The Dudley Group **NHS**

NHS Foundation Trust

# Annual Report and Accounts 2014/15

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# The Dudley Group NHS Foundation Trust

Annual Report and Accounts 2014/15

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

## Section 1: Annual Report

## Section 2: Accounts

## Section 3: Quality Report

**All information contained in this report was correct at the time of publication.**

We would appreciate any feedback you would like to give on both the format and content of this report. You can do this by emailing communications@dgh.nhs.uk or telephoning 01384 244403 and speaking to a member of the Communications Team.

**Throughout this document we refer to periods in the financial year as quarters:**

Quarter 1 (Q1) relates to April to June
Quarter 2 (Q2) relates to July to August
Quarter 3 (Q3) relates to September to December
Quarter 4 (Q4) relates to January to March

# Chairman's welcome

Welcome to this year's Annual Report, my first since taking up the role of Chairman on 1st January 2015 in what has been, in many ways, an extraordinary year for the Trust.

First I would like to thank my predecessor John Edwards who chaired the organisation for a little over four years. During his leadership, the NHS as a whole, and this Trust in particular, has faced unprecedented public scrutiny against the backdrop of numerous hospital inspections, pressure from increasing targets and extremely challenging cost saving programmes.

It is my job now to steer The Dudley Group through even greater challenge and change. Most trusts across the country are facing similar financial constraints and we are determined to meet these financial challenges whilst maintaining high quality care.

However, arising from our difficult financial position, our regulator Monitor secured legally binding commitments from us in January 2015 to develop and implement an effective financial recovery plan for breaking even. This breach of our licence conditions arose from an in-year review by Monitor of our 2014/15 budget, together with concerns about longer term financial sustainability. We had already taken the difficult decision to reduce our workforce to save £14 million on our pay costs over two years. Phase one of our workforce reduction plan completed on 31st March 2015. Phase two, the removal of further posts, will begin in the next financial year. We have been working hard to put in place recovery plans which we are confident will return us to compliance with our licence by the autumn of 2015.

Despite these difficult times, I am proud to say our dedicated staff continue to deliver high quality services to our patients. Following our inspection by the Care Quality Commission (CQC), we received very positive initial feedback from the inspectors, followed by our final report and rating in December. The inspection found many examples of great care and of staff going 'the extra mile'. Although the majority of areas inspected were given a Good rating, we were disappointed that our overall rating for the Trust is Requires Improvement.

However, there has been much to celebrate in Dudley. I want to highlight our achievement in meeting the nationally-set target to see, treat, admit or discharge 95 per cent of patients within four hours of their arrival at Accident and Emergency. We have gone from struggling to meet this standard in Quarter 1, to consistently exceeding it in Quarter 2, 3 and 4, and have had the best performing A&E in the country on many occasions this year. Everyone in the organisation should be very proud of this achievement.

We were delighted to welcome His Royal Highness, The Duke of Gloucester, to Russells Hall Hospital in October to unveil our 'Gift of Life' sculpture and accompanying groundwork, designed by local artists, to celebrate organ donation in Dudley. I very much hope the sculpture will also promote a positive response to organ donation in the future. I would ask everyone to consider registering for organ donation and, if you decide to do so, it is also really important that your family is aware of your wishes. More about the visit and organ donation can be found on page 17 of this report or on our website www.dudleygroup.nhs.uk

Dudley Clinical Commissioning Group (CCG) successfully bid to become one of the pilot 'vanguard' projects aimed at creating more integrated services between health and social care. This is a very welcome opportunity to provide a more seamless experience, in particular for our elderly patients who will have fewer delays and a simpler system to navigate. You can read about other achievements from page 17.

We have seen several other changes to our Board this year, with three directors moving on to new roles in other organisations and one retirement. I am pleased to announce we have made successful appointments to cover all these roles including a new Chief Nurse who replaces our current Director of Nursing when she retires in June 2015. We also welcomed a new non-executive director who comes with a medical background and a new Director of Governance and Board Secretary. More about our Board of Directors can be found on pages 52 to 59.

I firmly believe that all public services should be accountable to the communities they serve. This happens in a number of ways for us here at The Dudley Group. You can become involved as a Foundation Trust member, or even as a governor. More information about our members and governors can be found on pages 43 to 51.

I would like to say a big thank you to our Council of Governors whose contribution to the development of our Foundation Trust through support and challenge is so important to us.

Finally, as a Board we are committed to maintaining our focus on quality for patients being cared for in hospital or out in the community whilst at the same time remaining financially stable.

Best wishes,

**Chairman**

**David Badger**

# Chief Executive's overview

Before I start my overview for the year, I would first like to pay tribute to our wonderful and committed staff for delivering high quality care to the patients of Dudley, whether they are being treated in hospital or in the community. They have so much to be proud of for delivering patient-focused care day in, day out, during what has been another tough year for the Trust.

In June 2014 we changed the way our directorates are structured to create greater assurance around quality care and governance. Our operations structure was split into three clinically-led divisions, one for surgery with women and children's, one for medicine with community and one for ward nursing along with professional nursing, midwifery and AHP issues. Leadership for the Divisions is provided by two Clinical Divisional Directors and the Director of Nursing.

In common with all NHS Trusts we are required to make efficiency savings of 4% year on year. This equates to £12m each year to be saved for The Dudley Group. We are also facing cost pressures from national standards of nurse staffing levels, increasing emergency demands and providing seven day services. David has already mentioned in his Chairman's Welcome our efforts to get the organisation back on track financially and, unfortunately, this has meant bringing down our pay costs by reducing our workforce.

It was with a heavy heart that one of the key tasks of the new divisional heads was to oversee the reduction of posts in their areas. I would like to assure you that no posts were removed if they were deemed necessary to maintain our high quality care to patients. These challenges are on-going but will not detract from the main core business, taking care of our patients.

There have been so many highlights during 2014/15:

We had the best performing Accident and Emergency (A&E) Department in the week ending 8th March 2015 when 99.4 per cent of patients were seen, treated, admitted or discharged within four hours of arrival in A&E. This achievement meant the Trust was one of only 29 others to meet the Government's target of 95 per cent or higher. This is great news for our patients because this places us amongst the very best in the country for quality of care and performance. Our patients can be reassured that they are receiving the right care as quickly as possible.

This achievement has been helped by the new Dudley Urgent Care Centre based at Russells Hall Hospital, which has now replaced the walk-in centre to provide a service to patients who need urgent care but not emergency treatment. We piloted the urgent care centre for a month from 1st March 2015 to ensure all patients who arrive at A&E are 'streamed' by a nurse, to receive the most appropriate care i.e. either in A&E or in the urgent care centre.

The urgent care facility, accessible via the Emergency Department, is on the same site as other hospital services such as diagnostics and ward-based facilities, offering patients a 'one stop shop' so they can receive appropriate and timely medical care and treatment in one place.

During 2014/15 we were very happy to welcome more than 60 nurses from Romania, Portugal and Spain who took up posts on wards and departments across the Trust.

We have had several inspections in 2014/15 (see page 42 of the Quality Report for the CQC report and rating). Our urgent acute care pathway was inspected by the West Midlands Quality Review Service and the inspectors were very impressed by what they saw. We also had an unannounced visit by our local clinical commissioning group (CCG) on 5th March 2015 and the team visited 11 areas across Russells Hall Hospital. The inspectors said it is evident that safety and care are at the heart of everything we do and praise was directed at our "welcoming and caring staff".

Other highlights of improving patient care and experience has included the launch of our Dementia Friends initiative in May 2014. Our new wellbeing workers provide specialist one-to-one care and support for vulnerable patients and meal time assistant volunteers help patients with their nutrition and hydration needs (see page 17 to 18 for more on our efforts to be a more dementia-friendly healthcare provider).

I am very proud of the work we are doing in partnership with healthcare colleagues across Dudley to help transform the way we care for dying patients and their families and carers. We are committed to ensuring people nearing end of life receive compassionate care in accordance with their wishes (see page 34 for more detail on how we're improving our end of life care).

Heavily involved in our approach to palliative care is the Trust's Macmillan Palliative Care Educator Karen Lewis. Karen won a national award in November 2014 for her work supporting healthcare professionals to deliver high quality end of life care for people affected by cancer (see page 57 of the Quality Report for more on Karen's work).

Also in November our Frenulotomy Service, which cares for babies with ankyloglossia or tongue tie, received a 'Highly Commended' certificate in a national maternity services award for being 'Most Effective Multidisciplinary Team'. Our Midwifery-led Unit and Newborn and Physical Examinations Team were both shortlisted in the same category. District Nurse Team Leader for Outpatient Antimicrobial Therapy (OPAT) Kate Owen was given the title of Queen's Nurse by the community nursing charity, The Queen's Nursing Institute. For more on awards, see pages 76 and 77 of the Quality Reports.

This year we also signed the Nursing Times' Speak Out Safely pledge, further reinforcing the message to our staff  they can safely and confidently raise concerns about patient care and safety. See page 19 or visit our website for more on our pledge.

All this first-class care is reflected in our Friends and Family Test (FFT) results where our patients consistently tell us they would recommend us to a friend or relative. The national FFT is an important opportunity for all our patients to provide feedback on the care and treatment they receive to help us to improve services. The percentage of inpatients who would recommend is consistently above the national average and places us in the top 20 per cent of trusts nationally.

Our NHS National Staff Survey results show that staff recommendations of the Trust as a place to work or receive treatment were also above the average for acute trusts. These results are reflected in our twice-yearly Long Service Awards which shine a light on those staff celebrating milestones in their years of service for The Dudley Group ranging from 15 to 40 years. We know that our staff are our best and most valuable asset, especially our long-serving colleagues for both their experience and expertise. They will continue to give us the stability and confidence to provide excellent care to patients in the coming years.

**Chief Executive**

**Paula Clark**

# Strategic Report (incorporating the report of the Board of Directors)

The Dudley Group NHS Foundation Trust is the main provider of hospital and adult community services to the populations of Dudley, significant parts of the Sandwell borough and smaller, but growing, communities in South Staffordshire and Wyre Forest.

Currently the Trust serves a population of around 450,000 people from three hospital sites at Russells Hall Hospital, Guest Outpatient Centre in Dudley and Corbett Outpatient Centre in Stourbridge. We provide the full range of secondary care services and some specialist services for the wider populations of the Black Country and West Midlands region. The Trust also provides specialist adult community based care in patients' homes and in more than 40 centres in the Dudley Metropolitan Borough Council community.

At March 31st 2015 the we employed 4,139 full time equivalent members of staff making us a major employer in the Dudley borough. More information about our staff can be found from page 28 of this Annual Report.

The Trust's aim and vision is to be a healthcare provider for the Black Country and West Midlands which is trusted to provide safe, caring and effective services because people matter.

Our strategic objectives are:

- Deliver a great patient experience
- Be the place people choose to work
- Make the best use of what we have
- Provide safe & caring services
- Drive service improvement, innovation and transformation
- Plan for a viable future

The Trust's hospitals form part of a Private Finance Initiative (PFI) with Summit Healthcare and its appointed service providers Interserve Facilities Management.

The Trust is run by a Board of Directors, which is accountable for its performance against its terms of authorisation to a Council of Governors.

The Trust is in a period of financial recovery since setting a deficit budget of £6.7m in 2014/15, and forecasting £10m overspending early in that year. The independent regulator of foundation trusts, Monitor, took enforcement action due to a breach of licence on 17th February 2015, and agreed a set of Enforcement Undertakings with us. These Undertakings were made partly because of in-year financial performance, and partly because we had not established a long-term strategy to address its financial decline.

Since projecting an overspend in the early months of the financial year we have brought spending back under control, and performance against constitution targets

has been good, resulting in increased contract income. The original forecast of £6.7m deficit is predicted to have improved to £6.4m for the year.

The four per cent 'efficiency' reduction to the NHS standard tariff has resulted in a further real terms cut to our income. As a result, we have delivered cost savings from improved efficiencies of circa £9m during the year, which is a balance of recurrent and non-recurrent savings. For more information about our financial performance during the year, turn to page 65.

Against this challenging background our overall business achievements in 2014 /15 have once again been commendable, particularly in the light of national performance on 18 weeks and ED four hour targets, and can be summarised as:

- Achievement of the 18-week national maximum waiting targets for both admitted and non-admitted patients
- Achievement of the four hour ED standard for the last three quarters
- Achievement of the cancer standards in three out of four quarters
- Significant further investment in additional substantive clinical staff
- Further investment in buildings and specialist equipment

Page 66 of this Annual Report details our contractual arrangements with local commissioners for the provision of services for 2014/15, and details of our performance against key national priorities and performance targets can be found within the Quality Report on page 82

During the financial year the following people served as directors of the Trust:

Executive directors: Paula Clark, Paul Assinder*, Paul Taylor*, Richard Beeken*, Jon Scott*, Paul Harrison, Denise McMahon

Non-executive directors: John Edwards, David Badger, Ann Becke, David Bland, Jonathan Fellows, Richard Miner, Dr Doug Wulff*

*part year

More information about our directors can be found from page 52 of this Annual Report. The Trust's accounting policy for pensions and other retirement benefits is set out from page 5 of the accounts. Details of senior employees' remuneration can be found in the Remuneration Report on page 84.

As at 31st March 2015 the gender breakdown of our executive directors, non-executive directors and employees of the Trust was as follows:

| Executive directors | Non-executive directors | All Trust employees |
|---|---|---|
| Male: 3 | Male: 5 | Male: 818 |
| Female: 2 | Female: 1 | Female: 3,934 |

More information about our workforce can be found on pages 28 to 31 and 36 to 42.

Whilst performance during 2014/15 started poorly in Quarter 1 for the four hour ED target, this changed from Quarter 2, with a sustained high level of performance across the range of targets and standards.

From April 2010, the Department of Health introduced a system of legal registration of service providers in England and now requires a clear demonstration and evidence of the achievement of standards of healthcare. In support of our application for registration from that date, the Trust made declarations to the Care Quality Commission (CQC) and shared its development plans in a number of clinical areas, including the ongoing training of clinical staff (and the appropriate recording of this) and the improvement of the quality and availability of clinical notes. The Trust has operated within its CQC licence throughout the year.

The CQC undertook a full assessment of our services in spring 2014 and reported no immediate concerns. The final report was published in December 2014 and found that, although the Trust was rated as Requires Improvement overall, it was found to be Good in 30 of the 38 areas rated and found to be effective, caring and well led overall.

In view of the impact of the UK recession on the local economy, the Trust has adopted a policy of settling invoices of local suppliers promptly. In 2014/15 the Trust settled 99 per cent of trade invoices by value within 30 days.

To promote improved patient safety, we have continued our programme of directors' patient safety walkrounds and has worked closely with patient groups, members and governors of the Trust to develop a more responsive service to patients.

Once again, during 2014/15 the Board of Directors took the decision to invest heavily in front line clinical services to continually improve the quality of care to patients. We have invested significantly in new buildings and equipment to the value of £8.6m. Of note is spending of £4.5m on new information technology infrastructure, licenses and systems; £1.7m on new and replacement medical equipment; £0.4m on improvements to wards and departments; and £0.1m on the Urgent Care Centre.

As an NHS Foundation Trust no political or charitable donations have been made during 2014/15.

There have been no financing implications of any significant changes in the Trust's objectives and activities, investment strategy or long-term liabilities.

The Trust has one active subsidiary, Dudley Clinical Services Limited, whose principal activity is the provision of outpatient pharmacy services. In addition, the members of the Board of Directors are corporate trustees for Dudley Group NHS Charity. As the Trust is the corporate trustee of the linked NHS charity, it effectively has the power to exercise control so as to obtain economic benefits. The charity is therefore treated as a group entity and is consolidated. For both the subsidiary company and the charity there are no items of risk or uncertainty that require reporting.

During the year, the Board of Directors has placed increased emphasis upon the importance of good communications with staff. Regular team briefings and a lively intranet facility has kept staff informed about changing clinical and business-related issues. In addition, the Chief Executive has established a programme of face to face and video briefing sessions for staff and all staff have been personally invited to a specific quality briefing with the Chief Executive in 2014/15. During such sessions,

staff have been appraised of the overall financial health and prospects of the Trust and wider NHS in England.

The Board of Directors and Council of Governors continued to hold their meetings in public during the year.

Despite the challenging times facing the Trust, staff engagement continues to be good with the latest National Staff Survey results showing that the Trust is in the top 20 per cent of NHS organisations as a good place to work and a place in which staff would be happy for themselves and their family and friends to be treated.

In summary, 2014/15 has been a challenging year for the Trust in both a clinical and business sense but has also been a year of significant, sustained achievement and recovery.

The accounts contained in this Annual Report have been prepared under a direction issued by Monitor under the National Health Service Act 2006.

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

After making enquiries, the directors have a reasonable expectation that The Dudley Group NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

As far as the directors are aware, there is no relevant audit information of which the auditor is unaware. The directors have taken all of 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 auditor is aware of that information.

