, a provision is recognised with an offsetting transfer from deferred income. The provision is settled on surrender of the allowances. The asset, provision and deferred income amounts are valued at fair value at the end of the reporting period.

1.22 Contingencies
A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the NHS Trust, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the NHS Trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

1.23 Financial assets
Financial assets are recognised when the NHS Trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are classified into the following categories: financial assets at fair value through profit and loss; held to maturity investments; available for sale financial assets, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit and loss
The Trust has not identified any Financial Assets at fair value through profit and loss. Should any of these be identified in the future, further disclosures will be given.

Held to maturity investments
Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Available for sale financial assets
The Trust has not identified any Available for sale financial assets. Should any of these be identified in the future, further disclosures will be given.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the initial fair value of the financial asset.

At the end of the reporting period, the NHS trust assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in expenditure and the carrying amount of the asset is reduced directly.

NOTES TO THE ACCOUNTS

Notes to the Accounts - 1. Accounting Policies (Continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.24 Financial liabilities

Financial liabilities are recognised on the statement of financial position when the NHS Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Loans from the Department of Health are recognised at historical cost. Otherwise, financial liabilities are initially recognised at fair value.

1.25 Value Added Tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.26 Foreign currencies

The Trust's functional currency and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in the Trust's surplus/deficit in the period in which they arise.

1.27 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. Details of third party assets are given in Note 41 to the accounts.

1.28 Public Dividend Capital (PDC) and PDC dividend

Public dividend capital represents taxpayers' equity in the NHS Trust. At any time the Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received. As PDC is issued under legislation rather than under contract, it is not treated as an equity financial instrument.

An annual charge, reflecting the cost of capital utilised by the Trust, is payable to the Department of Health as public dividend capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities (except for donated assets and cash balances with the Government Banking Service). The average carrying amount of assets is calculated as a simple average of opening and closing relevant net assets.

In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

1.29 Losses and Special Payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had Trust not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses and compensations register which reports amounts on an accruals basis with the exception of provisions for future losses.

1.30 Subsidiaries

Material entities over which the NHS Trust has the power to exercise control are classified as subsidiaries and are consolidated. The NHS Trust has control when it is exposed to or has rights to variable returns through its power over another entity. The income and expenses; gains and losses; assets, liabilities and reserves; and cash flows of the subsidiary are consolidated in full into the appropriate financial statement lines. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the NHS Trust or where the subsidiary's accounting date is not co-terminus.

Subsidiaries that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'.

The Trust has not identified any subsidiaries. Should any of these be identified in the future, further disclosures will be provided.

From 2013-14, there is a requirement for Trust's to consolidate the results of Charitable Funds over which it considers it has the power to exercise control in accordance with IFRS10 requirements, however the Trust has decided not to consolidate on the basis of materiality. The Northamptonshire Health Charitable Fund will move to an independent status from 1 April 2016.

NOTES TO THE ACCOUNTS

Notes to the Accounts - 1. Accounting Policies (Continued)

1.31 Associates

Material entities over which the NHS Trust has the power to exercise significant influence so as to obtain economic or other benefits are classified as associates and are recognised in the NHS Trust's accounts using the equity method. The investment is recognised initially at cost and is adjusted subsequently to reflect the NHS Trust share of the entity's profit/loss and other gains/losses. It is also reduced when any distribution is received by the NHS Trust from the entity.

Associates that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'. The Trust has not identified any Associates. Should any of these be identified in the future, further disclosures will be provided.

1.32 Joint arrangements

Material entities over which the NHS Trust has joint control with one or more other entities are classified as joint arrangements. Joint control is the contractually agreed sharing of control of an arrangement. A joint arrangement is either a joint operation or a joint venture.

A joint operation exists where the parties that have joint control have rights to the assets and obligations for the liabilities relating to the arrangement. Where the Trust is a joint operator it recognises its share of, assets, liabilities, income and expenses in its own accounts. The Trust has not identified any joint operations. Should any of these be identified in the future, further disclosures will be provided.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint ventures are recognised as an investment and accounted for using the equity method. The Trust has not identified any joint ventures. Should any of these be identified in the future, further disclosures will be provided.

1.33 Accounting Standards that have been issued but have not yet been adopted

The HM Treasury FReM does not require the following Standards and Interpretations to be applied in 2015-16. These standards are still subject to HM Treasury FReM interpretation, with IFRS 9 and IFRS 15 being for implementation in 2018-19, and the government implementation date for IFRS 16 still subject to HM Treasury consideration.

- IFRS 9 *Financial Instruments* – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted
- IFRS 15 *Revenue for Contracts with Customers* - Application required for accounting periods beginning on or after 1 January 2017, but not yet adopted by the FReM: early adoption is not therefore permitted
- IFRS 16 *Leases* – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.

2. Pooled budgets

The NHS Trust does not have any pooled budget arrangements.

3. Operating segments

The Trust Board considers all of its operations to be the provision of Healthcare operated as a single segment.

4. Income generation activities

The Trust has no formal registered income generation schemes.
For the purpose of reporting Catering and Non-staff car parking are treated as income generation activities.
The combined income and costs of these schemes are shown below.

Summary Table - aggregate of all schemes	**2015-16 £000s**	2014-15 £000s
Income	**2,585**	2,427
Full cost	**1,239**	1,129
Surplus/(deficit)	**1,346**	1,298

5. Revenue from patient care activities

	2015-16 £000s	2014-15 £000s
NHS Trusts	**0**	0
NHS England	**41,332**	40,637
Clinical Commissioning Groups	**204,058**	199,139
Foundation Trusts	**829**	253
Department of Health	**0**	0
NHS Other (including Public Health England and Prop Co)	**107**	0
Additional income for delivery of healthcare services	**0**	0
Non-NHS:		
Local Authorities	**0**	0
Private patients	**792**	901
Overseas patients (non-reciprocal)	**185**	203
Injury costs recovery	**1,468**	1,318
Other	**0**	0
Total Revenue from patient care activities	**248,771**	242,451

6. Other operating revenue

	2015-16 £000s	2014-15 £000s
Recoveries in respect of employee benefits	**3,021**	3,230
Patient transport services	**0**	0
Education, training and research	**11,306**	10,278
Charitable and other contributions to revenue expenditure - NHS	**0**	0
Charitable and other contributions to revenue expenditure -non- NHS	**427**	232
Receipt of donations for capital acquisitions - Charity	**177**	294
Support from DH for mergers	**0**	**0**
Receipt of Government grants for capital acquisitions	**0**	0
Non-patient care services to other bodies	**1,415**	2,077
Income generation (Other fees and charges)	**2,585**	2,427
Rental revenue from finance leases	**0**	0
Rental revenue from operating leases	**45**	28
Other revenue	**5,815**	9,341
Total Other Operating Revenue	**24,791**	27,907
Total operating revenue	**273,562**	270,358

Other revenue includes :
Pharmacy Sales £1,810k (£5,828k)
Accommodation Charges £483k (£477k)
Provision of Services to private hospitals £482k (£402k)

7. Overseas Visitors Disclosure

	2015-16 £000	2014-15 £000s
Income recognised during 2015-16 (invoiced amounts and accruals)	**185**	203
Cash payments received in-year (re receivables at 31 March 2015)	**23**	45
Cash payments received in-year (iro invoices issued 2014-15)	**35**	46
Amounts added to provision for impairment of receivables (re receivables at 31 March 2014)	**11**	42
Amounts added to provision for impairment of receivables (iro invoices issued 2014-15)	**193**	148
Amounts written off in-year (irrespective of year of recognition)	**140**	146

8. Operating expenses

	2015-16 £000s	2014-15 £000s
Services from other NHS Trusts	234	8
Services from CCGs/NHS England	0	0
Services from other NHS bodies	0	0
Services from NHS Foundation Trusts	1,260	1,224
Total Services from NHS bodies*	1,494	1,232
Purchase of healthcare from non-NHS bodies	2,901	2,842
Purchase of Social Care	0	0
Trust Chair and Non-executive Directors	54	55
Supplies and services - clinical	57,614	57,801
Supplies and services - general	3,401	3,258
Consultancy services	774	1,527
Establishment	2,998	2,936
Transport	139	218
Service charges - ON-SOFP PFIs and other service concession arrangements	0	0
Service charges - On-SOFP LIFT contracts	0	0
Total charges - Off-SOFP PFIs and other service concession arrangements	0	0
Total charges - Off-SOFP LIFT contracts	0	0
Business rates paid to local authorities	771	746
Premises	8,913	7,319
Hospitality	8	5
Insurance	215	220
Legal Fees	296	320
Impairments and Reversals of Receivables	790	618
Inventories write down	141	100
Depreciation	9,006	10,358
Amortisation	935	1,049
Impairments and reversals of property, plant and equipment	(3,315)	3,338
Impairments and reversals of intangible assets	0	0
Impairments and reversals of financial assets [by class]	0	0
Impairments and reversals of non current assets held for sale	0	0
Internal Audit Fees	141	287
Audit fees	54	72
Other auditor's remuneration	46	36
Clinical negligence	5,718	5,895
Research and development (excluding staff costs)	0	0
Education and Training	757	639
Change in Discount Rate	13	0
Other	969	750
Total Operating expenses (excluding employee benefits)	94,833	101,621

Supplies & services clinical includes value of drugs including gases of £27,757k (£29,275k)

Other auditors remuneration includes :
KPMG £46k (£36k)
- Expenses in relation to Salary Sacrifice Schemes £34k (£24k)
- Quality Accounts Audit Fee £12k (£12k)

Other expenditure includes :
Translation Services £91k (£76k)
Home Oxygen Service £126k (£132k)
Professional Subscriptions £171k (£139k)

Employee Benefits		
Employee benefits excluding Board members	189,809	183,237
Board members	1,474	1,286
Total Employee Benefits	191,283	184,523
Total Operating Expenses	286,116	286,144

*Services from NHS bodies does not include expenditure which falls into a category below

9. Operating Leases

The Trust has a variety of operating leases, the majority of which when considered on an individual basis are of non material value. These include medical equipment, leased cars, photocopiers and pathology systems.

9.1. Northampton General Hospital NHS Trust as lessee

	Other £000s	2015-16 Total £000s	2014-15 £000s
Payments recognised as an expense			
Minimum lease payments		**579**	549
Contingent rents		**0**	0
Sub-lease payments		**0**	0
Total		**579**	549
Payable:			
No later than one year	533	**533**	514
Between one and five years	602	**602**	658
After five years	0	**0**	0
Total	**1,135**	**1,135**	1,172
Total future sublease payments expected to be received:		0	0

9.2. Northampton General Hospital NHS Trust as lessor

An optician's shop operates on the Trust's site under an operating lease.

	2015-16 £000	2014-15 £000s
Recognised as revenue		
Rental revenue	45	28
Contingent rents	0	0
Total	**45**	28
Receivable:		
No later than one year	45	28
Between one and five years	0	0
After five years	0	0
Total	**45**	28

A nursery is situated on the hospital site, the building being originally funded by the childcare provider, with the land being leased at a peppercorn rent. At the end of the lease the building has the potential to transfer to the Trust, this is currently assumed to have a zero fair value.

10. Employee benefits and staff numbers

10.1. Employee benefits

	2015-16 Total £000s	Permanently employed £000s	Other £000s
Employee Benefits - Gross Expenditure			
Salaries and wages	**163,187**	144,515	18,672
Social security costs	**11,754**	11,754	0
Employer Contributions to NHS BSA - Pensions Division	**16,333**	16,333	0
Other pension costs	**9**	9	0
Termination benefits	**0**	0	0
Total employee benefits	**191,283**	**172,611**	**18,672**
Employee costs capitalised	**0**	0	0
Gross Employee Benefits excluding capitalised costs	**191,283**	**172,611**	**18,672**

Employee Benefits - Gross Expenditure 2014-15	Total £000s	Permanently employed £000s	Other £000s
Salaries and wages	157,138	141,107	16,031
Social security costs	11,567	11,567	0
Employer Contributions to NHS BSA - Pensions Division	15,812	15,812	0
Other pension costs	6	6	0
Termination benefits	0	0	0
TOTAL - including capitalised costs	184,523	168,492	16,031
Employee costs capitalised	0	0	0
Gross Employee Benefits excluding capitalised costs	184,523	168,492	16,031

10.2. Staff Numbers

	2015-16 Total Number	Permanently employed Number	Other Number	2014-15 Total Number
Average Staff Numbers				
Medical and dental	**529**	493	36	534
Ambulance staff	**0**	0	0	0
Administration and estates	**983**	910	73	984
Healthcare assistants and other support staff	**1,065**	875	190	1,003
Nursing, midwifery and health visiting staff	**1,411**	1,268	143	1,364
Nursing, midwifery and health visiting learners	**0**	0	0	0
Scientific, therapeutic and technical staff	**515**	480	35	509
Social Care Staff	**0**	0	0	0
Healthcare Science Staff	**148**	148	0	152
Other	**0**	0	0	0
TOTAL	**4,651**	**4,174**	**477**	4,546
Of the above - staff engaged on capital projects	**0**	0	0	0

10.3. Staff Sickness absence and ill health retirements

	2015-16 Number	2014-15 Number
Total Days Lost	38,400	40,921
Total Staff Years	4,143	4,111
Average working Days Lost	9.27	9.95

	2015-16 Number	2014-15 Number
Number of persons retired early on ill health grounds	**4**	2
	£000s	£000s
Total additional pensions liabilities accrued in the year	**135**	82

10.4. Exit Packages agreed in 2015-16

2015-16

Exit package cost band (including any special payment element)	*Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed.	Total number of exit packages	Total cost of exit packages	Number of Departures where special payments have been made	Cost of special payment element included in exit packages
	Number	£s	Number	£s	Number	£s	Number	£
Less than £10,000	0	0	0	0	0	0	0	0
£10,000-£25,000	0	0	0	0	0	0	0	0
£25,001-£50,000	0	0	0	0	0	0	0	0
£50,001-£100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

2014-15

Exit package cost band (including any special payment element)	*Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed.	Total number of exit packages	Total cost of exit packages	Number of Departures where special payments have been made	Cost of special payment element included in exit packages
	Number	£s	Number	£s	Number	£s	Number	£
Less than £10,000	0	0	0	0	0	0	0	0
£10,000-£25,000	0	0	0	0	0	0	0	0
£25,001-£50,000	0	0	0	0	0	0	0	0
£50,001-£100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Scheme. Exit costs in this note are accounted for in full in the year of departure. Where the Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table.

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

The Trust has no exit package costs in 2015/16.

10.5. Exit packages - Other Departures analysis

	2015-16 Agreements	Total value of agreements	2014-15 Agreements	Total value of agreements
	Number	£000s	Number	£000s
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	0	0	0	0
Early retirements in the efficiency of the service contractual costs	0	0	0	0
Contractual payments in lieu of notice	0	0	0	0
Exit payments following Employment Tribunals or court orders	0	0	0	0
Non-contractual payments requiring HMT approval*	0	0	0	0
Total	0	0	0	0
Non-contractual payments made to individuals where the payment value was more than 12 months of their annual salary	0	0	0	0

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

As a single exit packages can be made up of several components each of which will be counted separately in this Note, the total number above will not necessarily match the total numbers in Note 10.4 which will be the number of individuals.