**Signed**          **Date: 21st May 2015**

**Paula Clark**
**Chief Executive**

# Our services

## Russells Hall Hospital

Ambulatory Emergency Care

Anaesthetics

Anticoagulation

Audiology

Bereavement Services

Cancer Services

Cardiology

Chaplaincy Service

Clinical Haematology

Critical Care Unit

Day Case Surgery Unit

Dermatology

Diabetes and Endocrinology

Dietetics

Early Pregnancy Assessment Clinic

Elective Medical Unit

Emergency Assessment Unit

Emergency Department (A&E)

Fracture clinic

Gastroenterology

Genito-urinary medicine

Head and Neck surgery including Ear, Nose and Throat (ENT) and Maxillofacial

Medical and surgical inpatient wards

Medical High Dependency Unit (MHDU)

Learning disabilities support

Maternity (including pre and antenatal)

Maxillofacial prosthetics

Medical High Dependency Unit

Neurology

Obstetrics and Gynaecology

Older Persons and Stroke

Oncology

Ophthalmology

Organ donation

Orthodontics

Orthoptics

Orthotics

Outpatients

Paediatrics and Neonatology

Pain management

Parkinson's service

Pathology

Palliative and End of Life care

Pharmacy

Phlebotomy (blood tests)

Plastic surgery

Podiatry

Pre-operative assessment

Psychology

Radiology (X-ray, MRI and CT scanning)

Renal

Respiratory assessment and medicine

Rheumatology

Skin lesion clinic (Care Plus private patient clinic)

Speech and Language Therapy

Stop Smoking Service

Surgery including breast, colorectal, upper and lower GI, and vascular

Surgical Assessment Unit (for GP referrals)

Surgical pre-operative assessment

Surgical High Dependency Unit (SHDU)

Theatres

Therapy Services (including Physiotherapy and Occupational Therapy)

Trauma and Orthopaedics including fracture neck of femur unit

Urology

Women and Children's Outpatients

## Corbett Outpatient Centre

Abdominal Aortic Aneurysm Screening
Anaesthetics
Day Case Surgery Unit
Dietetic clinic
Multi-professional rehabilitation
Dudley Rehabilitation Service*
Orthotics
Outpatient clinics including:
      Adult Genetics
      Cardiology
      Dermatology
      Gastroenterology
      Neurology
      Gynaecology
      Older Persons and Stroke
      Respiratory
      Rheumatology
      Trauma and Orthopaedics
      Urology
Pharmacy
Phlebotomy (blood tests)
Podiatry
Radiology (X-ray, Ultrasound scanning, DEXA bone scanning)
Wheelchair Service

## Guest Outpatient Centre

Abdominal Aortic Aneurysm Screening
Dudley Rehabilitation Service*
Outpatient clinics including:
      Dermatology
      Gastroenterology
      Immunology
      Neurology
      Older People
      Pain Management
      Renal
      Respiratory
      Rheumatology
      Heart Failure Clinic
      Bladder Dysfunction Clinic
Multidisciplinary team pain management
Pharmacy
Radiology (X-ray and Ultrasound)
Respiratory Assessment

## Community Services

Audiology
Blood Borne Virus
Chronic Obstructive Pulmonary Disease (COPD) respiratory nurse service
Care Home Practitioner Service
Community Ear, Nose and Throat (ENT)
Community Rapid Response Team
Continence Service
Contraception and Sexual Health
Dermatology
Diabetes Specialist Team (Primary Care)
Dietetics
District nursing
Dudley Rehabilitation Service*
Heart Failure
Intermediate Care
Leg Ulcer clinic
Macmillan Community Palliative Care Team
Macmillan Multidisciplinary Team
Outpatient Parental Antibiotic Therapy (OPAT) and oncology outreach
Palliative Care Support Team (Joint Agency)
Physiotherapy – Musculoskeletal Physiotherapy Service
Orthopaedic Assessment Service
Podiatric surgery
Podiatry
Tissue Viability
Virtual Ward

*\*Dudley Rehabilitation Service includes Parkinson's and Multiple Sclerosis nurses, the integrated living team, stroke rehabilitation, physiotherapy, occupational therapy, speech and language therapy*

# Service changes, improvements and achievements

## Dementia care

In May 2014 we committed to becoming a more dementia friendly Trust to help change perceptions of the condition and help patients with dementia feel understood and included in their care.

As part of this commitment, we launched the Alzheimer's Society Dementia Friends initiative and offered all staff – both clinical and non-clinical – the chance to become a Dementia Friend. Since the launch, we have successfully recruited almost 400 Dementia Friends from across the Trust.



We have also created a dedicated 14-bedded area for patients with dementia on our elderly care ward. The area benefits from a quiet space away from the hustle and bustle of the ward, equipped with memory boxes containing photographs of times gone by of the local area and items that will have special meaning to patients who suffer from memory loss.

During 2015/16 we will be introducing a Dementia Bundle for all patients with dementia. We are also in the process of creating a dedicated dementia room, complete with a RemPod (reminiscence pod) – a decade-themed pop up room that can turn areas into a familiar, calming environment for patients with dementia.

## The Gift of Life organ donation sculpture

His Royal Highness the Duke of Gloucester visited Russells Hall Hospital in October 2014 to unveil the Trust's organ donation celebration sculpture *The Gift of Life.*

The sculpture and accompanying landscaping was designed by local artists Paul Margetts and Malcolm Sier and was commissioned to celebrate the incredible contribution made by organ donors and their families.

In addition to His Royal Highness, the ceremony was attended by Trust staff, families of local organ donors, Dudley's Mayor Cllr Margaret Aston, and the High Sheriff for the West Midlands, Tim Watts.

## Mystery patient project

Throughout 2014/15 patients in selected outpatient clinics were given the opportunity to become mystery patients and help us improve our services. The programme delved into our ophthalmology and trauma and orthopaedic clinics, inviting patients to meet up after their appointment to talk about their visit. To test our customer service, patients were asked a series of questions and asked to tell us about their experience.

## SMS reminder service for patients

Patients now receive a text message reminder a few days before their appointment to help reduce the number of missed appointments. The texts contain the date and time of the appointment as well as the name of the clinician the patient is due to see. The free messages do not contain any information about the nature of the treatment but will act as a reminder.

In the first quarter of 2014/15, before we introduced the SMS service, we lost more than 2,300 hours of clinic time due to patients not attending appointments, with an average of 2,500 appointments missed every month. Since launching the service in July 2014, monthly DNA (did not attend) rates are now averaging at 1600 appointments, a reduction of more than 15 per cent and approximately 36 hours of clinic time saved.

The service is now in use in all outpatient clinics and we hope to extend the service to community clinics and diagnostic appointments over the next financial year.

## Wellbeing Workers

We introduced a new role of Wellbeing Worker to provide specialised 1:1 care and additional support for our most vulnerable patients. The specialised care provided by our Wellbeing Workers meets not only our patients' physical and personal needs, but also their psychological, social and holistic needs.

This new team is proactive in identifying ways in which we might help improve the patient experience for this vulnerable group, making sure they speak to them to highlight any personal needs they may have. Our Wellbeing Workers understand the importance of routine, especially for this specific group of patients, and so work hard to identify any routines they already have out of hospital, and whether anything can be done to adapt their inpatient stay to make them more comfortable.

## Speak out Safely

To further reinforce our commitment to being a Trust where staff can safely and confidently raise concerns about patient care and safety, we signed up to the Nursing Times Speak Out Safely campaign.



We encourage staff to raise genuine concerns at the earliest opportunity using our Whistleblowing Policy which has been in existence since 2007 and joined the campaign to further embed a culture of honesty and transparency into the Trust.

Our staff should not be afraid to speak up if they have worries about standards of care and we are committed to reassuring staff that any concerns they raise will be addressed in an open way, with the guarantee of anonymity for those who wish to remain anonymous.

To read our pledge and find out more about the campaign, visit www.dudleygroup.nhs.uk/patients-and-visitors/speak-out-safely/

## Nutrition and Hydration Week

The Trust celebrated international Nutrition and Hydration week in March 2015 with a week of celebrations at Russells Hall Hospital. Wards joined in with a Worldwide Afternoon Tea, treating patients to tea, cakes and other treats.

Staff also put their baking skills to the test in our Champion Cupcake Competition which was judged by Director of Nursing, Denise McMahon and Deputy Director of Operations for Medicine and Community, Paul Bytheway.

Our team of dietitians were also on hand during the week for patients and staff to find out more about the importance of a good diet and keeping hydrated on the road to recovery and to maintain good health and wellbeing.

## Extended blood test service

Patients are now benefitting from more choice over where and when they can have a blood test, with clinics at Russells Hall Hospital, Guest Outpatient Centre, Corbett Outpatient Centre and a number of GP practices across the Dudley borough.

The Trust is now offering blood tests for the first time at Guest Outpatient Centre. Patients are able to walk in from 8am until 1pm, five days a week. We are also expanding the service at Corbett Outpatient Centre, which currently offers a walk-in service five days a week from 8am to 6pm, in the coming year and are already in the process of hiring six additional staff to take blood tests. The improvements to the service will also include more blood test stations and waiting areas.

Patients can also have booked appointment blood tests at 13 GP practices across the borough, including surgeries in Netherton, Brierley Hill, Kingswinford and Halesowen, which can often be more convenient as they are closer to home.

## Extended community intravenous antibiotics service

Our nationally recognised community IV antibiotics service was extended in September 2014 to allow Dudley GPs to refer directly to the service. The service was previously only available to patients referred by the hospital team. Daily clinics are run at Brierley Hill Health and Social Care Centre which allow patients to receive their intravenous antibiotic therapy without having to visit hospital.

Home visits allowing patients to have their antibiotics administered in their own homes are also available for patients who are unable to visit the clinic.

## NHS Change Day

We celebrated NHS Change Day in March 2015. The idea behind NHS Change day is lots of people across the NHS making their own small pledge to make the NHS even better. Lots of small actions will result in big changes for the NHS as a whole. We asked staff to make a pledge or share an action and display it on our change day wall. More than 130 members of staff pledged to make a change for the better.

## Flexible sigmoidoscopy bowel cancer screening

A new innovative screening test that improves the early diagnosis of bowel cancer was launched in October 2014. The life-saving screening programme, called a flexible sigmoidoscopy, takes just 15 minutes and helps to prevent bowel cancer at its earliest stages by detecting and removing small growths called polyps that could become cancerous in the future.

We are one of the first in the West Midlands to offer this type of screening, putting Dudley at the forefront of bowel cancer testing in England. The programme is run in conjunction with The Royal Wolverhampton Hospitals NHS Trust.

## Refurbished Midwifery-led unit unveiled

In last year's Annual Report we announced that the Trust had made a successful bid for a £41,000 government grant to make improvements to the Maternity Department. We have now received this grant and used the funding to give our Midwifery-led Unit a facelift.

The newly-refurbished unit provides a more homely setting for giving birth and was redesigned to make women and their partners more comfortable during the births of their babies. The unit now has subdued lighting, inspirational artwork by local artists and a variety of birthing balls, stools, mats and bean bags. It also has an extra multi-track unit to keep women comfortable while maintaining the optimum position for labour.

The unit was officially opened by Cathy Warwick, chief executive of the Royal College of Midwives, in May 2014.

# Your feedback

The Trust values and welcomes all feedback to help ensure we meet the needs and expectations of patients, their families and carers, staff, stakeholders, members and the Council of Governors.

We have embraced a number of systems for obtaining patient feedback:
- Lead nurse walkrounds allow for real-time face-to-face patient feedback
- Governors provide feedback from members and wider communities
- NHS Choices and Patient Opinion online feedback
- Patient Advice and Liaison Service (PALS)
- Complaints process
- National surveys such as the national inpatient survey
- Friends and Family Test
- Real-time surveys
- Liaison with the local Healthwatch, Health Scrutiny Committee and MPs
- Holding and attending community events

Patient feedback is a regular agenda item at the Board of Directors enabling both executive and non-executive directors to consider patient views alongside other performance information and every month the Board of Directors hears a patient story.

The Trust has set up a Patient Experience Group chaired by the Chief Executive. The group membership comprises senior Trust managers with responsibility for patient experience and representatives from external organisations including Healthwatch Dudley and Dudley CCG. The group works to ensure we have appropriate and effective systems in place that cover all aspects of patient experience, promoting effective shared learning and a culture of excellent patient care.

See pages 10 to 13 and 50 to 66 of the Quality Report for more information about our priorities for patient experience.

No formal consultations with patients have taken place during the year; however, the Trust continues to involve patients in service improvements by asking for feedback, particularly when any changes are planned.

During the year, the Trust maintained close contact with Healthwatch and other patient groups in the area, and attended the Dudley Health Scrutiny Committee to present a number of items listed below:

**November 2014**      Patient experience: Friends and Family Test and Patient Experience Strategy

**January 2015**      CQC report and actions taken
Winter pressures

**February 2015**      Quality Reports, progress on improvement priorities

## Patient Advice and Liaison Service (PALS)

We make every effort to ensure that the services, care and treatment we provide are the best they can be but there are times when things do not go as well as they should. The Patient Advice and Liaison Service acts as the first point of contact for patients or relatives who need help with a concern and will provide advice, support and information.

During 2014/15 the team helped 1,129 people with a wide variety of concerns. Over the last four years the number of concerns received by the team has fluctuated but total numbers have been steadily increasing. In the last two years we have raised the profile of the PALS service and increased awareness of the ways in which patients can make contact.

**Why people contacted the Patient Advice and Liaison Service in 2014/15**

|  | Concerns | Compliments |
| --- | --- | --- |
| Quarter 1 (April to June 2014) | 266 | 1,746 |
| Quarter 2 (July to September 2014) | 241 | 1,794 |
| Quarter 3 (October to December 2014) | 270 | 2,305 |
| Quarter 4 (January to March 2015) | 352 | 1,710 |
| **Total for 2014/15** | **1,129** | **7,555** |

The main concerns received by the PALS team related to appointments, discharge and transfers, records, communications and information, and clinical care. There is more detailed information about our PALS service in the Quality Report on pages 59 to 64.

It is very pleasing to see how many patients take the time to share their good experiences with more than 7,500 compliments in 2014/15.

## Friends and Family Test

The Friends and Family Test (FFT) asks patients to rate how likely they would be to recommend the services they received to a friend or family member. The Trust consistently scores higher than the national averages for people who would recommend us to friends and relatives.

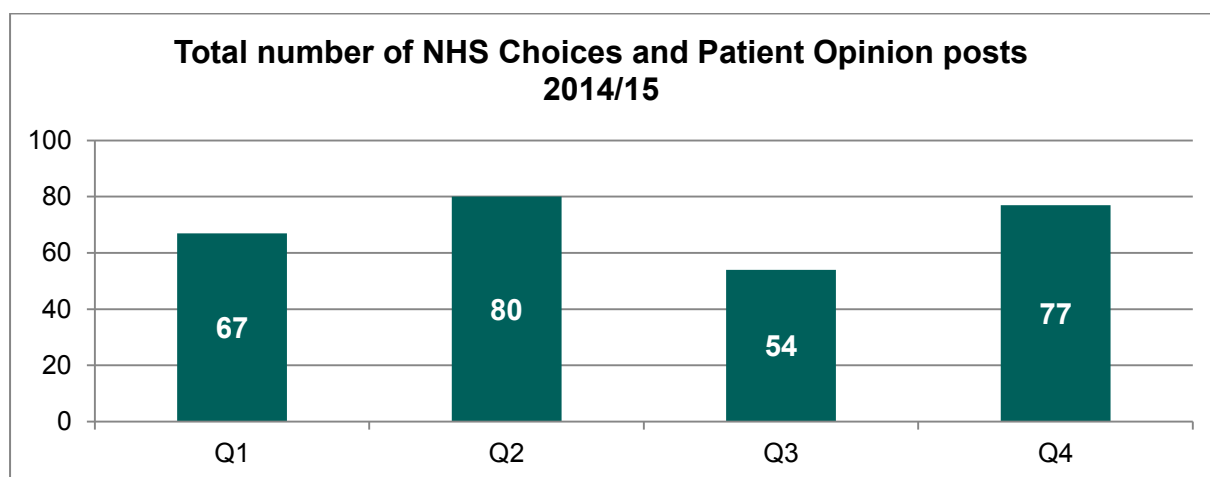The FFT has become embedded across all areas of the Trust and provides all patients the opportunity to rate their experience of the service they have received.

We collect FFT cards from all inpatient, maternity and emergency treatment areas and during 2014/15 we completed an early implementation of the FFT to all areas of the Trust including outpatients, day case, community, children's and neonatal.

## NHS Choices and Patient Opinion

Patients can give feedback about their experience of any of our services on the NHS Choices and Patient Opinion websites. Patients can post comments anonymously or choose to give their name and all comments are responded to within 10 working days.

Throughout 2014/15 we received 278 pieces of feedback via NHS Choices and Patient Opinion, an increase of almost a quarter (24 per cent) compared with the 225 comments we received in 2013/14 (109 in 2012/13). We actively encourage patients to engage in this way and consistently attract almost three times as many comments as neighbouring trusts.

**Total number of NHS Choices and Patient Opinion posts 2014/15**

| Quarter | Posts |
|---------|-------|
| Q1 | 67 |
| Q2 | 80 |
| Q3 | 54 |
| Q4 | 77 |

NHS Choices operates a star rating system where patients can also rate their experience from one to five stars. Not everyone chooses to award a star rating. The average star rating for the Trust has been four stars or better throughout the whole of 2014/15 and more than three quarters of the comments received have been positive.

**Number of comments by star rating 2014/15**

| Rating | Number |
|--------|--------|
| 1 star | 29 |
| 2 stars | 10 |
| 3 stars | 7 |
| 4 stars | 18 |
| 5 stars | 159 |
| None given | 55 |
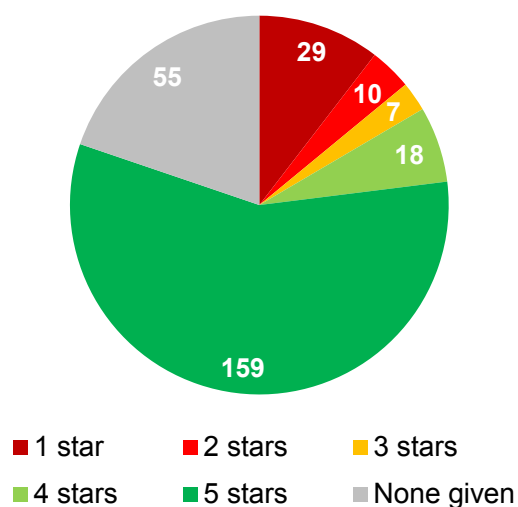
**Percentage of negative and positive comments 2014/15**

| | |
|---|---|
| Positive | 79% |
| Negative | 21% |
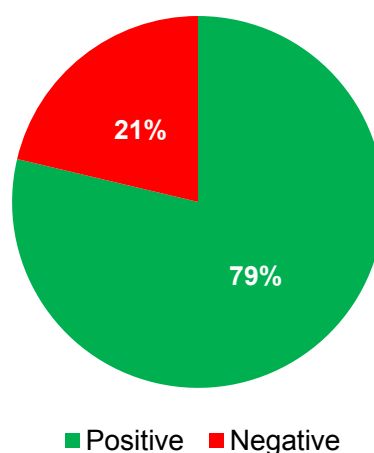
## Complaints

The Trust will do whatever possible to ensure patients are treated properly and promptly but sometimes things do go wrong. When this happens, we encourage anyone who has concerns about their care to speak to a senior member of staff at the time, or as soon as possible after the event. This enables us to investigate and resolve issues as quickly as possible. Complaints are used as learning tools and changes will be made, when necessary, to ensure there is no repetition.

During 2014/15, we acknowledged all 313 complaints received within three working days and, whilst we aim to investigate and respond within 25-30 working days, some complaints are more complex and involve a number of wards/departments. All staff who are asked to comment on issues raised need to have sight of the health records and it can sometimes take a while for everyone involved to review them. A timescale for a response is discussed with complainants.

Meetings are offered as a way of resolving issues raised and, in some cases, two or more meetings may be required before a complaint is resolved satisfactorily. The Trust's aim is to always ensure complainants feel their complaint has been fairly listened to and that they have been treated with respect, with any issues raised resolved to their satisfaction.

During 2014/15, 71 meetings were held with complainants, representing 23 per cent of all complaints received during the year. Unless a complainant objects, all meetings are digitally recorded and a copy of the disc is sent to the complainant following the meeting.

During the 2014/15 financial year, the Trust received 0.04 per cent of complaints compared to activity, a similar number to the previous year. The top three categories were clinical care (43 per cent), diagnosis/tests (18 per cent) and appointments, discharges and transfers (11 per cent).

We view complaints as an opportunity to learn and take action when things haven't met expectation, and so use them as an important source of information about how patients view our services.

If local resolution fails, there is a one stage review by the Parliamentary and Health Service Ombudsman. During the year, nine complaints were investigated by the Parliamentary and Health Service Ombudsman.

For more information about complaints, see the Quality Report pages 59 to 64.

# Patient Safety

The Trust gives priority to the delivery of high quality care to all patients by ensuring that patient safety is at the heart of everything we do.

While it is important for us to meet national targets and to remain in financial balance, this must not be achieved at the expense of the safety of our patients. As part of this we ask all staff to complete incident forms if things do go wrong so that we can investigate the circumstances, learn lessons and change practice when needed.

We provide safe, high quality care to thousands of people every year but sometimes, despite our best efforts, things can and do go wrong. If a patient is harmed as a result of a mistake or error in their care, we believe that they and their family or those who care for them should receive an apology, be kept fully informed as to what has happened, have their questions answered and know what is being done in response. This is something that we call being open.

Being open, learning from our mistakes and changing practice contributes to the high quality of care we aspire to.

# Patient information

The Trust has a clear policy to ensure information for patients is kept correct and up to date.

We have hundreds of leaflets on various procedures, treatments and conditions, as well as aftercare advice. Information is available in plain English as well as large print, audio, Braille and alternative languages on request. A quick guide on interpreting and translation has been produced for all patient-facing areas to make this process easier for staff to organise. All patient information leaflets are now available to download from our website.

For patient information to be approved, patient feedback is obtained to ensure the information is presented in a way that is useful to patients, does not contain jargon and has a consistent style.

Following the introduction of the bespoke Welcome to the Ward leaflets in 2012/13, we have continued to develop the leaflets and roll them out to more areas of the hospital. The leaflets are now given to almost all inpatients on admission to their ward. The leaflets contain useful information such as visiting times, mealtime and other ward routines, uniforms, who's who and ward contact numbers for relatives and for patients should they have health concerns once they go home.

# Trust volunteer service

More than 300 volunteers from the local community give their time on a regular basis to make a real difference to patients, visitors and staff at the Trust.

Individuals volunteer for a variety of reasons including: the satisfaction of knowing they are doing something for others, the chance to make new friends, to gain experience of a busy hospital environment, to gain confidence and strengthen interpersonal skills. Volunteers are asked to pledge a minimum of 100 hours per year. Our volunteers range in age from 16 to 86.

Some of the tasks volunteers undertake include:

- Nutrition and hydration support
- Wayfinding and escorting
- Reception enquiries
- Undertaking patient surveys including Friends and Family Test and food surveys
- Clerical support
- Patient friends
- Outpatient hosts
- Emergency Department hosts
- Chaplaincy support
- Fundraising activities
- Hospital radio

The dedicated work of all the volunteers is highly valued by the Trust, and it is pleasing to know that volunteers also get satisfaction from their role.

## What our volunteers tell us

**Carol Harris, a Trust volunteer in the Emergency Department**

"I volunteer to try to put a bit back into the health system. The staff are so busy that they really appreciate what we can do for patients.

"Volunteering has become part of my life; I would be totally lost without it."

**Mo Raybould, worked in the voluntary sector for 31 years**

"The Trust is a homely place to volunteer. The nurses are so friendly, kind and understanding. They make you feel so welcome.

"Volunteering gives me a sense of responsibility and a sense of being."

# About our staff

The Trust is a major employer in the Dudley borough with 4,139.8 full time equivalent (FTE, previously called WTE) staff, a decrease of 23.6 from 2013/14.

The table below gives a breakdown of staff numbers by professional group.

| Staff group | Full time equivalent as at 31st March 2015 |
|---|---|
| Additional professional scientific & technical | 156.34 |
| Additional clinical services | 853.59 |
| Administrative and clerical | 798.03 |
| Allied health professionals | 269.03 |
| Healthcare scientists | 114.23 |
| Medical and dental | 488.92 |
| Nursing and midwifery registered | 1440.70 |
| Students | 18.96 |
| All staff | 4139.8 |

*Note regarding full-time equivalent HR and finance difference in number*
*Human resources reporting obtains the full-time equivalent (FTE) in post for a specific date where as finance reporting (page 67) obtains the contracted FTE worked over a period of time. This means that if there are a number of employees who have left during a month, it is possible that the HR report will not pick this FTE up. It also means that if there are a number of leavers on a specific date the finance report may not include this FTE. Therefore for an individual leaving mid-way through March, finance would show 0.5 FTE whereas HR would show zero because there would be no one in post at 31/3. For an individual starting mid-way through March, finance would show 0.5 FTE, whereas HR would show 1.00 FTE because there is 1 person in post at 31/3. This is the reason for the slight difference in FTE being reported.*

## Staff health and wellbeing

The staff sickness absence rate for the 2014/15 year is 3.81 per cent set against a target of 3.50 per cent. The Trust turnover rate for year is 11.3 per cent. This is, in part, due to the workforce reduction programme we entered into during the year.

| | Staff sickness rate |
|---|---|
| Quarter 1 (April to June 2014) | 3.41% |
| Quarter 2 (July to September 2014) | 3.41% |
| Quarter 3 (October to December 2014) | 4.22% |
| Quarter 4 (January to March 2015) | 4.23% |
| **Total for 2014/15** | 3.81%* |

During 2014/15 we continued and expanded the trial of the staff physiotherapy service which was originally only accessible via a referral from Occupational Health. Staff with musculoskeletal problems can now self-refer to the service by attending drop-in sessions. This has helped the Physiotherapy Department assess and treat staff members more quickly. This service has proved very popular and the service has now been rolled out across the Trust for 2015/16.

We also trialled a fast track referral service for employees who were absent due to mental health or stress related illnesses during 2014/15. The trial centred on a fast action pathway where employees who were absent with a mental health related illness were contacted within 24 hours of the absence starting (where appropriate) whereby advice and support would be offered by our trained Occupational Health team. Expansion of the service is to continue throughout 2015/16.

In 2014/15 three members of staff retired early on the grounds of ill health with a value of £85,103. This is a significant reduction compared to 2013/14 where five members of staff retired early on the grounds of ill health with a value of £374,000.

In 2014/15 the Trust entered into a workforce reduction program which resulted in some staff taking advantage of the Mutually Agreed Resignation Scheme (MARS). This was in addition to a number of compulsory and voluntary redundancies. Details of the number and value of these exit packages can be found on page 22 of the accounts.

*The above sickness absence data is presented according to the financial year and is consistent with the way we report sickness absence internally. Reporting requirements for the accounts require us to report sickness absence differently and so the figures above will differ from those on page 21 of the accounts where data is presented as; total days lost, total staff years and average working days lost per WTE according to the calendar year 2014.*
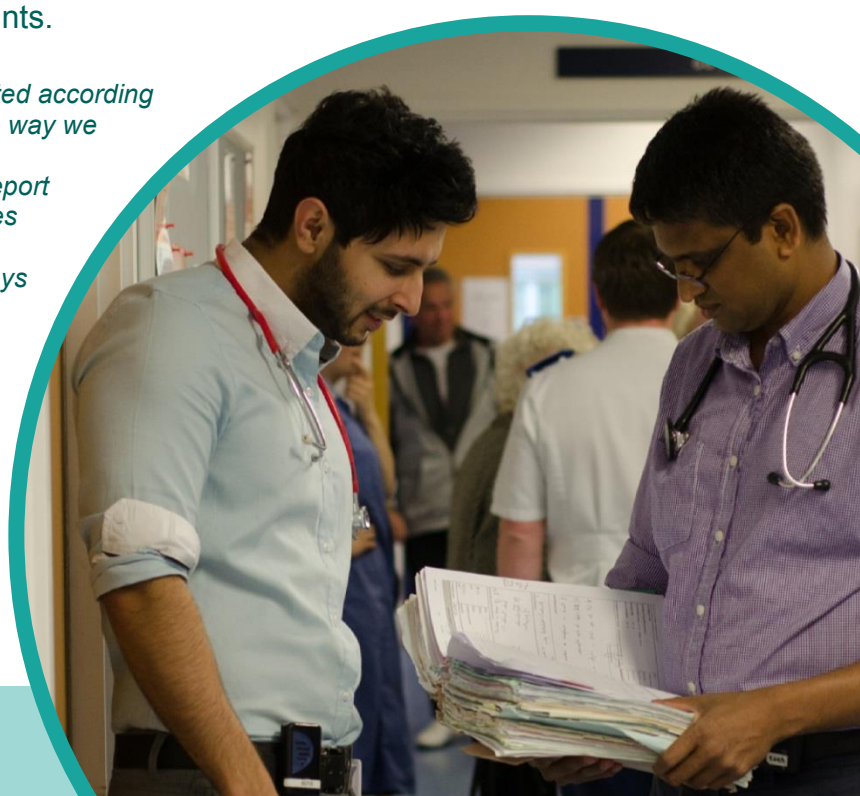
# Equality and diversity

The Diversity Management Group has continued to work on the Trust's equality and diversity objectives which are part of a three-year action plan ending in 2015. During the year, the decision was taken to discontinue the Diversity Management Group and, going forward, the Workforce and Staff Engagement Committee will monitor the Trust's equality and diversity scheme

Progress continues to be good with new training available to staff on how to help people with sight and hearing difficulties. These sessions are available to Trust staff as part of the annual training prospectus.

Mandatory training, which includes a module on equality and diversity, was completed by more than 90 per cent of all Trust staff in 2014/15, an increase of 10 per cent compared to the previous year. All new employees also complete this mandatory module during their induction.

We continue to be a 'Two Ticks' employer – a national standard which recognises that the Trust is positive about employing disabled people.

During the year, the Diversity Management Group reviewed the Trust's employment statistics for 2014/15 against the equality and diversity characteristics and looked at the following people:
- Those who apply to work at the Trust
- Those who currently work at the Trust
- Those who leave the Trust's employment

The group found no areas for concern during their review.

The National Staff Survey 2014 also found us to be in line with or better than the national average for the key findings relating to equality and diversity. The results for Key Finding 26 'Percentage of staff having equality and diversity training in the last 12 months' was one of our most improved, increasing from 59 per cent in 2013 to 69 per cent in 2014. Find out more about the National Staff Survey on page 37.

We also continue to invite all staff to update their personal equal opportunities data by completing a short online questionnaire. The information will be used for monitoring purposes and will help us analyse the profile and make up of employees in support of the Trust's equal opportunities policies.

**Disability employment statistics 2014/15**

| | % of all applications received | % of applicants shortlisted | % of applicants appointed |
|---|---|---|---|
| Disabled | 2.9% | 2.7% | 2.4% |
| Not disabled | 95.9% | 96.3% | 97.3% |
| Undisclosed | 1.2% | 1% | 0.3% |

*These figures are progressive, for example, 20% of applicants stated they had a disability. Of those 20%, 15% were shortlisted. Of those 15% shortlisted, 10% were appointed.*

## NHS workforce statistics 2013/14

An analysis of the Trust's workforce statistics indicates they are comparable with the local Dudley population. Historically, the Trust has seen a higher proportion of female workers than males, and this is typically reflected across other NHS integrated trusts.

| | | Percentage of workforce | |
|---|---|---|---|
| | | 1st April 2013 to 31st March 2014 | 1st April 2014 to 31st March 2015 |
| Age | Under 18 | 0.12% | 0.04% |
| | 18-19 | 0.53% | 0.42% |
| | 20-24 | 7.15% | 6.20% |
| | 25-29 | 14.27% | 14.11% |
| | 30-34 | 12.37% | 11.95% |
| | 35-39 | 11.04% | 11.36% |
| | 40-44 | 13.68% | 12.80% |
| | 45-49 | 14.49% | 15.14% |
| | 50-54 | 13.71% | 13.90% |
| | 55-59 | 8.26% | 8.61% |
| | 60-64 | 3.50% | 4.21% |
| | 65+ | 0.88% | 1.27% |
| Gender | Male | 18.88% | 17.62% |
| | Female | 81.12% | 82.38% |
| Ethnicity | White | 70.00% | 71.66% |
| | Mixed | 0.92% | 0.85% |
| | Asian or Asian British | 9.57% | 8.42% |
| | Black or Black British | 2.74% | 2.52% |
| | Other | 1.57% | 1.31% |
| | Not stated | 15.20% | 15.25% |

# Health and Safety

The Trust continues to provide a safe and secure environment for the provision of the highest standards of clinical care to patients. This is due to the Health & Safety Department constantly reviewing its processes and in the last financial year, improvements have been introduced to ensure we meet all relevant statutory requirements.

The Health & Safety Department has been instrumental in overcoming health & safety risks and issues identified throughout the year such as ensuring all policies and documentation are kept up to date, the move to safer sharps, incident reporting awareness and work place risk assessment training.

In 2015/16 the Health & Safety Department will be introducing a new and improved work place risk assessment process, a policy compliance process and a new audit process. These new processes will improve health and safety throughout the Trust and will also improve the health and safety culture.

# Sustainability and the environment

We recognise our responsibilities with regard to the impact of our business activities on the social, economic and environmental wellbeing of the communities of the Dudley borough and the surrounding area. We work very closely with our Private Finance Initiative (PFI) partner, Summit Healthcare, who has a responsibility under the PFI contract to purchase utility resources and manage their effective use and also to dispose of waste that is created by the Trust and its partners.