*includes any non-contractual severance payment made following judicial mediation, and relating to non-contractual payments in lieu of notice..

The Remuneration Report includes disclosure of exit payments payable to individuals named in that Report.

The Trust has no exit package costs in 2015/16.

10.6. Pension costs

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

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

a) Accounting valuation
A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2016, is based on valuation data as 31 March 2015, updated to 31 March 2016 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation
The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account their recent demographic experience), and to recommend contribution rates payable by employees and employers.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

11. Better Payment Practice Code

11.1. Measure of compliance

	2015-16 Number	2015-16 £000s	2014-15 Number	2014-15 £000s
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	**97,099**	**104,056**	91,221	107,061
Total Non-NHS Trade Invoices Paid Within Target	**96,360**	**103,534**	87,753	104,787
Percentage of NHS Trade Invoices Paid Within Target	**99.24%**	**99.50%**	96.20%	97.88%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	**2,154**	**19,783**	2,214	18,835
Total NHS Trade Invoices Paid Within Target	**2,132**	**19,746**	2,085	18,234
Percentage of NHS Trade Invoices Paid Within Target	**98.98%**	**99.81%**	94.17%	96.81%

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

11.2. The Late Payment of Commercial Debts (Interest) Act 1998

	2015-16 £000s	2014-15 £000s
Amounts included in finance costs from claims made under this legislation	**3**	0
Compensation paid to cover debt recovery costs under this legislation	**0**	0
Total	**3**	0

12. Investment Revenue

	2015-16 £000s	2014-15 £000s
Rental revenue		
PFI finance lease revenue (planned)	**0**	0
PFI finance lease revenue (contingent)	**0**	0
Other finance lease revenue	**0**	0
Subtotal	**0**	0
Interest revenue		
LIFT: equity dividends receivable	**0**	0
LIFT: loan interest receivable	**0**	0
Bank interest	**13**	15
Other loans and receivables	**19**	12
Impaired financial assets	**0**	0
Other financial assets	**0**	0
Subtotal	**32**	27
Total investment revenue	**32**	27

13. Other Gains and Losses

	2015-16 £000s	2014-15 £000s
Gain/(Loss) on disposal of assets other than by sale (PPE)	**(83)**	2
Gain/(Loss) on disposal of assets other than by sale (intangibles)	**0**	0
Gain/(Loss) on disposal of Financial Assets other then held for sale	**0**	0
Gain (Loss) on disposal of assets held for sale	**0**	0
Gain/(loss) on foreign exchange	**0**	0
Change in fair value of financial assets carried at fair value through the SoCI	**0**	0
Change in fair value of financial liabilities carried at fair value through the SoCI	**0**	0
Change in fair value of investment property	**0**	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	**0**	0
Total	**(83)**	2

14. Finance Costs

	2015-16 £000s	2014-15 £000s
Interest		
Interest on loans and overdrafts	**387**	0
Interest on obligations under finance leases	**33**	0
Interest on obligations under PFI contracts:		
- main finance cost	**0**	0
- contingent finance cost	**0**	0
Interest on obligations under LIFT contracts:		
- main finance cost	**0**	0
- contingent finance cost	**0**	0
Interest on late payment of commercial debt	**3**	0
Total interest expense	**423**	0
Other finance costs	**8**	11
Provisions - unwinding of discount	**9**	11
Total	**440**	22

15.1. Property, plant and equipment

2015-16	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Cost or valuation:									
At 1 April 2015	19,930	101,205	576	2,786	39,083	63	16,867	175	**180,685**
Additions of Assets Under Construction	0	0	0	6,248	0	0	0	0	**6,248**
Additions Purchased	0	4,199	0	0	3,282	5	2,450	0	**9,936**
Additions - Non Cash Donations (i.e. physical assets)	0	0	0	0	7	0	0	0	**7**
Additions - Purchases from Cash Donations & Government Grants	0	0	0	5	165	0	0	0	**170**
Additions Leased (including PFI/LIFT)	0	1,410	0	0	0	0	0	0	**1,410**
Reclassifications	0	2,598	0	(5,606)	2,346	0	662	0	**0**
Reclassifications as Held for Sale and reversals	0	(382)	0	0	0	0	0	0	**(382)**
Disposals other than for sale	0	0	0	0	(5,596)	0	(904)	0	**(6,500)**
Revaluation/positive indexation	(6,730)	10,410	0	0	42	0	0	0	**3,722**
Impairment/reversals charged to operating expenses	0	3,315	0	0	0	0	0	0	**3,315**
Impairments/reversals charged to reserves	0	0	0	0	0	0	0	0	**0**
Transfers to NHS Foundation Trust on authorisation as FT	0	0	0	0	0	0	0	0	**0**
Transfers (to)/from Other Public Sector Bodies under Absorption Accountin	0	0	0	0	0	0	0	0	**0**
At 31 March 2016	**13,200**	**122,755**	**576**	**3,433**	**39,329**	**68**	**19,075**	**175**	**198,611**
Depreciation									
At 1 April 2015	0	0	0	0	28,666	47	10,435	115	**39,263**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Reclassifications as Held for Sale and reversals	0	(7)	0	0	0	0	0	0	**(7)**
Disposals other than for sale	0	0	0	0	(5,484)	0	(904)	0	**(6,388)**
Revaluation/positive indexation	0	(2,215)	0	0	31	0	0	0	**(2,184)**
Impairment/reversals charged to reserves	0	0	0	0	0	0	0	0	**0**
Impairments/reversals charged to operating expenses	0	0	0	0	0	0	0	0	**0**
Charged During the Year	0	3,356	21	0	3,184	4	2,412	29	**9,006**
Transfers to NHS Foundation Trust on authorisation as FT	0	0	0	0	0	0	0	0	**0**
Transfers (to)/from Other Public Sector Bodies under Absorption Accountin	0	0	0	0	0	0	0	0	**0**
At 31 March 2016	**0**	**1,134**	**21**	**0**	**26,397**	**51**	**11,943**	**144**	**39,690**
Net Book Value at 31 March 2016	**13,200**	**121,621**	**555**	**3,433**	**12,932**	**17**	**7,132**	**31**	**158,921**
Asset financing:									
Owned - Purchased	13,200	112,892	555	3,428	12,418	17	7,112	7	**149,629**
Owned - Donated	0	7,354	0	5	514	0	20	24	**7,917**
Owned - Government Granted	0	0	0	0	0	0	0	0	**0**
Held on finance lease	0	1,375	0	0	0	0	0	0	**1,375**
On-SOFP PFI contracts	0	0	0	0	0	0	0	0	**0**
PFI residual: interests	0	0	0	0	0	0	0	0	**0**
Total at 31 March 2016	**13,200**	**121,621**	**555**	**3,433**	**12,932**	**17**	**7,132**	**31**	**158,921**

Cost or Valuation: Revaluation / positive indexation consists of revaluation of Land (£6,730k) and Buildings (excluding dwellings) £7,980k and indexation of Buildings (excluding dwellings) £2,430k and Plant & Machinery £42k

Depreciation: Revaluation / positive indexation consists of revaluation of Buildings (excluding dwellings) (£2,215k) and indexation of Plant & Machinery £31k

Revaluation Reserve Balance for Property, Plant & Equipment

	Land	Buildings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2015	11,072	24,009	0	0	797	1	0	0	**35,879**
Movements - revaluation and indexation	(6,616)	12,497	0	0	(325)	0	0	0	**5,556**
At 31 March 2016	**4,456**	**36,506**	**0**	**0**	**472**	**1**	**0**	**0**	**41,435**

Additions to Assets Under Construction in 2015-16

Land	0
Buildings excl Dwellings	1,168
Dwellings	0
Plant & Machinery	5,080
Balance as at YTD	**6,248**