This year we have encouraged staff to go paperless in as many areas of their work as possible. Many departments have switched to electronic referrals and staff are asked to have a 'Think before you print' approach to emails and other documents. During the year the Trust also took the decision to no longer allow staff (excluding those based in the community) to purchase diaries, calendars and wall planners, encouraging them to instead utilise the built-in calendar and diary functions in Microsoft Outlook. Staff Wi-Fi has now been installed at Russells Hall Hospital and our two outpatient centres allowing staff to make better use of portable technology and further reduce the need for paper-based working. Staff are encouraged to use laptops, iPads/tablets or smart phones at meetings, both to take notes and view papers/agendas rather than printing hard copies.

Staff car parking permits are only allocated to members of staff who meet specific eligibility criteria. Members of staff who live close to their place of work and could reasonably use public transport are encouraged to do so and, in most circumstances, would not be given a parking permit. Instead, staff are encouraged to use public transport, cycle, walk or car share where possible for their journeys to work. The Trust participates in the cycle to work scheme which allows staff to take advantage of salary sacrifice savings on income tax and national insurance against the cost of a new bike and equipment up to a total cost of £1000. We also maintain a good relationship with local transport providers who regularly visit Trust sites to provide free information to staff, patients and visitors about transport routes, service times and special offers on fares.

# Transformation and Service Improvement

The Trust has a clear focus on efficiency and improvement and aims to be amongst the best for performance. One of the Trust's objectives for 2014/15 was to become well known for the safety and quality of our services through a systematic approach to service transformation.

The key focus of the Transformation and Service Improvement Programme during the year has been:

- Length of Stay
- End of Life
- Urgent Care pathways
- Community locality teams
- Maternity
- Outpatients

## Length of Stay

A long established steering group has focused on reducing the amount of time patients spend in hospital as evidence shows people recover better in a home setting. The key areas of work to reduce length of stay are outlined below.

**Home for Lunch**
Home for Lunch has been introduced to improve the time of day a patient returns home. Piloted on C5, improvements to the coordination of discharge arrangements have demonstrated a shift in discharge time from early evening to lunchtime.

**Discharge to Assess**
Discharge to Assess is designed to ensure that patients receive timely access to appropriate care, in the right setting, therefore, avoiding the need patients to stay in hospital awaiting assessment. This helps to release beds for those that need them most.

**Reconfiguration of Frail Elderly Short Stay Unit (FESSU) and Ambulatory Emergency Care (AEC)**
Clinical areas were reconfigured to help improve the care and flow of our acute medical patients in which all medical short stay wards were located together across wards A1, A2 and A3. The AEC has now moved to a new location at the front of A1, and has extended its opening hours to 8am until 10pm; A2 has become the short-stay ward for acute medical patients and the Frail Elderly Short Stay Unit (FESSU) now operates out of A3.

The reconfiguration project sought to: locate services together and group short-stay patients to support greater efficiencies, increase assessment space in EAU to help the flow of patients, improve access to ambulatory care within acute medicine, and promote the development and expansion of FESSU to support the older patient.

Ultimately, this reconfiguration will reduce length of stay across the Medicine Division which will support the development of a seasonal ward that can be opened in times of high demand, the maximisation of surgical activity and income during the summer months and being able to support Medicine during the busy winter months.

**Specialty Length of Stay Review**
Work has begun by identifying five specialties: Trauma & Orthopaedics, Vascular Surgery, Paediatrics, Respiratory and Gastroenterology. Themes for ways to improve length of stay in these areas will be identified during 2015/16 and beyond.

Early indication shows that these themes will include; emergency admission processes, clinical support service provision, discharge processes for both simple and complex discharges, and use of community services.

## End of Life

During 2014/15 our End of Life project team has been working hard on the development of the five key enablers of the Transform Program. In 2015 we will launch the five Priorities for Care, Advance Care Planning and a Rapid Discharge process for patients who wish to die at home.

In September 2014, the Trust introduced the VOICES bereavement survey to gather the views of relatives & carers about the care their loved one received whilst in hospital. The results will be shared with the organisation and action plans developed.

In April 2014 the Trust was successful in its application to become one of six national pilots to look at improving specialist care closer to home. In partnership with Macmillan, Mary Stevens Hospice and Dudley CCG, the two year pilot will run until 2016 and will be formally evaluated by Nottingham University.

## Outpatients

The Outpatient Steering Group has refocused the key objectives to improve productivity and efficiency across all areas through: standardisation of outpatient booking, demand and capacity alignment, and improving utilisation of clinic slots (reduction in Did Not Attends (DNAs), reschedules and cancellations).

### Standardisation of Outpatient booking
Most appointments at our outpatient clinics are now booked in the same way using the same, standardised booking system. This has helped to streamline the booking process and has allowed the Trust to better utilise clinic slots.

### Improving utilisation of clinic slots
Ophthalmology has implemented partial booking to give patients choice about appointment times and to reduce DNAs, reschedules and cancellations. Partial booking will be rolled out into all specialties during 2015/16.

Patients now receive an SMS text reminder for their appointment a few days before their routine or urgent appointment. This is reducing DNA rates and improving clinic utilisation as patients can, if needed, rearrange their appointment.

## Urgent Care Pathways

Following a public consultation led by Dudley CCG, the borough's new Urgent Care Centre opened its doors at Russells Hall Hospital in March 2015, ahead of its 24-hour launch on 1st April 2015. The service, provided by Malling Health, offers non-emergency and primary care for walk-in patients who have minor illnesses and injuries that need urgent attention and is staffed with GPs and nurse practitioners 24 hours a day, 7 days a week.

Locating the Urgent Care Centre and Emergency Department together means that Russells Hall Hospital is now a one-stop-shop for patients needing any type of immediate care. Patients are now streamed by a registered nurse on arrival and so the decision over where the most appropriate place to access care is now in the hands of a qualified member of staff.

# Engaging with our staff

Good communication and engagement across all our sites is a priority to ensure staff, patients and the public know what is happening. We have a number of to communicate with staff depending on the target audience and the message. These include the ever popular Trust intranet – The Hub – where staff based in hospital or out in the community can access information on Trust news, policies, finance, and views from colleagues. It is also used as a home for forums used to gather views from staff before decisions are made and the staff 'Roll of Honour' which recognises employees who have gone above and beyond.

## Chief Executive's Update

The Chief Executive maintains a monthly CE Update to keep staff up to date on the Trust's strategic direction, new policies and other timely staff news. In response to feedback from staff, occasional face-to-face CE Update meetings on specific subjects were introduced. Staff of all bands, in both clinical and non-clinical roles, are encouraged to attend and ask questions at the end of each session. Staff can also choose to watch the CE Update video on The Hub or read the newsletter-style version instead.

## Patient Safety Leadership Walkrounds

Staff can also get involved via the Patient Safety Leadership Walkrounds, an ongoing rota of visits to clinical areas where a non-executive and executive director, accompanied by a member of the governance team, talk to staff about current issues. Governors also take part in the walkrounds to talk to patients about their experiences. An action plan is then developed and followed up at the next walkround. More on the Patient Safety Leadership Walkrounds can be found in the Quality Report on page 67.

## Long Service Awards

We continued to celebrate the dedication and commitment of our longest serving members of staff at our Long Service Awards ceremonies hosted by Chief Executive Paula Clark and Chairman John Edwards. Three events were held in 2014/15 and celebrated thousands of years of continuous service for The Dudley Group. Staff receive a long service certificate and commemorative badge when they reach milestone lengths of service ranging from 15 to 45 years. Staff that attended Long Service events celebrating 30 years of service or more are also presented with a handcrafted glassware gift made locally at the Ruskin Glass Centre in Amblecote.

## Live online chats and forums

We introduced live online chats in September 2014 as a way to give staff the opportunity to get involved and discuss the things important to them regardless of their physical location. Staff can log on to the chats from our hospital sites, the community, or even their own homes.

The chats are chaired by the Chief Executive or another executive director and invite staff to ask questions or share their views about a specific topic. The chats usually last around one hour and staff can choose to drop in for a few minutes or join in for the whole session.

For those staff unable to join in on the day, a transcript of the chat is published on the Hub shortly after. Staff can also post questions on one of the various staff forums and questions are answered by the executive team.

## Staff Friends and Family Test

During 2014/15 we rolled out the Staff Friends and Family Test as part of a national initiative for all NHS trusts which asks staff:

- How likely are you to recommend your Trust to friends and family if they needed care or treatment?
- How likely are you to recommend your Trust to friends and family as a place to work?

The Friends and Family Test was open throughout the year and we received a total of 981 responses. On average for the year, 82 per cent of our staff would recommend us to friends and family if they needed care or treatment, and 68 per cent of staff would recommend us to friends and family as a place to work. The table below shows our scores broken down by quarter,

| | Response rate | How likely are you to recommend your Trust to friends and family if they **needed care or treatment**? | | How likely are you to recommend your Trust to friends and family as a **place to work**? | |
|---|---|---|---|---|---|
| | **Respondents** | **Would recommend** | **Would not recommend** | **Would recommend** | **Would not recommend** |
| Q1 | 402 | 84% | 6% | 74% | 12% |
| Q2 | 386 | 79% | 8% | 65% | 21% |
| Q3 | 114 | 85% | 5% | 71% | 19% |
| Q4 | 79 | 85% | 6% | 54% | 33% |
| **2014/15** | **981** | **82%** | **7%** | **68%** | **17%** |

## National Staff Survey 2014

The 2014 Annual NHS Staff Survey was completed throughout October and November 2014 with a sample of 830 randomly selected individuals invited to participate.

The results of the survey are used by the Care Quality Commission to compare trusts nationally and we use them to help improve staff's experience of working at The Dudley Group.

The findings for the survey have been analysed at two levels:
- Compared to national average results for 2014
- Compared to last year's Trust results

### The results

Over the next pages is a summary of our results from the 2014 NHS Staff Survey. The full feedback report can be found at www.nhsstaffsurveys.com

The Annual NHS Staff Survey is structured around four pledges taken from the NHS Constitution along with three further themes of 'equality and diversity', 'staff satisfaction' and 'patient experience measures'.

Survey scores are displayed either as a percentage or as a score out of five.
- Percentage scores relate to the percentage of staff giving a particular response to one or a series of survey questions,
- Scale summary scores are calculated by converting staff responses to particular questions into scores. For each of these scale summary scores, the minimum score is always one and the maximum score is five.

### Staff Survey response rate

We achieved a response rate of 42 per cent in 2014 which is average for acute trusts in England. It is a slight decrease from last year which may be partly explained by the decision this year to conduct the survey completely online. The decrease is in line with that experienced nationally by other trusts moving to an electronic system.

| Trust 2014 | National average 2014 | Trust 2013 | National average 2013 | Comparison to 2013 |
|---|---|---|---|---|
| 42% | 42% | 48% | 49% | Decrease |

## Overall staff engagement

Our score for overall staff engagement has improved continually since 2012, putting the Trust in the top 20 per cent when compared with comparable trusts.

This overall indicator of staff engagement is calculated using the questions that make up Key Findings 22, 24 and 25. These Key Findings relate to:
- staff members' perceived ability to contribute to improvements at work
- their willingness to recommend the Trust as a place to work or receive treatment
- the extent to which they feel motivated and engaged with their work

Possible scores range from 1 to 5, with 1 indicating that staff are poorly engaged and 5 indicating that staff are highly engaged. The Trust's score of 3.84 was in the highest (best) 20% when compared with trusts of a similar type.

| Overall staff engagement (the higher the score the better) | Score out of 5 | Ranking |
|---|---|---|
| Trust score 2014 | 3.84 | **Highest (best) 20%** |
| Trust score 2013 | 3.73 | **On average** |
| Trust score 2012 | 3.64 | **Below average** |
| National average 2014 (for acute trusts) | 3.74 | |

## Significant improvements

We are pleased to report that there were no statistically significant negative changes to any Key Findings since the 2013 survey. Below are the four areas where there has been a significant positive change to findings since 2013.

| Where staff experience has improved most since 2013 | Trust 2014 | Trust 2013 |
|---|---|---|
| **KF4** Effective team working | 3.88 | 3.71 |
| **KF14** Fairness and effectiveness of incident reporting procedures | 3.61 | 3.48 |
| **KF25** Staff motivation at work | 3.95 | 3.83 |
| **KF26** Percentage of staff having equality and diversity training in the last 12 months | 69% | 59% |

## Top and bottom Key Findings

Of the 29 Key Findings, 17 put us in the best 20% of trusts nationally, nine were better than the national average and two were on a par with the national average. Only one of the survey's key findings was not in line with or better than average.

A summary of the top and bottom key findings from the survey are published by NHS England each year. Below are the Trust's top five and bottom three key findings.

| Top* five key findings (KF) overall | Trust 2014 | National average** | Ranking # | Comparison to 2013 |
|---|---|---|---|---|
| **KF6** Percentage of staff receiving job-relevant training, learning or development in last 12 months *(the higher the score the better)* | 88% | 81% | **Highest (best) 20%** | No change |
| **KF4** Effective team working *(the higher the score the better)* | 3.88 | 3.74 | **Highest (best) 20%** | **Increase** |
| **KF19** Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months *(the lower the score the better)* | 18% | 23% | **Lowest (best) 20%** | No change |
| **KF15** Percentage of staff agreeing that they would feel secure raising concerns about unsafe clinical practice *(the higher the score the better)* | 78% | 67% | **Highest (best) 20%** | **Increase** |
| **KF8** Percentage of staff having well-structured appraisals in last 12 months *(the higher the score the better)* | 47% | 38% | **Highest (best) 20%** | No change |

| Bottom* three key findings (KF) overall | Trust 2014 | National average** | Ranking # | Comparison to 2013 |
|---|---|---|---|---|
| **KF10** Percentage of staff receiving health and safety training in last 12 months *(the higher the score the better)* | 68% | 77% | **Lowest (worst) 20%** | No change |
| **KF16** Percentage of staff experiencing physical violence from patients, relatives or the public in last 12 months *(the lower the score the better)* | 15% | 14% | Average | No change |
| **KF1** Percentage of staff feeling satisfied with the quality of work and patient care they are able to deliver *(the higher the score the better)* | 78% | 77% | **Highest (best) 20%** | No change |

*\* Those which compare most and least favourably with other acute trusts in England*
*\*\* For acute trusts                              # compared with all acute trusts*

Key Finding 10 is the only finding of the 29 that places us in the bottom 20% of trusts nationally. We have identified that it is not the case that staff do not receive health and safety training, rather they do not realise that health and safety is covered in a number of mandatory training modules such as Infection Control, Manual Handling and Fire Training. These modules are in addition to local ongoing training.

## Staff engagement actions and progress since 2013 Staff Survey

| Action | Key Finding* |
|---|---|
| £3m was invested in nursing including recruitment from overseas | KF1, KF2 |
| Work done to help turn vacancies around more quickly | KF1 |
| Management structure changed to ensure the right management and support available | KF1, KF4, KF9, KF11 |
| Continue to run Schwartz Rounds to help staff deal with the stress and pressures of work | KF3, KF11 |
| New Occupational Health scheme where staff absent from work for mental health or stress reasons receive fast-track support within one working day | KF3, KF11 |
| Continue to offer staff a wide range of training courses, which are available to any staff for whom the training would be relevant and beneficial | KF6, KF26 |
| Continue to offer leadership courses and training for more senior staff or those advancing into a leadership role | KF6, KF9, KF11 |
| More communication about mandatory training and learning opportunities | KF6, KF26 |
| Continue to send managers monthly reports giving them a three month warning that an appraisal or mandatory training is due | KF6, KF7, KF10, KF26 |
| Health and Safety training is covered in many different mandatory training sessions, for example needlestick injury prevention which is part of in infection control training | KF10, KF6 |
| All staff have been reminded of the importance of reporting all incidents on Datix, our incident reporting system, via intranet, screensavers and a survey | KF13, KF15 |
| Training sessions on how to complete Datix incident reports correctly are run throughout the year and are open to all staff | KF13, KF6 |
| Patient safety leadership walrounds are used as a forum to raise any concerns | KF13, KF15 |
| The Trust's Local Security Management Specialist (LSMS) now contacts victims of violence to offer support | KF16, KF17, KF18, KF19 |
| Monthly police surgeries with the Trust's local police constable in Russells Hall Hospital have been introduced with the LSMS attending every quarter | KF16, KF17, KF18, KF19 |
| 'Zero Tolerance' and other security posters have been refreshed and redistributed within the Trust to display in public areas | KF16, KF17, KF18, KF19 |
| Face-to-face Chief Executive Updates and live online chats have been used to allow staff the opportunity to engage with senior management | KF21, KF22 |
| Continue to produce monthly Chief Executive Update newsletters for all staff, along with more targeted newsletters on specific subjects | KF21 |
| Continue to utilise our staff intranet and email to communicate important message from the Board | KF21 |
| Online polls, surveys and forums have been set up on the intranet giving staff the opportunity to share their views on important decisions and discuss specific topics | KF21, KF22 |
| Relaunch of the Listening into Action staff engagement tool in 2015/16 | KF22 |
| The Staff Friends and Family Test launched and includes a free text box to collect qualitative feedback that is fed back to the Board. | KF22 |

*An explanation of each Key Finding can be found at www.nhsstaffsurveys.com

## Census survey

After a successful census survey in 2013/14, we chose to again invite all employees to take part in a survey asking the same questions as the NHS Staff Survey. To ensure confidentiality, employee engagement specialists VaLUENTiS collated and processed all completed surveys on the our behalf.

Every single Trust employee was asked for their views and we had a good response rate, with 1,601 members of staff completing the survey, representing 34.1 per cent of our workforce.

By inviting all staff to complete a survey  we are able to get more detailed information and we plan to use this more detailed data to plan actions appropriate to individual areas and staff groups to help build on improving scores and tackle areas of concern.

As with the National Staff Survey, directorate management teams ensure actions are taken within their areas where any specific concerns are highlighted and these form part of the Trust-wide action plan.  Progress will be monitored through the Workforce and Staff Engagement Committee to ensure sustained enthusiasm and progress.

## Looking forward

In the coming year we will continue working hard to make Dudley one of the best places to work by continuing with the developments listed on the previous page. We are particularly keen to build upon our successful Listening into Action events which see staff come together to discuss how to make improvements to specific areas or services.

The Workforce and Staff Engagement Committee monitors staff engagement and results from the National Staff Survey and Staff Friends and Family test are reported to the committee annually and quarterly respectively.

We aspire to be an organisation where staff would recommend us both as a place to work and receive treatment, and our work to further engage the workforce in change for the better will continue into 2015/16. We hope that this work will help to better engage our staff and, as a result, further improve our scores in the National Staff Survey.

# Council of Governors and members

The Council of Governors was formed with effect from the 1st October 2008 and is responsible for holding the non-executive directors to account for the performance of the Board of Directors. The majority of the Trust's governors are elected through the public membership to make up the Council of Governors which consists of 25 governors in total:

Public elected – 13 governors
Staff elected – 8 governors
Appointed from key stakeholders – 4 governors

Tables summarising the Council of Governors and the constituencies they represent can be found on page 45.

The Board of Directors works closely with the Council of Governors through regular attendance at both full Council of Governor meetings and the committees of the Council. Both non-executive and executive directors are nominated attendees at the Council of Governors sub committees. This provides opportunities for detailed discussion and debate on strategy, performance, quality and patient experience and enables the governors to see non-executive directors function. Governors regularly attend Board of Directors meetings held in public.

The Board of Directors is accountable to the Council of Governors ensuring it meets its Terms of Authorisation. A Register of Interests confirming individual declarations for each governor is maintained by the Trust and is available on request by calling (01384) 321124 or emailing foundationmembers@dgh.nhs.uk

All the Trust's governors comply with the 'fit and proper' persons test as described in the Trust's provider licence issued by Monitor. The conditions outlined by Monitor are incorporated into the Foundation Trust Constitution.

## Council of Governor Committees

The Council of Governors has established the following committees:
- Membership Engagement Committee
- Strategy Committee
- Governance Committee
- Remuneration Committee
- Appointments Committee

The Council of Governors has the following key responsibilities:
- Appointment and/or removal of the chair, including appraisal and performance management
- Appointment and/or removal of the non-executive directors
- Appointment of the external auditors
- Advising the Board of Directors on the views of members and the wider community
- Ensuring the Board of Directors complies with its Terms of Authorisation and operates within that licence
- Recruitment and engagement of Trust members
- Advising on strategic direction
- Receiving the NHS Trust's Annual Accounts, any report of the auditor on them, and the Annual Report at the Trust's Annual Members' Meeting
- Approving significant transactions which exceed 25 per cent by value of Trust assets, Trust income or increase/reduction to capital value
- Approval of any structural change to the organisation worth more than 10 per cent of the organisation's assets, revenue or capital by way of merger, acquisition, separation or dissolution
- Deciding whether the level of private patient income would significantly interfere with the Trust's principal purpose of providing NHS services
- Approving amendments to the Trust's Constitution

The Trust continues to work closely with the Council of Governors to further develop the governor role to reflect the requirements of the Health and Social Care Act and other best practice and guidance.

Ongoing training and development is provided by the Trust allowing experts from within and outside the Trust to work with the Council of Governors to identify key aspects of their role. This includes how they influence strategy within the Trust, how they undertake their secondary governance duties and how they will engage with members and the wider community so that their views and opinions can be heard.

## Council of Governors membership and meetings 2014/15

The Council of Governors meet a minimum of four times per year. Meeting papers published on our website at www.dudleygroup.nhs.uk and members and the wider public are welcome to attend and observe.

In the year 2014/15 the full Council met on six occasions including the Annual Members' Meeting held in September 2014.

| Public Elected Governors | Constituency | Attendance at full council meetings 2014/15* |
|---|---|---|
| David Stenson (end of term Dec 2014) | Brierley Hill | 4/4 |
| Robert Edwards (end of term Dec 2014) | Brierley Hill | 2/4 |
| Richard Brookes (elected Dec 2014) | Brierley Hill | 3/3 |
| Helen Stott-Slater (elected Dec 2014) | Brierley Hill | 3/3 |
| Fred Allen | Central Dudley | 6/6 |
| Bill Hazelton (end of term Dec 2014) | Central Dudley | 4/4 |
| Joan Morgan (elected Dec 2014) | Central Dudley | 3/3 |
| Rob Johnson (re-elected Dec 2014) | Halesowen | 6/6 |
| Katie Bennett (elected Dec 2014) | Halesowen | 1/3 |
| Tarsem Sidhu (resigned in Oct 2014) | Halesowen | 0/2 |
| Subodh Jain | North Dudley | 5/6 |
| Yvonne Peers (elected Dec 2014) | North Dudley | 3/3 |
| Darren Adams (re-elected Dec 2014) | Stourbridge | 5/6 |
| Roy Savin | Stourbridge | 6/6 |
| Pat Price | Rest of the West Midlands | 6/6 |
| Diane Jones (re-elected Dec 2014) | South Staffordshire and Wyre Forest | 5/6 |
| Ira John (elected Dec 2014) | Tipton & Rowley Regis | 3/3 |
| **Staff Elected Governors** | **Staff Group** | |
| Scott Burton (resigned in May 2014) | Allied Health Professionals and Healthcare Scientists | 1/1 |
| Claudia Pinto de Oliveira (elected Dec 2014) | Allied Health Professionals and Healthcare Scientists | 3/3 |
| Ian Dukes | Medical and Dental | 1/6 |
| Karen Phillips | Non Clinical Staff | 4/6 |
| Joanne Hamilton (end of term Dec 2014) | Nursing and Midwifery | 4/4 |
| Alison Macefield (re-elected Dec 2014) | Nursing and Midwifery | 6/6 |
| Shirley Robinson (elected Dec 2014) | Nursing and Midwifery | 3/3 |
| Jacky Snowdon (elected Dec 2014) | Nursing and Midwifery | 3/3 |
| Julie Walklate (resigned in Dec 2014) | Nursing and Midwifery | 2/4 |
| **Appointed Governors** | **Appointing organisation** | |
| Cllr Dave Branwood (appointed Nov 2014) | Dudley Metropolitan Borough Council | 1/4 |
| John Franklin | Dudley Council for Voluntary Service | 5/6 |
| Dr Richard Gee (appointed Dec 2014) | Dudley Clinical Commissioning Group | 3/3 |

*Figures show number of meetings attended that were held during the term of office. The Council of Governors monitors attendance at full council meetings and committee meetings as agreed under the governors' code of conduct. In all instances above where governors have maintained less than the required attendance, the Council of Governors is satisfied that there was reasonable cause for non-attendance.*

Full Council of Governor meetings are regularly attended by key clinicians and senior staff from across the Trust providing presentations and question and answer sessions to help governors understand how the organisation works.

In 2014/15 members of the Board of Directors attended the following full Council of Governors meetings.

| Director and non-executive director attendance at full Council of Governors meetings 2014/15* | | Attendance |
|---|---|---|
| Paul Assinder (left Oct 2014) | Director of Finance and Information | 2/2 |
| David Badger | Chairman | 5/6 |
| Ann Becke | Non-executive Director | 0/6 |
| Anne Baines (joined Oct 2014) | Director of Strategy and Performance | 1/4 |
| Richard Beeken (left May 2014) | Director of Strategy, Performance and Transformation | 1/1 |
| David Bland | Non-executive Director | 0/6 |
| Paula Clark | Chief Executive Officer | 3/6 |
| John Edwards (left Dec 2014) | Chairman | 4/4 |
| Jonathan Fellows | Non-executive Director | 1/6 |
| Paul Harrison | Medical Director | 1/6 |
| Denise McMahon | Director of Nursing | 4/6 |
| Richard Miner | Non-executive Director | 0/6 |
| Paul Taylor (joined Oct 2014) | Director of Finance and Information | 2/4 |

*Board members are not required to attend all full Council of Governors meetings unless invited to do so to present on a specific topic.

## Governor resignations, elections and re-appointments

**During 2014/15, elections were held for vacancies in the following constituencies:**

**Public**
Brierley Hill
Central Dudley
Halesowen
North Dudley
Tipton & Rowley Regis

**Staff**
Nursing and Midwifery
Allied Health Professionals
and Healthcare Scientists



In accordance with the Trust's Constitution, we use the method of single transferable voting for all elections. This system allows voters to rank candidates in order of preference and, after candidates have either been elected or eliminated, unused votes are transferred according to the voters next stated preference.

Our members engage well with the Council of Governor election process and, during the year, only one of our public constituencies returned governors on an uncontested basis. A total of 20 members put themselves forward as nominees for vacancies in the five public constituencies. More than 1,500 of our public members voted in the elections held during the year which represented 14 per cent of those eligible to vote in the contested constituencies.

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Electoral Reform Services was appointed by the Trust to oversee the election process. The process returned the following governors for a three year term with the exception of those constituencies where two or more governors were returned where a two or three year term would be determined by the number of votes received i.e. the person with the majority would be offered the three year term. Where an election was uncontested, the matter would be decided by the drawing of straws.

**Governors elected or appointed during 2014/15:**

| Governor | Constituency | Date elected |
| --- | --- | --- |
| Richard Brookes | Public: Brierley Hill | December 2014 |
| Helen Stott-Slater | Public: Brierley Hill | December 2014 |
| Joan Morgan | Public: Central Dudley | December 2014 |
| Katie Bennett | Public: Halesowen | December 2014 |
| Yvonne Peers | Public: North Dudley | December 2014 |
| Ira John | Public: Tipton & Rowley Regis | December 2014 |
| Claudia Pinto de Oliveira | Staff: Allied Health Professionals & Healthcare Scientists | December 2014 |
| Shirley Robinson | Staff: Nursing and Midwifery | December 2014 |
| Jacky Snowdon | Staff: Nursing and Midwifery | December 2014 |
| Cllr Dave Branwood | Appointed: Dudley Metropolitan Borough Council | November 2014 |
| Dr Richard Gee | Appointed: Dudley Clinical Commissioning Group | December 2014 |

**Governors reaching end of term of office or resigning during 2014/15:**

| Governor | Constituency | Date |
| --- | --- | --- |
| Anne Gregory | Staff: Allied Health Professionals & Healthcare Scientists | April 2014 |
| Scott Burton | Staff: Allied Health Professionals & Healthcare Scientists | May 2014 |
| Steve Waltho | Appointed: Dudley Metropolitan Borough Council | July 2014 |
| Tarsem Sidhu | Elected: Halesowen | November 2014 |
| David Stenson | Elected: Brierley Hill | December 2014 |
| Robert Edwards | Elected: Brierley Hill | December 2014 |
| Bill Hazelton | Elected: Dudley Central | December 2014 |
| Rob Johnson | Elected: Halesowen | December 2014 |
| Diane Jones | Elected: South Staffordshire and Wyre Forest | December 2014 |
| Darren Adams | Elected: Stourbridge | December 2014 |
| Joanne Hamilton | Elected: Nursing and Midwifery | December 2014 |
| Alison Macefield | Elected: Nursing and Midwifery | December 2014 |
| Julie Walklate | Elected: Nursing and Midwifery | December 2014 |

## Council of Governors review 2014/15

Since authorisation, our Council of Governors has regularly conducted a review of its effectiveness in discharging its statutory and other duties. During 2014/15 the Council of Governors completed a review of its committees. This focused on the committee structure and specifically the operational arrangements for the current financial year, membership attendance, agenda focus and reporting arrangements.

The review was reported to the full Council in November 2014 and the full Council agreed the following effective from 1st April 2015;

- The formalisation of the Governor Development Group as a formal committee of the Council and widening the membership to include one staff governor and one elected governor
- The duties of the Membership Engagement Committee to be revised to include additional responsibilities including quality and patient safety and patient experience issues
- The Strategy Committee to be open to all governors and meetings to match the key planning cycle
- The duties of the Governance Committee to be revised to include additional responsibilities for consideration of clinical governance, quality and safety, workforce and staffing matters

## Chairs of Council of Governors Committees (Apr to Dec 2014*)

**Rob Johnson**        Governance Committee

**Rob Johnson**        Appointments Committee (interim chair)

**Bill Hazelton**        Membership Engagement Committee

**David Stenson**        Strategy Committee

**Darren Adams**        Remuneration Committee (Council of Governors committee)

*Above Chairs reached their end of term of office*

## Chairs of Council of Governors Committees (Mar 2015**)

**Dr Subodh Jain**        Governance Committee

**Rob Johnson**        Appointments Committee (interim chair)

**Pat Price**        Membership Engagement Committee

**Alison Macefield**        Strategy Committee

**Rob Johnson**        Remuneration Committee (Council of Governors committee)

*\*\*Governor elections held in December 2014 and new chairs elected at committee meetings held March 2015*

## Governor engagement with Trust members and local communities

We encourage and support governors in raising public and staff awareness of the work of the Trust and their role within their constituencies. The 'Out There' initiative continues to support governors to undertake their role in finding out what people think about the Trust and feedback their views to the Board of Directors.

During 2014/15 governors continued to reach out into their constituencies and have attended a number of community and support groups such as GP patient panels and participation groups as well as visiting community groups.

Many of the our governors also actively participate in Trust-led events such as the behind the scenes events which provide Trust members and members of the wider community an opportunity to learn more about areas of the Trust not normally seen.

## How to contact a governor or director

There are several ways Trust members or members of the public can contact either their Governor or a member of the Board of Directors:

- Council of Governors meetings in public
- Board of Directors meetings in public
- Annual Members' Meeting
- Members events
- via the Foundation Trust office on email or by phone

For dates and times of these meetings and other members events, please visit the members section on the Trust website at www.dudleygroup.nhs.uk or contact the Foundation Trust office:

**Email**
foundationmembers@dgh.nhs.uk
governors@dgh.nhs.uk

**Write to**
Freepost RSEH-CUZB-SJEG
2nd Floor South Block,
Russells Hall Hospital,
Pensnett Road, Dudley,
DY1 2HQ

**Telephone**
(01384) 321124

Several governors are also happy to be contacted directly and their details can be found on the members section of our website or by calling (01384) 321124.

## Membership recruitment and engagement

The membership of the Trust comprises local people and staff who are directly employed by us or our partner organisations. To be eligible for membership you must be over 14 years of age – there is no upper age limit. Full details of who is eligible to register as a member of the Trust is contained within the Trust Constitution which is available at www.dudleygroup.nhs.uk Any public members wishing to come forward as a governor when vacancies arise or vote in governor elections must reside in one of the Trust's constituencies. Staff are automatically included as members within the staff groups set out on page 51 unless they choose to opt out.

During 2014/15, we continued to promote membership to local communities and the importance of having a voice. We encouraged them to share their experiences and have continued to maintain a public membership of more than 13,000. As at the 31st March 2015 the Trust had a total of 13,770 public members.

### Membership growth

| Membership sector | 31/03/2014 actual | 31/03/2015 actual |
| --- | --- | --- |
| Public | 13,619 | 13,770 |
| Staff | 5,151 | 5,312 |
| Total | 18,770 | 19,082 |

The membership strategy for 2014/15 maintained the focus on developing opportunities to maintain a public membership target of no less than 13,000, and refine recruitment activity to target any identified areas of shortfall. This is important to ensure the our membership continues to reflect the diversity of the communities we serve and the protected characteristics as set out in the Equality Act 2010. The Trust's strategy also included developing more opportunities for engaging with members to gain feedback that we can use to improve patient experience.

The 'Meet your Experts' health fair events create a unique opportunity to learn about the services provided by the Trust and visit areas not normally seen by the general public. Some of the event's younger guests who may be considering a career in healthcare say that the tours are inspiring. Our membership continues to engage well with members' events and the Annual Member Meeting. We monitor attendance at these events and is pleased that they are consistently popular with our membership and the wider public. More than 100 people, for example, attended last year's AMM.

During 2014/15 we hosted two member events; behind the scenes tours at Russells Hall Hospital in June and September. More than 150 Trust members and their guests attended the events and learned more about;

**Breast Care services**       June 2014
**Accident and Emergency**  September 2014

More information about the Trust and the latest news can be found on our website at www.dudleygroup.nhs.uk  The members' area of the website also contains information about being a member and the contribution they make to the ongoing success of the organisation.