15.2. Property, plant and equipment prior-year

2014-15	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Cost or valuation:									
At 1 April 2014	20,100	106,288	586	5,174	39,745	56	14,325	391	**186,665**
Additions of Assets Under Construction				5,684					**5,684**
Additions Purchased	0	3,439	0		2,521	6	1,680	0	**7,646**
Additions - Non Cash Donations (i.e. Physical Assets)	0	0	0	0	149	0	0	0	**149**
Additions - Purchases from Cash Donations & Government Grants	0	(9)	0	79	45	0	30	0	**145**
Additions Leased (including PFI/LIFT)	0	0	0		0	0	0	0	**0**
Reclassifications	0	4,404	0	(6,012)	0	0	1,583	0	**(25)**
Reclassifications as Held for Sale and Reversals	0	(308)	0	0	0	0	0	0	**(308)**
Disposals other than for sale	0	(432)	0	0	(4,200)	0	(751)	(216)	**(5,599)**
Revaluation/positive indexation	(170)	(12,177)	(10)	(1,222)	823	1	0	0	**(12,755)**
Impairments/negative indexation charged to reserves	0	0	0	0	0	0	0	0	**0**
Reversal of Impairments charged to reserves	0	0	0	0	0	0	0	0	**0**
Transfers (to)/from Other Public Sector Bodies under Absorption Accountin	0	0	0	0	0	0	0	0	**0**
At 31 March 2015	**19,930**	**101,205**	**576**	**3,703**	**39,083**	**63**	**16,867**	**175**	**181,602**
Depreciation									
At 1 April 2014	0	7,204	79	0	28,675	41	9,255	298	**45,552**
Reclassifications	0	0	0		0	0	0	0	**0**
Reclassifications as Held for Sale and Reversals	0	(40)	0		0	0	0	0	**(40)**
Disposals other than for sale	0	(425)	0		(4,180)	0	(751)	(216)	**(5,572)**
Revaluation/positive indexation	(1)	(14,018)	(10)		572	1	0	0	**(13,456)**
Impairments/negative indexation charged to operating expenses	1	4,786	0	917	1	0	0	0	**5,705**
Reversal of Impairments charged to operating expenses	0	(2,268)	(99)	0	0	0	0	0	**(2,367)**
Charged During the Year	0	4,761	30		3,598	5	1,931	33	**10,358**
Transfers (to)/from Other Public Sector Bodies under Absorption Accountin	0	0	0		0	0	0	0	**0**
At 31 March 2015	**0**	**0**	**0**	**917**	**28,666**	**47**	**10,435**	**115**	**40,180**
Net Book Value at 31 March 2015	**19,930**	**101,205**	**576**	**2,786**	**10,417**	**16**	**6,432**	**60**	**141,422**
Asset financing:									
Owned - Purchased	19,930	94,469	576	2,786	9,889	16	6,400	12	**134,078**
Owned - Donated	0	6,736	0	0	528	0	32	48	**7,344**
Owned - Government Granted	0	0	0	0	0	0	0	0	**0**
Held on finance lease	0	0	0	0	0	0	0	0	**0**
On-SOFP PFI contracts	0	0	0	0	0	0	0	0	**0**
PFI residual: interests	0	0	0	0	0	0	0	0	**0**
Total at 31 March 2015	**19,930**	**101,205**	**576**	**2,786**	**10,417**	**16**	**6,432**	**60**	**141,422**

15.3. (cont). Property, plant and equipment

Donated equipment to the value of £165k & preliminary building costs for the Chemotherapy Suite to the value of £5k were funded by NGH Charitable Fund. A donation of a £7k floor cleaner was gifted to the Children's Wards.

Professional valuations were carried out by the District Valuers of the Revenue and Customs Government Dept and by Cushman & Wakefield from 30 September 2015.

The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual, in so far as these terms are consistent with the agreed requirements of the Department of Health and HM Treasury.

A site revaluation exercise was undertaken in the current financial year with an effective date of 30 September 2015 for land and buildings and this valuation has been incorporated into these accounts, the next revaluation exercise is due in April 2019.

Equipment is depreciated on current cost evenly over the estimated life of the asset.

Plant & Machinery	5 - 15 years
Transport	7 years
I.T.	5 years
Furniture & Fittings	5 years

Where the useful economic life of an asset is reduced from that initially estimated due to the revaluation of an asset for sale, depreciation is charged to bring the value of the asset to its value at the point of sale.

The gross carrying amount of fully depreciated assets still in use is £23,311k (£21,045k)

16. Intangible non-current assets

16.1. Intangible non-current assets

2015-16

	IT - in-house & 3rd party software	Computer Licenses	Licenses and Trademarks	Patents	Development Expenditure - Internally Generated	Total
	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2015	399	7,966	0	0	0	8,365
Additions Purchased	0	377	0	0	0	377
Additions Internally Generated	0	0	0	0	0	0
Additions - Non Cash Donations (i.e. physical assets)	0	0	0	0	0	0
Additions - Purchases from Cash Donations and Government Grants	0	0	0	0	0	0
Additions Leased (including PFI/LIFT)	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as Held for Sale and Reversals	0	0	0	0	0	0
Disposals other than by sale	0	(261)	0	0	0	(261)
Upward revaluation/positive indexation	0	0	0	0	0	0
Impairments/reversals charged to operating expenses	0	0	0	0	0	0
Impairments/reversals charged to reserves	0	0	0	0	0	0
Transfers to NHS Foundation Trust on authorisation as FT	0	0	0	0	0	0
Transfer (to)/from Other Public Sector bodies under Absorption Accounting	0	0	0	0	0	0
At 31 March 2016	399	8,082	0	0	0	8,481
Amortisation						
At 1 April 2015	262	6,275	0	0	0	6,537
Reclassifications	0	0	0	0	0	0
Reclassified as Held for Sale and Reversals	0	0	0	0	0	0
Disposals other than by sale	0	(261)	0	0	0	(261)
Upward revaluation/positive indexation	0	0	0	0	0	0
Impairment/reversals charged to reserves	0	0	0	0	0	0
Impairments/reversals charged to operating expenses	0	0	0	0	0	0
Charged During the Year	18	917	0	0	0	935
Transfers to NHS Foundation Trust on authorisation as FT	0	0	0	0	0	0
Transfer (to)/from Other Public Sector bodies under Absorption Accounting	0	0	0	0	0	0
At 31 March 2016	280	6,931	0	0	0	7,211
Net Book Value at 31 March 2016	119	1,151	0	0	0	1,270
Asset Financing: Net book value at 31 March 2016 comprises:						
Purchased	119	1,151	0	0	0	1,270
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Finance Leased	0	0	0	0	0	0
On-balance Sheet PFIs	0	0	0	0	0	0
Total at 31 March 2016	119	1,151	0	0	0	1,270

Revaluation reserve balance for intangible non-current assets						£000's
At 1 April 2015	0	0	0	0	0	0
Movements (specify)	0	0	0	0	0	0
At 31 March 2016	0	0	0	0	0	0

16.2. Intangible non-current assets prior year

2014-15	IT - in-house & 3rd party software	Computer Licenses	Licenses and Trademarks	Patents	Development Expenditure - Internally Generated	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Cost or valuation:						
At 1 April 2014	374	7,734	0	0	0	8,108
Additions - purchased	0	506	0	0	0	506
Additions - internally generated	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Additions Leased (including PFI/LIFT)	0	0	0	0	0	0
Reclassifications	25	0	0	0	0	25
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	(274)	0	0	0	(274)
Upward revaluation/positive indexation	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
Transfer (to)/from Other Public Sector bodies under Absorption Accounting	0	0	0	0	0	0
At 31 March 2015	399	7,966	0	0	0	8,365
Amortisation						
At 1 April 2014	181	5,581	0	0	0	5,762
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	(274)	0	0	0	(274)
Upward revaluation/positive indexation	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0
Reversal of impairments charged to operating expenses	0	0	0	0	0	0
Charged during the year	81	968	0	0	0	1,049
Transfer (to)/from Other Public Sector bodies under Absorption Accounting	0	0	0	0	0	0
At 31 March 2015	262	6,275	0	0	0	6,537
Net book value at 31 March 2015	137	1,691	0	0	0	1,828
Net book value at 31 March 2015 comprises:						
Purchased	137	1,691	0	0	0	1,828
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Finance Leased	0	0	0	0	0	0
On-balance Sheet PFIs	0	0	0	0	0	0
Total at 31 March 2015	137	1,691	0	0	0	1,828

16.3. Intangible non-current assets

Intangible assets, software licenses and application software development are capitalised when they are capable of being used in a Trust's activities for more than one year; they can be valued; and they have a cost of at least £5,000.