Members can:

- Be involved in shaping the future of healthcare in Dudley by sharing their views*
- Vote in governor elections*
- Stand for election to represent their constituency**
- Attend behind the scenes tours and member events
- Participate in public meetings, public and patient involvement panels and focus groups
- Fundraise for the Dudley Group NHS Charity

*excluding those living Outside of the West Midlands
**candidates must be minimum 16 years old

## Membership report as at 31st March 2015

| Public Constituencies | Number of Members |
|---|---|
| Brierley Hill | 1,769 |
| Central Dudley | 2,380 |
| Halesowen | 1,186 |
| North Dudley | 1,418 |
| Outside of the West Midlands | 228 |
| Rest of the West Midlands | 1,628 |
| South Staffordshire and Wyre Forest | 1,232 |
| Stourbridge | 1,713 |
| Tipton and Rowley Regis | 2,216 |
| **Total Public Members** | **13,770** |

| Staff Constituencies | Number of Members |
|---|---|
| Allied Health Professionals and Healthcare Scientists | 627 |
| Medical and Dental | 512 |
| Nursing and Midwifery | 2649 |
| Non Clinical | 921 |
| Partner Organisations | 603 |
| **Total Staff Members** | **5,312** |

| Breakdown by age, gender and ethnicity | | Number of Members |
|---|---|---|
| Age | 0-16 years | 18 |
| | 17-21 years | 2,122 |
| | 22+ years | 11,251 |
| Gender | Male | 4,792 |
| | Female | 8,915 |
| | Unspecified | 63 |
| Ethnicity | White | 11,489 |
| | Mixed | 385 |
| | Asian or Asian British | 1,088 |
| | Black or Black British | 399 |
| | Other | 69 |
| | Not stated | 340 |

# Board of Directors

The Board of Directors was established and constituted to meet legal minimum requirements as stated in the Health and Social Care (Community Health and Standards) Act 2003 and the requirements of the NHS Foundation Trust Code of Corporate Governance published by Monitor.

A Board evaluation process is in place to enable the Board to undertake formal annual evaluation of its own performance and that of its committees and individual directors, in line with the UK Corporate Governance Code.

The Board of Directors Nominations Committee works closely with the Council of Governors' Appointments Committee to review the balance and appropriateness of Board members' skills and competencies. Board effectiveness is assessed annually and the process is monitored by the Governors' Appointments Committee.

The Board is satisfied that the balance of experience and skill set of Board members remains fit for purpose.

Non-executive directors can only be removed by a 75 per cent vote of the Council of Governors following a formal investigatory process, and the taking of independent legal advice, in accordance with guidance issued by Monitor.
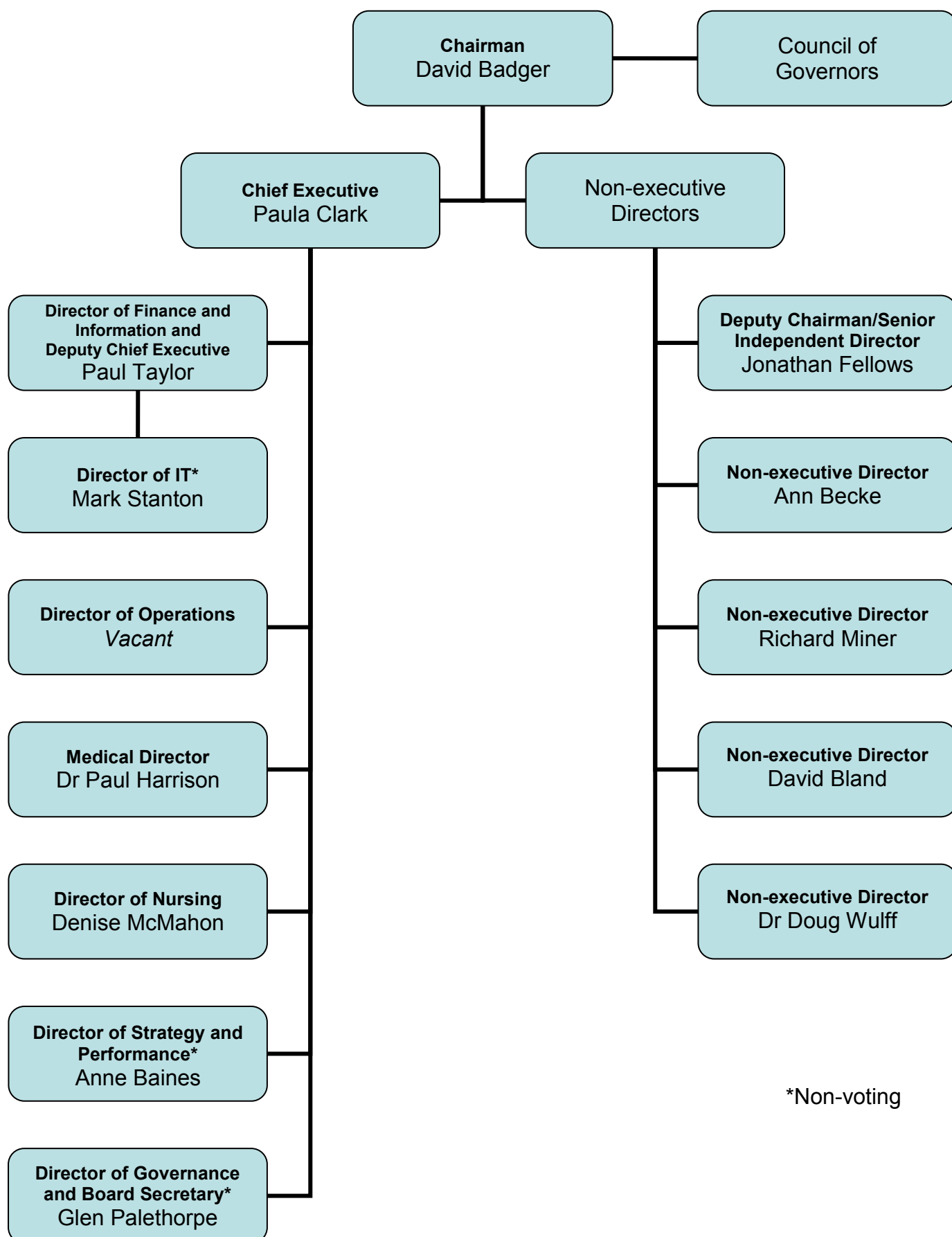
All executive and non-executive directors comply with the 'fit and proper' persons test as described in Condition G4 of the provider licence issued by Monitor. The conditions outlined by Monitor are incorporated into the Trust's Foundation Trust Constitution. A Register of Directors' Interests is held by the Board Secretary and is available for inspection on request.

**Directors in post during the financial year**

| Position | Name | Commencing | End |
|---|---|---|---|
| Chairman | John Edwards | 01/11/2010 | 31/12/2014 |
| | David Badger | 01/01/2015 | 31/12/2015 |
| Chief Executive | Paula Clark | 01/10/2009 | |
| Director of Finance and Information | Paul Assinder | 28/08/2005 | 03/10/2014 |
| | Paul Taylor | 01/10/2014 | |
| Director of Strategy and Performance | Richard Beeken | 15/06/2010 | 26/05/2014 |
| | Anne Baines* | 01/10/2014 | |
| Director of Operations | Richard Cattell* | 08/04/2013 | 21/09/2014 |
| | Jon Scott | 23/06/2014 | 27/11/2014 |
| Medical Director | Paul Harrison | 01/06/2006 | |
| Director of Nursing | Denise McMahon | 12/05/2008 | |
| Non-executive Director/Deputy Chairman and Senior Independent Director | David Badger | 01/12/2002 | 31/12/2014 |
| | Jonathan Fellows | 01/01/2015 | 31/12/2017 |
| Non-executive Director | Ann Becke | 01/11/2005 | 31/10/2017 |
| Non-executive Director | Jonathan Fellows | 25/10/2007 | 31/12/2014 |
| | Doug Wulff | 01/02/2015 | 31/01/2018 |
| Non-executive Director | David Bland | 01/08/2010 | 31/12/2015 |
| Non-executive Director | Richard Miner | 01/05/2012 | 30/09/2016 |

More detailed information about each of our current directors can be found on the following pages.

# Board of Directors Structure as at 31st March 2015

**Chairman**
David Badger

Council of Governors

**Chief Executive**
Paula Clark

Non-executive Directors

**Director of Finance and Information and Deputy Chief Executive**
Paul Taylor

**Director of IT\***
Mark Stanton

**Director of Operations**
*Vacant*

**Medical Director**
Dr Paul Harrison

**Director of Nursing**
Denise McMahon

**Director of Strategy and Performance\***
Anne Baines

**Director of Governance and Board Secretary\***
Glen Palethorpe

**Deputy Chairman/Senior Independent Director**
Jonathan Fellows

**Non-executive Director**
Ann Becke

**Non-executive Director**
Richard Miner

**Non-executive Director**
David Bland

**Non-executive Director**
Dr Doug Wulff

\*Non-voting

## Non-executive Directors

**David Badger – Chairman**
David became Chairman in January 2015 after seven years as Deputy Chairman and Senior Independent Director. Initially appointed to the Trust as a non-executive director in December 2002, he has since served on all Trust Board committees. Most recently he chaired the Finance and Performance Committee, and was a member of the Clinical Quality Safety and Patient Experience Committee. He has also championed work on organ donation and elderly care.

Working closely with governors since initial elections to the Trust in 2008, David has been instrumental in developing the application of the Foundation Trust model.

Prior to his appointment at the Trust, David spent more than thirty five years in local government. As a chief officer in the 1990s he had responsibility for a range of education management and support services including strategic planning, finance, buildings including schools PFI, human resources, residential centres and youth music. Responsibilities also included community regeneration initiatives and leisure services which included libraries, the arts and community centres.

David has worked with a range of stakeholder groups in the public, private, community and voluntary sectors to improve connections between services and those who used them. David was initially vice chair and later chair of a City Challenge education and training group and was a governor in a further and higher education college. These roles and responsibilities gave David an opportunity to build a wide base of skills and experience all of which are relevant to the current challenges faced by the Trust.

**Jonathan Fellows – Non-executive Director, Deputy Chairman and Senior Independent Director**
Jonathan joined the Trust as a non-executive director in October 2007, prior to the Trust achieving authorisation by Monitor as a Foundation Trust the following year. Since 1998 he has successfully led and grown a number of retail sector businesses and, prior to that, held executive director roles on the boards of large publicly listed companies including Central Independent Television and Lloyds Chemists.

Jonathan has extensive experience of raising finance, particularly for major capital projects, as well as developing business strategy and improving customer service, PR and communications.

Jonathan is a Fellow of the Chartered Association of Certified Accountants and a member of the Association of Corporate Treasurers. As well as being Deputy Chair of the Trust and Senior Independent Director, Jonathan chairs the Trust Finance and Performance Committee and is also a member of both the Audit and Charitable Funds committees.

**Ann Becke – Non-executive Director**

Ann brings to the Trust 26 years' experience in global sales and marketing. She is chair of the Workforce and Staff Engagement Committee, chair of the IT Clinical Steering Group, a member of the Audit Committee and the Clinical Quality, Safety and Patient Experience Committee.

Ann is the lead for Safeguarding, both within the Trust and the wider health economy and a member of Dudley Clinical Education Centre's Charity. She represents the Trust on the Dudley Children's Partnership Board. She is also non-executive lead for complaints and takes a keen interest in the patient environment through the Art and Environment Committee.

A graduate in World Class Service Management from Leeds University, she is a trained coach and mentor. Ann brings to the Board significant experience in the delivery of inspirational leadership, customer satisfaction and diversity.

Ann is Chair of the Local Link of the charity Chernobyl Children's Lifeline and is actively involved in both the local and business community raising awareness and significant funding.

**David Bland – Non-executive Director**

David joined the Trust in August 2010 and brings extensive senior level experience, particularly in running complex multi-site service businesses. He has a strong mix of strategic and operational skills developed during many years of international consultancy work.

From his time in the hospitality industry with Bass plc and Intercontinental Hotels Group plc, David brings a real understanding of how to deliver excellent and consistent customer service.

More recently, David has been working with a number of private equity-backed companies, as well as acting as a mentor to several young people starting businesses with the Prince's Trust. He is also a non-executive director on the Board of the British Chambers of Commerce.

**Richard Miner – Non-executive Director**

Richard is a Chartered Accountant by background and chairs the Audit Committee. Having joined the Trust in 2010, he is also a member of the Finance and Performance and Workforce Committees.

A former partner in national accounting firm PKF (now part of BDO) he was also Group Finance Director at LPC Group PLC, at one time the largest independent tissue manufacturer in the UK.

He is currently Regional Director with FD Solutions, a provider of flexible and interim finance directors to entrepreneurial and ambitious organisations and which includes his role as Finance Director with Open Study College, one of the UK's leading providers of distance learning materials.

Richard first became involved with the NHS in 2006 as a non-executive director of Birmingham East and North Primary Care Trust (PCT) where he chaired the Audit Committee and World Class Commissioning working group.

**Doug Wulff – Non-executive Director**

Doug is a General Practitioner by profession and has worked in healthcare both in the UK and South Africa. He joined The Dudley Group after retiring from Staffordshire and Stoke on Trent Partnership NHS Trust where he was Medical Director.

Doug joined the Trust in February 2015 and sits on the Workforce and Staff Engagement Committee, Charitable Funds Committee and Chairs the Clinical Quality, Safety and Patient Experience Committee.

A medical graduate of the University of the Witwatersrand, Johannesburg, South Africa, Doug also holds a post-graduate Diploma in Medical Administration and a Masters in Business Administration both from the University of Pretoria.

He worked in general practice and health management in South Africa until moving to the UK where he has since been a GP partner, senior clinical tutor and a member of a number of regional and national NHS committees and boards.

## Executive Directors

**Paula Clark – Chief Executive**
Paula joined the Trust as Chief Executive on 1st October 2009 from Burton Hospitals NHS Foundation Trust where she was Chief Executive from September 2005.

She has a keen interest in education and leadership development in the NHS and is the Chair of the Black Country Local Education and Training Council and member of the Health Education West Midlands Board. She is also a Governor on the Board of Wolverhampton University.

Her career in the NHS has spanned a wide range of sectors, including Chief Executive of Erewash Primary Care Trust and senior roles at Southern Derbyshire Health Authority, Nottingham City Hospital and Derbyshire Ambulance Service. Paula has worked in the NHS for 24 years, with 16 years at Chief Executive level.

Before joining the NHS, Paula began her career in sales and marketing in the pharmaceutical industry following which she lectured in business studies, public relations and marketing in further education.

**Denise Mcmahon – Director of Nursing**
A nurse for 30 years, Denise started her nurse training in 1978 at Walsall Manor Hospital having been a nurse cadet for two years.

Denise was a senior nurse in medicine and then a general manager for medicine and surgery until she became Deputy Nurse Director in 1997. Two years later, she moved to the Royal Orthopaedic Hospital in Birmingham as Director of Nursing and Operations and then on to Kettering General in 2001 as Director of Nursing and Midwifery.

In addition to her corporate responsibilities as Director of Nursing, specific responsibilities include professional leadership for the nursing and midwifery strategy and the executive director lead for infection prevention and control, a role in which she has considerable experience.

Denise is passionate about patient care and has continued to do clinical shifts throughout her career.

### Paul Taylor – Director of Finance and Information and Deputy Chief Executive

Paul Taylor joined the Trust as the Director of Finance and Information in November 2014.

Paul is an experienced NHS Finance Director who has worked as Finance Director in a variety of NHS organisations over the period. This is somewhat of a 'homecoming' for Paul who started his NHS career in Dudley in 1986 as the Assistant Director of Finance. Since then he has been Finance Director at Coventry Health Authority, Worcester Acute Hospitals, NHS West Midlands, and the NHS Commissioning Board.

### Paul Harrison – Medical Director

As Medical Director and Consultant Haematologist, Paul has a varied role with both clinical and managerial responsibilities and has been a member of the Trust Board of Directors since 2006. In addition to his role as Medical Director, Paul is also the Responsible Officer for The Dudley Group.

Paul's medical background as a haematologist has given him wide clinical experience and he is a fellow of both the Royal College of Physicians (RCP) and the Royal College of Pathologists. He is particularly interested in medical education and has served as Regional Specialty Advisor for both colleges.

He has previously chaired both the Regional Training Committee and the national Haematology Specialty Advisory Committee. He has been an examiner for the Royal College of Pathologists and currently sits on the RCP Regional Advisers and Specialty Representatives Group. He is also a CPD approver for the RCP. Paul is called upon to lecture and advise on a variety of clinical, managerial and professional topics and is also part of the education faculty of the RCP – a role that involves him facilitating many workshops for doctors at venues up and down the country.

For the last two years, Paul has chaired the national Clinical Leads Network for NHS Providers, which has involved chairing national conferences of Medical Directors and Chief Nursing Officers.

Key operational achievements have involved the establishment of new services, including a nurse-led open access DVT diagnostic and treatment service and a peripheral blood stem cell transplant programme. He also reconfigured working practices in haematology to develop a fully integrated team-based approach by medical staff.

Paul lives locally and is married to a local General Practitioner.