Intangible assets held for operational use are valued at historical cost and are depreciated over the estimated life of the asset on a straight line basis. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

For the purpose of determining fair value historical cost is considered to be the most accurate basis considering the nature of software evolution and development.

Intangible Assets are depreciated on current cost evenly over the estimated life of the asset, which is determined on a case by case basis between 3 and 5 years.

The gross carrying amount of fully depreciated assets still in use is £5,129k (£3,684k)

17. Analysis of impairments and reversals recognised in 2015-16

	2015-16 Total £000s
Property, Plant and Equipment Impairments and reversals taken to SoCI	
Loss or damage resulting from normal operations	0
Over-specification of assets	0
Abandonment of assets in the course of construction	0
Total charged to Departmental Expenditure Limit	0
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	(3,315)
Total charged to Annually Managed Expenditure	(3,315)
Total Impairments of Property, Plant and Equipment changed to SoCI	(3,315)
Intangible assets Impairments and reversals charged to SoCI	
Loss or damage resulting from normal operations	0
Over-specification of assets	0
Abandonment of assets in the course of construction	0
Total charged to Departmental Expenditure Limit	0
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	0
Total charged to Annually Managed Expenditure	0
Total Impairments of Intangibles charged to SoCI	0
Financial Assets charged to SoCI	
Loss or damage resulting from normal operations	0
Total charged to Departmental Expenditure Limit	0
Loss as a result of catastrophe	0
Other	0
Total charged to Annually Managed Expenditure	0
Total Impairments of Financial Assets charged to SoCI	0
Non-current assets held for sale - impairments and reversals charged to SoCI.	
Loss or damage resulting from normal operations	0
Abandonment of assets in the course of construction	0
Total charged to Departmental Expenditure Limit	0
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	0
Total charged to Annually Managed Expenditure	0
Total Impairments of non-current assets held for sale charged to SoCI	0
Total Impairments charged to SoCI - DEL	0
Total Impairments charged to SoCI - AME	(3,315)
Overall Total Impairments	(3,315)
Donated and Gov Granted Assets, included above	
PPE - Donated and Government Granted Asset Impairments: amount charged to SOCI - DEL	(153)
Intangibles - Donated and Government Granted Asset Impairments: amount charged to SOCI - DEL	0

17. Analysis of impairments and reversals recognised in 2015-16

	Property Plant and Equipment	Intangible Assets	Financial Assets	Non-Current Assets Held for Sale	Total
	£000s	£000s	£000s	£000s	£000s
Impairments and reversals taken to SoCI	0	0	0	0	
Loss or damage resulting from normal operations	0	0	0	0	0
Over-specification of assets	0	0	0	0	0
Abandonment of assets in the course of construction	0	0	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0	0	0
	0	0	0	0	
Unforeseen obsolescence	0	0	0	0	0
Loss as a result of catastrophe	0	0	0	0	0
Other	0	0	0	0	0
Changes in market price	(3,315)	0	0	0	(3,315)
Total charged to Annually Managed Expenditure	(3,315)	0	0	0	(3,315)
Total Impairments of Property, Plant and Equipment changed to SoCI	(3,315)	0	0	0	(3,315)

Donated and Gov Granted Assets, included above	£000s
PPE - Donated and Government Granted Asset Impairments: amount charged to SOCI - DEL	(153)
Intangibles - Donated and Government Granted Asset Impairments: amount charged to SOCI - DEL	0

18. Investment property

	31 March 2016	31 March 2015
	£000s	£000s
At fair value		
Balance at 1 April 2015	0	0
Additions Through Subsequent Expenditure	0	0
Other Acquisitions	0	0
Disposals	0	0
Property Reclassified as Held for Sale	0	0
Loss from Fair Value Adjustments - Impairments	0	0
Loss from Fair Value Adjustments - Reversal of Impairments	0	0
Gain from Fair Value Adjustments	0	0
Transfers to NHS Foundation Trust on authorisation as FT	0	0
Transfers (to) / from Other Public Sector Bodies under absorption accounting	0	0
Other Changes	0	0
Balance at 31 March 2016	0	0

19. Commitments

19.1. Capital commitments

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

	31 March 2016	31 March 2015
	£000s	£000s
Property, plant and equipment	3,438	2,818
Intangible assets	65	19
Total	3,503	2,837

19.2. Other financial commitments

	31 March 2016	31 March 2015
	£000s	£000s
Not later than one year	0	0
Later than one year and not later than five year	0	0
Later than five years	0	0
Total	0	0

20. Intra-Government and other balances

	Current receivables £000s	Non-current receivables £000s	Current payables £000s	Non-current payables £000s
Balances with Other Central Government Bodies	473	0	6,043	0
Balances with Local Authorities	0	0	0	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS bodies inside the Departmental Group	9,742	0	2,666	26,037
Balances with Public Corporations and Trading Funds	0	0	1	0
Balances with Bodies External to Government	6,125	209	17,249	1,411
At 31 March 2016	**16,340**	**209**	**25,959**	**27,448**
prior period:				
Balances with Other Central Government Bodies	538	0	5,482	0
Balances with Local Authorities	0	0	0	0
Balances with NHS bodies outside the Departmental Group	0	0	9	0
Balances with NHS bodies inside the Departmental Group	5,206	0	1,592	1,431
Balances with Public Corporations and Trading Funds	0	0	1	0
Balances with Bodies External to Government	5,382	215	12,000	248
At 31 March 2015	**11,126**	**215**	**19,084**	**1,679**

The increase is predominantly related to the capital and revenue support loans with the DH as outlined in note 29.

21. Inventories

	Drugs	Consumables	Work in Progress	Energy	Other	Total	Of which held at NRV
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2015	**2,422**	**3,483**	**0**	**56**	**0**	**5,961**	5,905
Additions	27,380	24,403	0	0	0	51,783	51,783
Inventories recognised as an expense in the period	(27,757)	(24,092)	0	(10)	0	(51,859)	(51,849)
Write-down of inventories (including losses)	(141)	0	0	0	0	(141)	(141)
Reversal of write-down previously taken to SOCI	0	0	0	0	0	0	0
Transfers to NHS Foundation Trust on authorisation as FT	0	0	0	0	0	0	0
Transfers (to)/from Other Public Sector Bodies under Absorption Accounting	0	0	0	0	0	0	0
Balance at 31 March 2016	**1,904**	**3,794**	**0**	**46**	**0**	**5,744**	**5,698**

22.1. Trade and other receivables

	Current		Non-current	
	31 March 2016 £000s	31 March 2015 £000s	31 March 2016 £000s	31 March 2015 £000s
NHS receivables - revenue	**9,742**	5,036	**0**	0
NHS receivables - capital	**0**	0	**0**	0
NHS prepayments and accrued income	**0**	0	**0**	0
Non-NHS receivables - revenue	**1,250**	1,426	**0**	0
Non-NHS receivables - capital	**21**	0	**0**	0
Non-NHS prepayments and accrued income	**1,923**	1,666	**0**	0
PDC Dividend prepaid to DH	**0**	170	**0**	0
Provision for the impairment of receivables	**(834)**	(1,306)	**0**	0
VAT	**473**	456	**0**	0
Current/non-current part of PFI and other PPP arrangements prepayments and accrued income	**0**	0	**0**	0
Interest receivables	**0**	0	**0**	0
Finance lease receivables	**9**	11	**209**	215
Operating lease receivables	**0**	0	**0**	0
Other receivables	**3,756**	3,667	**0**	0
Total	**16,340**	11,126	**209**	215
Total current and non current	**16,549**	11,341		
Included in NHS receivables are prepaid pension contributions:	**0**			

NHS receivables - revenue
- Estimated value of partially completed spells £1,436K (£1,604k)

Other receivables include:
- Injury Cost Recovery claims (ICR) £2,582K (£2,677k)
- Salary overpayments/other recoverable pay £546K (£499k)

The great majority of trade is with Clinical Commissioning Groups as commissioners for NHS patient care services. As Clinical Commissioning Groups are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary.

22.2. Receivables past their due date but not impaired

	31 March 2016 £000s	31 March 2015 £000s
By up to three months	**676**	1,163
By three to six months	**121**	352
By more than six months	**45**	39
Total	**842**	1,554

This includes £176k (£562k) relating to invoices raised to Clinical Commissioning Groups for Non Contracted Activity.
data

22.3. Provision for impairment of receivables

	2015-16 £000s	2014-15 £000s
Balance at 1 April 2015	(1,306)	(1,223)
Amount written off during the year	1,262	535
Amount recovered during the year	0	0
(Increase)/decrease in receivables impaired	(790)	(618)
Transfers to NHS Foundation Trust on authorisation as FT	0	0
Transfers (to)/from Other Public Sector Bodies under Absorption Accounting	0	0
Balance at 31 March 2016	(834)	(1,306)

The Trust provides for non recovery of receivables as follows:
All Non-NHS Trade receivables over 60 days old from date of invoice unless known reason for payment delay.
16.46% (local provision) of recognised Injury Cost Recovery claims are provided for.
All salary overpayments that occurred prior to 31 March 2015, for which no recovery plan is in place, are provided for in full.

23.1. Other Financial Assets - Current

	31 March 2016 £000s	31 March 2015 £000s
Current part of loans repayable transferred from non-current assets	0	0
NLF deposits over 3 months	0	0
Closing balance 31 March	0	0

24. Other current assets

	31 March 2016 £000s	31 March 2015 £000s
EU Emissions Trading Scheme Allowance	0	0
Other Assets	0	0
Total	0	0

25. Cash and Cash Equivalents

	31 March 2016 £000s	31 March 2015 £000s
Opening balance	1,114	4,445
Net change in year	488	(3,331)
Closing balance	1,602	1,114
Made up of		
Cash with Government Banking Service	1,543	1,039
Commercial banks	50	66
Cash in hand	9	9
Liquid deposits with NLF	0	0
Current investments	0	0
Cash and cash equivalents as in statement of financial position	1,602	1,114
Bank overdraft - Government Banking Service	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in statement of cash flows	1,602	1,114
Third Party Assets - Bank balance (not included above)	0	0
Third Party Assets - Monies on deposit	0	0

26. Non-current assets held for sale

	Land	Buildings, excl. dwellings	Dwellings	Asset Under Construction and Payments on Account	Plant and Machinery	Transport and Equipment	Information Technology	Furniture and Fittings	Intangible Assets	Financial Assets	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2015	0	0	0	0	0	0	0	0	0	0	**0**
Plus assets classified as held for sale in the year	0	375	0	0	0	0	0	0	0	0	**375**
Less assets sold in the year	0	0	0	0	0	0	0	0	0	0	**0**
Less impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0	**0**
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0	**0**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	0	0	0	0	**0**
Transfers to Foundation Trust on authorisation as FT	0	0	0	0	0	0	0	0	0	0	**0**
Transfers (to)/from Other Public Sector Bodies under Absorption Accounting	0	0	0	0	0	0	0	0	0	0	**0**
Balance at 31 March 2016	**0**	**375**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**375**
Liabilities associated with assets held for sale at 31 March 2016	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Balance at 1 April 2014	0	0	0	0	0	0	0	0	0	0	**0**
Plus assets classified as held for sale in the year	0	268	0	0	0	0	0	0	0	0	**268**
Less assets sold in the year	0	(268)	0	0	0	0	0	0	0	0	**(268)**
Less impairment of assets held for sale	0	(15)	0	0	0	0	0	0	0	0	**(15)**
Plus reversal of impairment of assets held for sale	0	15	0	0	0	0	0	0	0	0	**15**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	0	0	0	0	**0**
Transfers (to)/from Other Public Sector Bodies under Absorption Accounting	0	0	0	0	0	0	0	0	0	0	**0**
Balance at 31 March 2015	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Liabilities associated with assets held for sale at 31 March 2015	0	0	0	0	0	0	0	0	0	0	0

The above £375k relates to Harborough Lodge Renal Unit which is located in Kingsthorpe within Northampton. It was identified as surplus when University Hospitals Leicester NHS Trust ceased to provide a dialysis service from here. The property has been sold in April 2016 for £585k.

27. Trade and other payables

	Current		Non-current	
	31 March 2016 £000s	31 March 2015 £000s	**31 March 2016 £000s**	31 March 2015 £000s
NHS payables - revenue	**978**	442	**0**	0
NHS payables - capital	**0**	0	**0**	0
NHS accruals and deferred income	**1,000**	1,000	**0**	0
Non-NHS payables - revenue	**2,390**	1,288	**0**	0
Non-NHS payables - capital	**5,192**	2,157	**0**	0
Non-NHS accruals and deferred income	**7,966**	7,218	**0**	0
Social security costs	**3,551**	3,300	**0**	**0**
PDC Dividend payable to DH	**60**	0	**0**	**0**
Accrued Interest on DH Loans	**39**	**0**	**0**	**0**
VAT	**0**	0	**0**	0
Tax	**0**	0	**0**	**0**
Payments received on account	**0**	0	**0**	0
Other	**3,169**	2,591	**0**	0
Total	**24,345**	17,996	**0**	0
Total payables (current and non-current)	**24,345**	**17,996**		
Included above:				
to Buy Out the Liability for Early Retirements Over 5 Years	**0**	0		
number of Cases Involved (number)	**0**	0		
outstanding Pension Contributions at the year end	**(2,347)**	(2,182)		

28. Other liabilities

	Current		Non-current	
	31 March 2016 £000s	31 March 2015 £000s	**31 March 2016 £000s**	31 March 2015 £000s
PFI/LIFT deferred credit	**0**	0	**0**	0
Lease incentives	**0**	0	**0**	0
Other - Employee Benefits	**710**	721	**0**	0
Total	**710**	721	**0**	0
Total other liabilities (current and non-current)	**710**	**721**		

29. Borrowings

	Current		Non-current	
	31 March 2016 £000s	31 March 2015 £000s	**31 March 2016 £000s**	31 March 2015 £000s
Bank overdraft - Government Banking Service	**0**	0	**0**	**0**
Bank overdraft - commercial banks	**0**	0	**0**	**0**
Loans from Department of Health	**628**	159	**26,037**	1,431
Loans from other entities	**155**	208	**166**	248
PFI liabilities:				
Main liability	**0**	0	**0**	0
Lifecycle replacement received in advance	**0**	0	**0**	0
LIFT liabilities:				
Main liability	**0**	0	**0**	0
Lifecycle replacement received in advance	**0**	0	**0**	0
Finance lease liabilities	**121**	0	**1,245**	0
Other (describe)	**0**	0	**0**	0
Total	**904**	367	**27,448**	1,679
Total borrowings (current and non-current)	**28,352**	**2,046**		

Borrowings / Loans - repayment of principal falling due in:

	31 March 2016		
	DH £000s	**Other £000s**	**Total £000s**
0-1 Years	628	276	**904**
1 - 2 Years	19,719	207	**19,926**
2 - 5 Years	2,605	488	**3,093**
Over 5 Years	3,713	716	**4,429**
TOTAL	**26,665**	**1,687**	**28,352**

The Trust has taken advantage of participating in the Energy Efficiency Loan Scheme operated by Salix Finance Ltd.
The loan is subject to zero interest and is repayable over 4 years in equal instalments.