### Anne Baines – Director of Strategy, Performance & Transformation*

Anne has worked in the NHS for more than 35 years in a variety of planning and commissioning posts in primary, community and secondary care

Her first Director post was at South Birmingham PCT in 2002 she has continued at this level in a variety of organisations in the West Midlands. In 2004 Anne created a successful management consultancy to support commissioners across the country. In 2006 she gained her MSc in Managing Health and Social Care. Most recently Anne was appointed as Director of Service Transformation at NHS Walsall, followed by Director of Strategy at Walsall Healthcare NHS Trust.

Anne is the lead on strategic business development and performance management for the organisation. She takes a lead with regard to effective working with the partners. She is also responsible for the Trust Turnaround Programme supported by the Programme Management Office and Service Improvement Team.
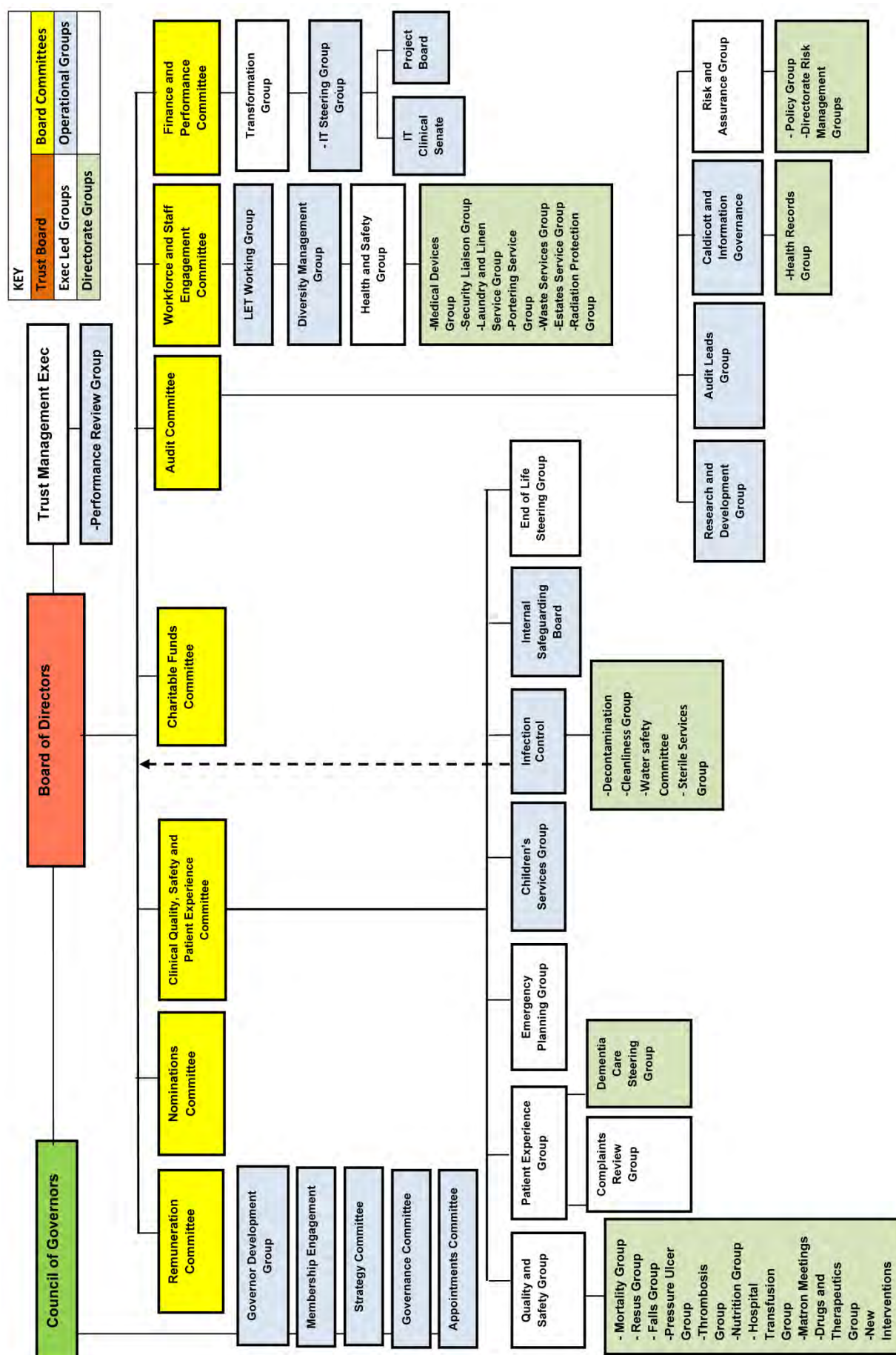
### Glen Palethorpe – Director of Governance and Board Secretary*

Glen is a qualified Accountant and is also a member of Chartered Institute of Internal Auditors. Glen's experience in governance, risk management, internal control and assurance was gained during his time working at KPMG, Baker Tilly, Bentley Jennison and RSM Tenon. During his career, Glen has offered insights to a number of Boards on their effectiveness and the effectiveness of their reporting committees and groups.

Glen's role at the Trust is that of Trust Board Secretary and Director of Governance which sees him supporting the Chair, Chief Executive, Board of Directors and the Council of Governors in all aspects of governance and regulatory compliance. Glen is also responsible for the corporate governance team which supports divisional and Board risk management, incidents, complaints and claims processes, along with oversight of the Trust's clinical audit team.

*Anne Baines and Glen Palethorpe are non-voting directors and therefore their attendance is not listed in the Board of Directors attendance table on page 61.*

# Board of Directors Committees structure

**KEY**

| Trust Board | Board Committees |
|---|---|
| Exec Led Groups | Operational Groups |
| Directorate Groups | |

**Council of Governors**

**Board of Directors**

**Trust Management Exec**

- Performance Review Group

**Finance and Performance Committee**
- Transformation Group
- IT Steering Group Group
  - Project Board
  - IT Clinical Senate

**Workforce and Staff Engagement Committee**
- LET Working Group
- Diversity Management Group
- Health and Safety Group
- Medical Devices Group
- Security Liaison Group
- Laundry and Linen Service Group
- Portering Service Group
- Waste Services Group
- Estates Service Group
- Radiation Protection Group

**Audit Committee**
- Audit Leads Group
- Research and Development Group

- Risk and Assurance Group
- Caldicott and Information Governance
  - Health Records Group
  - Policy Group
  - Directorate Risk Management Groups

**Charitable Funds Committee**

- End of Life Steering Group
- Internal Safeguarding Board
- Infection Control
  - Decontamination
  - Cleanliness Group
  - Water safety Committee
  - Sterile Services Group
- Children's Services Group

**Clinical Quality, Safety and Patient Experience Committee**
- Emergency Planning Group
- Patient Experience Group
  - Dementia Care Steering Group
  - Complaints Review Group
- Quality and Safety Group
  - Mortality Group
  - Resus Group
  - Falls Group
  - Pressure Ulcer Group
  - Thrombosis Group
  - Nutrition Group
  - Hospital Transfusion Group
  - Matron Meetings
  - Drugs and Therapeutics Group
  - New Interventions

**Nominations Committee**

**Remuneration Committee**
- Governor Development Group
- Membership Engagement
- Strategy Committee
- Governance Committee
- Appointments Committee

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## Board of Directors and committee attendance

The Board of Directors meets monthly in public and carries out its business in accordance with an agreed agenda setting process and an annual cycle of business.

All voting directors, both executive and non-executive, have joint responsibility for every decision made during Board meetings.

The Board of Directors met 11 times during 2014/15:

| Attendance and Board of Directors meetings | | Attendance |
|---|---|---|
| John Edwards | Chairman (until Dec 2014) | 8/8 |
| David Badger | Deputy Chairman/Senior Independent Director (until Dec 2014) Chairman (from Jan 2015) | 11/11 |
| Ann Becke | Non-executive Director | 9/11 |
| David Bland | Non-executive Director | 8/11 |
| Jonathan Fellows | Non-executive Director | 10/11 |
| Richard Miner | Non-executive Director | 9/11 |
| Doug Wulff | Non-executive Director | 1/2 |
| Paula Clark | Chief Executive | 9/11 |
| Paul Assinder | Director of Finance and Information (until Oct 2014) | 6/6 |
| Paul Taylor | Director of Finance and Information (from Oct 2014) | 6/6 |
| Richard Beeken | Director of Strategy and Performance (until May 2014) | 2/2 |
| Paul Harrison | Medical Director | 9/11 |
| Denise McMahon | Director of Nursing | 10/11 |
| Jon Scott | Director of Operations (from July 2014 until Nov 2014) | 4/4 |

## Nomination Committee

The Nomination Committee holds at least one scheduled meeting per year. Ad-hoc meetings can be called by the Trust Chair or as a result of a request from at least two members of the Committee. The request is to be made to the Trust Chair.

The Committee operates to review and evaluate the Board structure and expertise, as well as to agree a job description and person specification for the appointments of the Chief Executive and Executive Directors. The Committee also identifies and nominates suitable candidates for such vacancies and recommends its proposed appointment for Chief Executive to the Council of Governors. One meeting was held during 2014/15 on the 4th September 2014.

| Nomination Committee membership | | Attendance |
|---|---|---|
| John Edwards | Chairman (Committee chair) | 1/1 |
| David Badger | Non-executive Director | 1/1 |
| David Bland | Non-executive Director | 1/1 |
| Ann Becke | Non-executive Director | 1/1 |
| Richard Miner | Non-executive Director | 1/1 |
| Jonathan Fellows | Non-executive Director | 1/1 |
| Paula Clark | Chief Executive | 0/1 |
| In attendance | | |
| Julie Cotterill | Associate Director of Governance/Board Secretary | 1/1 |
| Paul Assinder | Director of Finance and Information | 1/1 |

**Audit Committee**

The Audit Committee is a Sub Committee of the Board of Directors. The Committee provides the Board of Directors with an objective view of the effectiveness of internal control systems in operation within the Trust. It receives regular reports from the Trust's internal and external auditors. The Committee also ensures that statutory obligations, legal requirements and codes of conduct are followed.

During the financial year, the Audit Committee reviewed the Trust's Accounting Policies. This included a number of minor changes in 2014/15 relating to Provisions, Consolidation, Public Dividend Capital, Property Plant & Equipment and accounting policies that have yet to be adopted. The Audit Committee considered reports relating to these changes and approved the proposed changes for the 2014/15 financial year.

The members were non-executive directors Jonathan Fellows (Chair until December 2014), Ann Becke and Richard Miner (Chair from January 2015). The Trust's Director of Finance and Information (Paul Assinder until October 2014 and Paul Taylor from October 2014) and the Trust's auditors also attend all meetings.

The Audit Committee has met four times during the year:

| Audit Committee membership | | Attendance |
|---|---|---|
| Jonathan Fellows | Non-executive Director (Committee Chair April to Dec 2014) | 4/4 |
| Richard Miner | Non-executive Director  (Committee Chair Jan to March 2015) | 4/4 |
| Ann Becke | Non-executive Director | 3/4 |
| **In attendance** | | |
| Paula Clark | Chief Executive | 2/4 |
| Paul Assinder | Director of Finance and Information (until October 2014) | 2/2 |
| Paul Taylor | Director of Finance and Information (from October 2014) | 2/2 |
| Denise McMahon | Director of Nursing | 3/4 |
| Chris Walker | Deputy Director of Finance | 4/4 |
| Deloitte LLP | External auditors representative | 4/4 |
| Baker Tilly | Internal auditors representative | 4/4 |

The Trust has a policy in place for the approval of additional services by the external auditor to ensure that the independence of the external auditor is not compromised where work outside the audit code has been purchased.

Details of the value of both audit and non-audit services provided by Deloitte LLP can be found on page 19 of the accounts.

# Regulatory Ratings

The Trust set the 2014/15 regulatory ratings plan based on the annual risk assessment of the financial year. Analysis for each area of rating compared with that expected in the annual plan is summarised below:

## Continuity of service rating

The Trust planned for a rating of '3' in the annual plan. The Trust entered the financial year with a challenging cost improvement programme. This was also on the back of a reduction in the amount of income the Trust would receive as a result of changes to the Payment by Results (PBR) system and local commissioning intentions. In addition the Trust incurred premium costs to deliver activity over that planned.

The Trust's overall performance for the year showed an EBITDA Margin of £15.82m, 4.9 per cent, equivalent to £0.3m below plan, a net deficit before restructuring costs of £6.45m (£0.3m above plan) and a net deficit after restructuring of £8.03m (£1.3m below plan). Although the Trust encountered a difficult 2014/15, financially the Trust was still able to deliver a rating of '3' on the Trust's final outturn.

## Governance risk rating

The Trust declared a risk of non-achievement of the A&E maximum waiting time of 4 hours from arrival to admit/transfer/discharge (95 per cent) target in the annual plan, reflecting the fact that in Quarter 3 and 4 of 2013/14 the Trust breached the target. Monitor had previously issued a governance rating of 'under review' at Q4 in 2013/14 and this was applied to the plan rating. Despite missing the A&E target in Q1 of 2014/15 the Trust went on to achieve this target in the final three quarters of the financial year. In quarter 3 and 4 the Trust consistently achieved performance in the upper quartile of all providers in the country.

The Trust achieved all the remaining performance targets and standards during 2014/15.

In January 2015 Monitor, the independent regulator of foundation trusts, put the Trust in breach of its license in relation to financial breaches. The breach was as a result of the Trust's deteriorating financial position, not being able to maintain a 'CoSRR' of 3 over the next 12 months, the Trust's liquidity position and the position of the Trust's long term financial strategy. The Trust and Monitor have agreed to a number of undertakings as a result of the breach of license. These include the production of a five year strategic plan to address the financial decline and a financial recovery plan that demonstrates how the Trust will return to at least a recurrent underlying breakeven position.

| 2014/15 | Annual Plan 2014/15 | Q1 2014/15 | Q2 2014/15 | Q3 2014/15 | Q4 2014/15 |
|---|---|---|---|---|---|
| | Under the Risk Assessment Framework | | | | |
| Continuity of service rating | 3 | 3 | 3 | 3 | 3 |
| Governance risk rating | Under Review | Under Review | Under Review | Red | Red |

| 2013/14 | Annual Plan 2013/14 | Q1 2013/14 | Q2 2013/14 | Q3 2013/14 | Q4 2013/14 |
|---|---|---|---|---|---|
| | Under the Compliance Framework | | | | |
| Financial risk rating | 3 | 3 | 3 | | |
| Governance risk rating | Amber-Green | Amber-Green | Green | | |
| | Under the Risk Assessment Framework | | | | |
| Continuity of service rating | | | | 3 | 3 |
| Governance rating | | | | Green | Under Review |

# Financial Performance

In line with the wider NHS, the Trust has faced a challenging year financially in 2014/15. Total income has increased by 3%, to £325.9 million, above the previous year, reflecting a small increase in funded clinical activity but a real terms reduction to overall funding levels.

The Trust recorded Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA) of £15.8 million, which equates to 4.9 per cent of turnover. Under the regulator's (Monitor) Continuity of Service Risk Rating, the Trust achieved an acceptable rating of 3 for the year.

The 3.4% increase in income above plan earned in 2014/15 largely relates to additional Accident & Emergency attendances and growth in emergency admissions to Russells Hall Hospital above the contract agreed at the start of the year with local commissioners. However, despite record levels of emergency activity, the Trust continued to drive down waiting lists and also recording a notable over-performance against the elective activity plan. However, there was a reduction against plan for both outpatient and community attendances during the year. The number of births at Russells Hall Hospital was marginally lower than previous years. The contract income was further supplemented by additional winter pressure funding that became available during the year.

Following initial growth in pay expenditure, the staff numbers have reduced since August 2014. This is in part due to stricter vacancy controls and also as a result of the Trust post reduction strategy as the organisation seeks to address the current financial deficit position. Non Pay spend exceeded plan and this correlates to the growth in activity and includes significant level of high cost drugs and devices that are fully recharged to commissioning organisations under the terms of the contract.

**Table 1: Trust Financial Performance 2014/15**

|  | Plan £000's | Actual £000's | Variance £000's |
|---|---|---|---|
| Income | 315,271 | 325,929 | 10,658 |
| Expenditure | (299,114) | (310,112) | (10,998) |
| **EBITDA** | **16,157** | **15,817** | **(340)** |
|  |  |  |  |
| **Net Deficit from operations** | **(6,728)** | **(6,450)** | **278** |
| **Restructuring Costs** | **0** | **(1,583)** | **(1,583)** |
| **Net Deficit for year** | **(6,728)** | **(8,033)** | **(1,305)** |
|  |  |  |  |
|  |  |  |  |
| **CoSRR Rating** |  |  |  |
| Debt Service Cover | 0.85x | 0.85x | 0 |
| Liquidity | 5.8 | 7.2 | 1.4 |

## 1. Income and Expenditure

Table 2, below, compares the original planned income and expenditure for 2014/15 (as per the plan submitted to Monitor) with the outturn position for 2014/15.