The Trust has taken two DH capital loans to replace imaging equipment in radiology and radiotherapy

The first loan approved is £7.207 million and £6.085 million has been drawn down to date (£1.590 million in 2014/15), repayments identified a above relate to the draw down to date and not the full loan approval.
This loan is subject to an interest rate of 1.6% and is repayable over a 10 year term.

The second loan approved is £9.352 million and £2.156 million has been drawn down to date, there have been no repayments to date.
The loan is subject to an interest rate of 1.16% and is repayable over a 10 year term.

The Trust has also taken a revenue support loan of £18.851 million, this loan is subject to an interest rate of 1.5% and is due for repayment / review in February 2018.

30. Other financial liabilities

	Current		Non-current	
	31 March 2016 £000s	31 March 2015 £000s	**31 March 2016 £000s**	31 March 2015 £000s
Embedded derivatives at fair value through SoCI	**0**	0	**0**	0
Financial liabilities carried at fair value through profit and loss	**0**	0	**0**	0
Amortised cost	**0**	0	**0**	0
Total	**0**	0	**0**	0
Total other financial liabilities (current and non-current)	**0**	0		

31. Deferred income

	Current		Non-current	
	31 March 2016 £000s	31 March 2015 £000s	**31 March 2016 £000s**	31 March 2015 £000s
Opening balance at 1 April 2015	**1,777**	535	**0**	0
Deferred revenue addition	**849**	1,784	**0**	0
Transfer of deferred revenue	**(851)**	(542)	**0**	0
Current deferred Income at 31 March 2016	**1,775**	1,777	**0**	0
Total deferred income (current and non-current)	**1,775**	1,777		

32. Finance lease obligations as lessee

The Trust car park decking was completed under a Finance Lease arrangement.

Amounts payable under finance leases (Buildings)	Minimum lease payments		Present value of minimum	
	31 March 2016 £000s	31 March 2015 £000s	**31 March 2016 £000s**	31 March 2015 £000s
Within one year	**121**	0	**121**	0
Between one and five years	**529**	0	**529**	0
After five years	**716**	0	**716**	0
Less future finance charges	**0**	0	**0**	0
Minimum Lease Payments / Present value of minimum lease payments	**1,366**	0	**1,366**	0
Included in:				
Current borrowings			**121**	0
Non-current borrowings			**1,245**	0
			1,366	0

Finance leases as lessee	**31 March 2016 £000s**	31 March 2015 £000s
Future Sublease Payments Expected to be received	0	0
Contingent Rents Recognised as an Expense	0	0

33. Finance lease receivables as lessor

Northamptonshire Healthcare NHS Foundation Trust occupies Battle House under a Finance Lease arrangement.

Amounts receivable under finance leases (buildings)	Gross investments in leases		Present value of minimum	
Of minimum lease payments	**31 March 2016 £000s**	31 March 2015 £000s	**31 March 2016 £000s**	31 March 2015 £000s
Within one year	**9**	11	**9**	11
Between one and five years	**36**	44	**36**	44
After five years	**173**	171	**173**	171
Less future finance charges	**0**	0	**0**	0
Gross Investment in Leases / Present Value of Minimum Lease Payments	**218**	226	**218**	226
Less allowance for uncollectible lease payments:	**0**	0	0	0
Total finance lease receivable recognised in the statement of financial position	**218**	226	**218**	226
Included in:				
Current finance lease receivables			**9**	11
Non-current finance lease receivables			**209**	215
			218	226

Rental revenue	**31 March 2016**	31 March 2015
Contingent rent	**0**	0
Other	**0**	0
Total rental revenue	**0**	0

34. Provisions

	Total	Comprising: Early Departure Costs	Legal Claims	Restructuring	Continuing Care	Equal Pay (incl. Agenda for Change	Other	Redundancy
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2015	**2,468**	0	0	0	0	0	2,468	0
Arising during the year	**2,539**	0	0	0	0	0	2,539	0
Utilised during the year	**(687)**	0	0	0	0	0	(687)	0
Reversed unused	**(561)**	0	0	0	0	0	(561)	0
Unwinding of discount	**9**	0	0	0	0	0	9	0
Change in discount rate	**13**	0	0	0	0	0	13	0
Transfers to NHS Foundation Trusts on being authorised as FT	**0**	0	0	0	0	0	0	0
Transfers (to)/from other public sector bodies under absorption accounting	**0**	0	0	0	0	0	0	0
Balance at 31 March 2016	**3,781**	0	0	0	0	0	3,781	0
Expected Timing of Cash Flows:								
No Later than One Year	**2,802**	0	0	0	0	0	2,802	0
Later than One Year and not later than Five Years	**868**	0	0	0	0	0	868	0
Later than Five Years	**111**	0	0	0	0	0	111	0

Amount included in the Provisions of the NHS Litigation Authority in Respect of Clinical Negligence Liabilities:

As at 31 March 2016	95,588
As at 31 March 2015	51,582

Pension provisions are based on expected lives and current levels of payment.
Provisions arising in year relate to service level agreements, injury retirement, legal and associated employment claims.

35. Contingencies

	31 March 2016 £000s	31 March 2015 £000s
Contingent liabilities		
NHS Litigation Authority legal claims	**0**	0
Employment Tribunal and other employee related litigation	**0**	0
Redundancy	**0**	0
Other	**0**	0
Net value of contingent liabilities	**0**	0
Contingent assets		
Contingent assets	**0**	0
Net value of contingent assets	**0**	0

The Trust is aware of recent legal rulings in relation to the calculation of overtime and holiday pay. At this stage it is not clear how this ruling may relate to the NHS and if so which staff groups may be affected. As such no financial value has been included in these accounts in relation to the rulings and the Trust will continue to monitor the situation pending legal advice and / or specific advice from NHS employers.

36. Financial Instruments

36.1. Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the NHS Trust has with Clinical Commissioning Groups and the way those Clinical Commissioning Groups are financed, the NHS Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The NHS Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the NHS Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. Trust treasury activity is subject to review by the Trust's internal auditors.

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

Interest rate risk
The Trust borrows from government for capital expenditure, subject to affordability as confirmed by the strategic health authority. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trusttherefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2016 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The Trust's operating costs are incurred under contracts with primary care, Clinical Care Groups, which are financed from resources voted annually by Parliament . The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

36.2. Financial Assets

	At 'fair value through profit and loss'	Loans and receivables	Available for sale	Total
	£000s	£000s	£000s	£000s
Embedded derivatives	0			0
Receivables - NHS		9,742		9,742
Receivables - non-NHS		6,125		6,125
Cash at bank and in hand		1,602		1,602
Other financial assets	0	218	0	218
Total at 31 March 2016	0	17,687	0	17,687
Embedded derivatives	0			0
Receivables - NHS		5,036		5,036
Receivables - non-NHS		5,634		5,634
Cash at bank and in hand		1,114		1,114
Other financial assets	0	226	0	226
Total at 31 March 2015	0	12,010	0	12,010

36.3. Financial Liabilities

	At 'fair value through profit and loss'	Other	Total
			£000s
Embedded derivatives	0		0
NHS payables		978	978
Non-NHS payables		19,816	19,816
Other borrowings		26,986	26,986
PFI & finance lease obligations		1,366	1,366
Other financial liabilities	0	710	710
Total at 31 March 2016	0	49,856	49,856
Embedded derivatives	0		0
NHS payables		442	442
Non-NHS payables		14,254	14,254
Other borrowings		2,046	2,046
PFI & finance lease obligations		0	0
Other financial liabilities	0	721	721
Total at 31 March 2015	0	17,463	17,463

37. Events after the end of the reporting period

There are no material events after the reporting date of 31 March 2016 which effect the financial position.

38. Related party transactions

During the year none of the Department of Health Ministers, Trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with Northampton General Hospital NHS Trust.

The Department of Health is regarded as a related party. During the year Northampton General Hospital NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. For example :

Revenue Transactions
Health Education England £10.4m (£9.9m)
Nene Clinical Commissioning Group £194.7m (£189.6m)
Corby Clinical Commissioning Group £2.6m (£2.9m)
Milton Keynes Clinical Commissioning Group £2.5m (£2.8m)
Central Midlands Commissioning Hub £32.9m (£33.1m) Previously Leic and Lincs Area Team
Central Midlands Local Office £7.7m (£7.4m) Previously Hertfordshire & South Midlands Area Team
Northamptonshire Healthcare NHS Foundation Trust £1.3m (£7.4m)

Expenditure Transactions
NHS Litigation Authority £5.9m (£6.1m)
Northamptonshire Healthcare NHS Foundation Trust £1.3m (£1.2m)
NHS Blood and Transplant £1.4m (£1.4m)

In addition, the Trust has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with Northampton Borough Council (Business Rates £746k (£726k)), Northamptonshire County Council (Pathology Services £150k (£151k)) and HM Revenue & Customs (Employers National Insurance contribution £11.8m (£11.6m)), National Health Service Pension Fund Scheme £16.3m (£15.8m) and NHS Business Services Authority £7.6m (£7.1m)

The Trust has also received revenue and capital payments from Northamptonshire Health Charitable fund. The corporate trustee of the Northamptonshire Health Charitable fund is the Trust Board.

Grants totalling £372k (£176k), which were received from the Charity, have been treated in the Trust's Accounts as income and have primarily contributed towards staff and patients welfare. The Charity also funded £248k (£211k) of Building Works & Medical Equipment.

The Charitable Fund produces separate Trustees Report and Accounts which are available from the Finance Department of the Trust or on the Charity Commission website www.charity-commision.gov.uk. Should you wish to learn more about the Charitable Fund's activities and current initiatives visit www.nghgreenheart.co.uk or contact the Fundraising Team on 01604 545857 or E-mail greenheart@ngh.nhs.uk

39. Losses and special payments

The total number of losses cases in 2015-16 and their total value was as follows:

	Total Value of Cases £s	Total Number of Cases
Losses	349,951	427
Special payments	53,686	55
Total losses and special payments	403,637	482

The total number of losses cases in 2014-15 and their total value was as follows:

	Total Value of Cases £s	Total Number of Cases
Losses	162,648	261
Special payments	115,729	53
Total losses and special payments	278,377	314

40. Financial performance targets

The figures given for periods prior to 2009-10 are on a UK GAAP basis as that is the basis on which the targets were set for those years.

40.1. Breakeven performance

	2006-07 £000s	2007-08 £000s	2008-09 £000s	2009-10 £000s	2010-11 £000s	2011-12 £000s	2012-13 £000s	2013-14 £000s	2014-15 £000s	2015-16 £000s
Turnover	174,041	187,379	206,926	227,805	236,260	255,481	271,295	276,894	270,358	**273,562**
Retained surplus/(deficit) for the year	156	1,834	2,100	(4,958)	1,109	(1,917)	(764)	2,103	(20,111)	**(17,086)**
Adjustment for:										
Timing/non-cash impacting distortions:										
Pre FDL(97)24 agreements	0	0	0	0	0	0	0	0	0	**0**
2007/08 PPA (relating to 1997/98 to 2006/07)	0	0	0	0	0	0	0	0	0	0
2008/09 PPA (relating to 1997/98 to 2007/08)	0	0	0	0	0	0	0	0	0	0
Adjustments for impairments	0	0	729	7,039	0	3,453	899	(2,257)	3,338	**(3,315)**
Adjustments for impact of policy change re donated/government grants assets	0	0	0			(1,032)	264	351	248	**250**
Consolidated Budgetary Guidance - adjustment for dual accounting under IFRIC12*	0	0	0	0	0	0	0	0	0	**0**
Absorption accounting adjustment	0	0	0	0	0	0	0	0	0	**0**
Other agreed adjustments	0	0	0	0	0	0	**0**	0	0	**0**
Break-even in-year position	**156**	**1,834**	**2,829**	**2,081**	**1,109**	**504**	**399**	**197**	**(16,525)**	**(20,151)**
Break-even cumulative position	**(1,771)**	**63**	**2,892**	**4,973**	**6,082**	**6,586**	**6,985**	**7,182**	**(9,343)**	**(29,494)**

* Due to the introduction of International Financial Reporting Standards (IFRS) accounting in 2009-10, NHS Trust's financial performance measurement needs to be aligned with the guidance issued by HM Treasury measuring Departmental expenditure. Therefore, the incremental revenue expenditure resulting from the application of IFRS to IFRIC 12 schemes (which would include PFI schemes), which has no cash impact and is not chargeable for overall budgeting purposes, is excluded when measuring Breakeven performance. Other adjustments are made in respect of accounting policy changes (impairments and the removal of the donated asset and government grant reserves) to maintain comparability year to year.

	2006-07 %	2007-08 %	2008-09 %	2009-10 %	2010-11 %	2011-12 %	2012-13 %	2013-14 %	2014-15 %	2015-16 %
Materiality test (I.e. is it equal to or less than 0.5%):										
Break-even in-year position as a percentage of turnover	0.09	0.98	1.37	0.91	0.47	0.20	0.15	0.07	-6.11	**-7.37**
Break-even cumulative position as a percentage of turnover	-1.02	0.03	1.40	2.18	2.57	2.58	2.57	2.59	-3.46	**-10.78**

The amounts in the above tables in respect of financial years 2005/06 to 2008/09 inclusive have **not** been restated to IFRS and remain on a UK GAAP basis.

40.2. Capital cost absorption rate

The dividend payable on public dividend capital is based on the actual (rather than forecast) average relevant net assets based on the pre audited accounts and therefore the actual capital cost absorption rate is automatically 3.5%.

40.3. External financing

The Trust is given an external financing limit which it is permitted to undershoot.

	2015-16 £000s	2014-15 £000s
External financing limit (EFL)	**26,297**	20,413
Cash flow financing	**24,426**	20,380
Finance leases taken out in the year	**1,410**	0
Other capital receipts	**0**	0
External financing requirement	**25,836**	20,380
Under/(over) spend against EFL	**461**	33

40.4. Capital resource limit

The Trust is given a capital resource limit which it is not permitted to exceed.

	2015-16 £000s	2014-15 £000s
Gross capital expenditure	**18,149**	14,131
Less: book value of assets disposed of	**(113)**	(280)
Less: capital grants	**0**	0
Less: donations towards the acquisition of non-current assets	**(177)**	(295)
Charge against the capital resource limit	**17,859**	13,556
Capital resource limit	**17,877**	13,572
(Over)/underspend against the capital resource limit	**18**	16

41. Third party assets

The Trust held cash and cash equivalents which relate to monies held by the NHS Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2016 £000s	31 March 2015 £000s
Third party assets held by the Trust	**0**	0