**Table 2: Trust performance against Annual Plan 2014/15**

|  | Plan £000's | Actual £000's | Variance £000's | Notes |
|---|---|---|---|---|
| NHS Clinical Income | 293,636 | 294,494 | 858 | 1 |
| Other Clinical Income | 5,907 | 10,567 | 4,660 | 2 |
| Other Operating Income | 15,728 | 20,868 | 5,140 | 2 |
| **Total Income** | **315,271** | **325,929** | **10,658** | |
| Pay Spend | (189,010) | (190,068) | (1,058) | 3 |
| Non-pay Spend | (110,104) | (120,044) | (9,940) | 4 |
| **Total Expenditure** | **(299,114)** | **(310,112)** | **(10,998)** | |
| | | | | |
| **EBITDA** | **16,157** | **15,817** | **(340)** | |
| Depreciation/Interest | (22,885) | (22,267) | 618 | |
| **Net Surplus from operations** | **(6,728)** | **(6,450)** | **278** | |
| Restructuring Costs | 0 | (1,583) | (1,583) | 5 |
| **Net Deficit for year** | **(6,728)** | **(8,033)** | **(1,305)** | |

**Notes to Table 2**

1. Activity Income

Contracts entered into with commissioners for 2014/15 generally reflected activity flows seen in previous years with a small element of growth and abatement for admission prevention schemes. The national contract tariff prices for 2014/15 included a 4% reduction in lieu of required efficiency savings, equating to approximately £12m for the Trust.

Table 3 below demonstrates that the Trust has encountered a significant rise in both A&E attendances (5.2%) and resulting non-elective admissions (9.5%). A&E attendances averaged 274 per day for the year and peaked at 292 per day in June/July 2014. Non-elective spells experienced by the Trust during 2014/15 were the highest to date, peaking at 3,936 in December 2014. Despite the Trust dealing with the highest level of emergency spells to date, there has been a concerted effort to reduce waiting times resulting in a 5% growth over and above the plan for the year.

Performance for outpatients (largely follow up attendances) has fallen some way short of plan although this is in part due to an aim to reduce unnecessary appointments. Community activity has also dropped below plan with the majority of the shortfall due to a delay in the implementation of the CCG commissioned community rapid response team, designed to help prevent unnecessary admissions to hospital. There is currently a geographical cap in place to limit the number of births being delivered at the Trust. However, the numbers of births are now falling short of the Trust capacity and it is likely that the cap will be relaxed in 2015/16.

**Table 3: Activity against Annual Plan 2014/15**

| | Annual Plan | Outturn | Variance | Growth (%) |
|---|---|---|---|---|
| Accident & Emergency attendances | 94,975 | 99,928 | 4,953 | 5.2% |
| Elective spells | 49,144 | 51,592 | 2,448 | 5.0% |
| Non-Elective spells* | 39,898 | 43,672 | 3,774 | 9.5% |
| Births | 4,626 | 4,452 | (174) | (3.8%) |
| Outpatient attendances/procedures | 514,406 | 497,249 | (17,157) | (3.3%) |
| Community attendances | 425,421 | 408,505 | (16,916) | (4.0%) |

*Excludes all maternity activity.*

2. Other Clinical/Operating Income

The Trust successfully attracted other operating income in excess of planned levels, notably from additional winter pressures and referral to treatment funding, training and education, research and development, provision of pharmacy services and reimbursement for the provision of 20 transitional beds within the community. Although there is no longer a private patient cap in place for the Trust, there was no growth in private income in comparison to the previous year. Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the income from the provision of goods and services for the purposes of the health service in England must be greater than its income from the provision of goods and services for any other purposes. The Trust confirms that it has met this requirement and that the income received in 2014/15 had no impact on its provision of goods and services for the purposes of the health service in England.

3. Pay Spend

During the year, the Board of Directors sanctioned additional spending on front line clinical staff, including an additional £3.1m for qualified nurses. As a result, headcount climbed during the year to a peak of 4,257 WTE in August 2014 representing the highest number of people ever in post at the Trust. Since that point, staffing numbers have steadily reduced (predominantly in non-clinical areas) as the Trust has sought to curb pay expenditure. The final March 2015 WTE equated to 4,181 WTE which represents a small increase over the 4,172 WTE staff in post at the start of the financial year in April 2014.

As a result of increased levels of inpatient activity, the Trust continued to incur premium rate agency expenditure, although the expenditure has gradually been bought under control during the financial year. The development of an internal health and wellbeing team to support ad hoc one-to-one care requirements and the continuation of the Trust novice programme has all but eradicated the use of unqualified agency nurses during the year. Table 4 below sets out a comparison of agency spend between 2013/14 and 2014/15 by staff grouping.

**Table 4: Analysis of Agency Spend by Pay Category 2013/14 to 2014/15**

| Staff Type | 2013/14 £000s | 2014/15 £000s |
|---|---|---|
| Medical | 2,134 | 2,416 |
| Registered nursing and midwifery | 2,193 | 2,623 |
| Unregistered nursing and midwifery | 1,506 | 561 |
| Scientific/therapeutic | 412 | 349 |
| Admin/manager | 890 | 377 |
| TOTAL | 7,135 | 6,326 |

Other areas of note are the following items of temporary spend by category:

- Internal Bank (all staff)            **£12.2m**
- Locum doctor agencies            **£1.1m**
- Staff overtime            **£1.3m**
- Waiting List Initiative Payment to Doctors    **£2.2m**

4. Non-Pay Spend

Additional non-pay spending has occurred as a direct result of additional activity with significant unplanned spends occurring on high cost drugs, various clinical supplies/ disposables/tests, medical equipment, pacemakers, surgical instruments, dialysis and patient appliances. In addition, non-pay spend has also increased on computer processing contracts and consultancy.

5. Surplus/(Deficit)

The Trust returned an operating deficit for the year of £6.45m and a technical deficit of £8.03m after restructuring costs of £1.58m are taken into account. The restructuring costs related to voluntary and statutory redundancies and the costs of a mutually agreed resignation scheme.

## 2. Capital spending

In 2014/15 the Trust invested £8.6 million on new facilities and equipment. IT infrastructure and licenses accounted for £4.5m. The majority of this expenditure related to the purchase of infrastructure assets from the previous IT provider following the termination of an outsourced IT contract. The Trust also spent £1.7m on new and replacement medical equipment. Both of these investments improving the efficiency of the services the Trust provides. Improving facilities within wards and departments accounted for £0.4m and £0.1m was spent on works relating to the relocation of the Urgent Care Centre to Russells Hall Hospital.

| Investment 2014/15 | Amount in £000s |
|---|---|
| Imaging Equipment Replacement | 350 |
| Other Medical Equipment | 1,345 |
| Information Technology | 4,527 |
| Imaging Equipment Enabling Works | 73 |
| Urgent Care Centre | 142 |
| Minor Works | 446 |
| PFI Lifecycle | 1,689 |
| **Total** | **8,572** |

## 3. Cashflow

The Trust ended the year with a healthy cash balance of £26.2 million, all held within the Government Banking Service. This will be used to support the Trust's financial strategy over the next five years.

The Trust maintained, but did not utilise, a committed working capital facility with Barclays Bank of £10m.

During 2014/15 the Trust continued its policy of paying ll local suppliers at the earliest opportunity to support the local economy during these difficult economic times. The Trust continues to perform strongly against the best practice payment policy target of 95 per cent compliance. During 2014/15 the Trust paid 99 per cent of non-NHS invoices in value terms and 99 per cent in quantity terms.

## 4. Better payment code of practice

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

|  | 2014/15 | | 2013/14 | |
| --- | --- | --- | --- | --- |
|  | Number | £000 | Number | £000 |
| Total non-NHS trade invoices paid in the year | 50,209 | 138,855 | 55,090 | 131,368 |
| Total non-NHS trade invoices paid within target | 49,506 | 137,421 | 53,986 | 129,555 |
| Percentage of non-NHS trade invoices paid within target | 99% | 99% | 98% | 99% |

## 5. Audit

As far as the directors are aware, there is no relevant audit information of which the auditor is unaware. The directors have taken all of 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 auditor is aware of that information.

After making enquiries, the directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

The Trust can confirm that it has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance. This guidance discusses how public sector organisations should charge for information.

## 6. Countering Fraud & Corruption

The Trust takes its responsibility towards countering fraud and corruption in the NHS very seriously.

The Trust's Fraud and Corruption Policy lays down its absolute commitment to maintaining an honest, open and well-intended atmosphere within the Trust. This commitment is the cornerstone of an anti-fraud culture, championing the deterrence and prevention of fraud and the rigorous investigation of any cases of fraud or corruption. Where fraud is proven, the Board will apply all available sanctions e.g. disciplinary/criminal action and use of the civil law to recover funds.

# Accounts

## For the period 1st April 2014 to 31st March 2015

## Foreword to the accounts

These accounts for the period 1$^{st}$ April 2014 to 31$^{st}$ March 2015 have been prepared by The Dudley Group NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006 in the form which Monitor has, with the approval of the Treasury, directed.

**Signed**                                    **Date: 21st May 2015**

**Paula Clark**
**Chief Executive**

# Statement of Accounting Officer's responsibilities for The Dudley Group NHS Foundation Trust

The NHS Act 2006 states that the Chief Executive is the accounting officer of the NHS Foundation Trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by Monitor.

Under the NHS Act 2006, Monitor has directed The Dudley Group NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of The Dudley Group NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the NHS Foundation Trust Annual Reporting Manual and in particular to:

- observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis,
- make judgements and estimates on a reasonable basis,
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual have been followed, and disclose and explain any material departures in the financial statements,
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance, and
- prepare the financial statements on a going concern basis.

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

To the best of my knowledge and belief I have properly discharged the responsibilities set out in Monitor's NHS Foundation Trust Accounting Officer Memorandum.

**Signed**                                                    **Date: 21st May 2015**

**Paula Clark**
**Chief Executive**

# 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

**Signed**     **Date: 21st May 2015**

**Paula Clark**
**Chief Executive**

**Signed**     **Date: 21st May 2015**

**Paul Taylor**
**Director of Finance and Information**



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# Annual Governance Statement

## Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS foundation trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS foundation trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

## The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of the Dudley Group NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Dudley Group NHS Foundation Trust for the year ended 31 March 2015 and up to the date of approval of the annual report and accounts.

## Capacity to handle risk

The Director of Governance and Trust Board Secretary has Board level responsibility for the Trust's risk management policies and processes. The Board of Directors has established a Risk and Assurance Group, which meets quarterly to review corporate and directorate specific risks and associated mitigation plans and oversees the effective operation of the Trust's risk register. It is in place to challenge the levels of assurance throughout the organisation and to ensure the effective management and mitigation of risks. Additionally, each division of the Trust, through their divisional governance framework reports to the Risk and Assurance Group on their management of risks at an operational level.

The Trust has a comprehensive induction and training programme, supplemented by e-learning training packages and ad hoc learning opportunities for staff. Collectively, these cover a wide range of governance and risk management topics for both clinical and non-clinical staff in all disciplines and at all levels in the organisation.

Additionally, training is available from the corporate governance team on aspects of the wider risk management and governance agenda. Good practice is disseminated through the existing matrons forums, divisional governance frameworks and via the Board Committee reporting structure.

# The risk and control framework

The Board of Directors provides leadership on the management of risks, determining the risk appetite for the organisation and ensuring that the approach to risk management is consistently applied. Through the Board Assurance Framework the Board determines the total risk appetite the Trust is prepared to accept in the delivery of its strategic objectives. The Board takes assurance from the Risk and Assurance Group which reports into the Audit Committee as to the controls in place to manage the identified risks to the determined levels and the monitoring of any required actions where the risk exceeds the Boards appetite for risk in that area.

The Trust's Risk Management Strategy and Policy provides guidance on the identification and assessment of risk and on the development and implementation of action plans. The divisions undertake continuous risk assessments to maintain their risk registers and to implement agreed action plans. Risks are assessed by using a 5x5 risk matrix where the total score is an indicator of the seriousness of the risk. Action plans to address or manage risks are recorded in the risk register and managed at divisional and/or Board level. Regular reports to the Risk and Assurance Group confirm the progress made in managing these identified risks.

Each level of management, including the Board, reviews the risks and controls for which it is responsible. The Board and Board Committees monitor the progress against actions to minimise or mitigate risks in accordance with the Risk Management Strategy.

Papers received at the Board and at Board Committees identify the risks to the achievement of Trust objectives and link to the risk register. The Trust uses a dedicated action monitoring system to record and monitor all risks across the organisation including the current and mitigated risk scores and progress against identified action plans. This tracking of active risk management forms part of the divisional governance framework with the operational risk registers being a standing item on the Risk and Assurance Group's agenda. Positive assurance to date confirms the effectiveness of the management and control of these risks. Action plans are in place to address any perceived gaps in control or assurance.

The reporting framework requires all risks to be identified on Board and Committee front summary sheets providing an ongoing record of emerging issues.

The Trust has also introduced a number of arrangements to monitor quality governance and improvements in quality. These include the use of performance dashboards, a clinical audit programme, the review and introduction of Quality Care Indicators, Nursing Care Indicators and robust monitoring against local and national targets for Healthcare Associated Infections (HCAI).

Nursing Care Indicator audits measure the quality of care given to patients and the monthly audits of key nursing interventions and associated documentation are published, monitored and reported to the Board of Directors by the Director of Nursing. This is supported by the implementation of real-time surveys, capturing the views of patients and using these to make improvements. The Trust also continues to monitor the hospital standardised mortality ratio (HSMR) to ensure it is consistent with national levels.

Regular reports on the progress against key quality priorities provide assurance that these are actively managed and progressed at an operational level. Additionally, matrons and heads of service attend the Board on rotation to discuss quality issues and the operational risks to the achievement of their objectives. Internal audit also provides an independent opinion on the adequacy of the arrangements for ensuring compliance with the Care Quality Standards.

Information risks are managed and controlled through the risk management process. The Trust has a Caldicott and Information Governance Group (CIGG) which reports to the Audit Committee and whose remit is to review and monitor all risks and incidents relating to data security and governance. The Trust complies with the NHS Information Governance Toolkit and is currently achieving a minimum of Level 2 performance for all areas, which is deemed satisfactory performance by the Department of Health. Whilst the Trust has achieved Level 3 in 16 of the 45 requirements, the Trust has an action plan in place to progress to Level 3 in those areas which are cost effective and support our commitment to high quality patient care. The Trust's Caldicott Guardian works with the Director of Governance and Trust Board Secretary who has Board level responsibility for Information Governance and is the Trust's Senior Information Risk Owner (SIRO).

The Board Assurance Framework identifies the key risks to the achievement of the Trust's objectives and the independent assurance mechanisms that report on the effectiveness of the Trust's system of internal control in those areas.  It supports this Corporate Governance Statement and is informed by partnership working across the local health economy via the Black Country alliance and through working with the Dudley Clinical Commissioning Group (CCG), Council of Governors, community wide safeguarding boards and other stakeholders. The Board Assurance Framework focuses on those key risks to achievement of the Trusts objectives, below are the significant issues that have been tracked and reported to the Board and the degree of risk remaining at the end of the year:

**Failure to deliver financial balance in 2014/15**
The Trust achieved its predicted operating deficit out-turn position in 2014/15. However, in January 2015 Monitor put the Trust in breach of its license in relation to the sustainability of the Trust's long term financial strategy. To manage this continued risk in 2015/16 a thorough review of the Trust's strategic plan and supporting financial plan has taken place with updates provided to Monitor and the Board with the Finance and Performance Committee continuing to undertake a more detailed scrutiny of the assumptions underpinning the plan.  The Trust is planning for a reduced deficit in 2015/16 with breakeven restored in 2016/17, therefore this issue will remain a medium term risk for the Trust.

**Ability to produce effective discharge summaries**
The Trust identified an issue with its electronic system that has resulted in problems in producing discharge summaries consistently to the GPs when patients are discharged.  Throughout the year actions have been put in place including the active engagement with the software supplier to enable a robust solution to be created.  The monitoring of the delivery of these actions has been undertaken by Risk and Assurance Group, until the Trust receives assurance from

the planned clinical audits in this area this risk will remain on the Trust's operational risk register.

**Delivery of the Emergency Access target**
The first quarter of the year saw the Trust fail to meet the access target of 95% of patients seen or discharged who present at Accident and Emergency within 4 hours.  The Trust undertook a focused set of actions to improve this position and for each of the subsequent quarters the Trust achieved this target but recognising that this meant that for the year we narrowly missed the overall target. It should be noted that over the winter it was one of only a handful of trusts in the country to maintain the delivery of this standard.  The Trust has also monitored the risk associated with the introduction of the Urgent Care Centre on the Russell's Hall site. A robust project plan was established supported by a "soft launch" in the month of March 2015 allowing operational issues to be resolved quickly prior to its full planned opening in April 2015. The Board has been assured in this area through the scrutiny provided by the Finance and Performance Committee. This risk like all those that could impact on the delivery of the mandatory performance targets set on Foundation Trust's will be kept under review by the Board in 2015/16.

**Safer Staffing Levels**
The Board has received assurance through regular updates provided by the Director of Nursing on the staffing levels at ward level for each shift, as measured against the NICE guidance issued in this area.  The Trust has invested in the use of technology to assist in ensuring that safe staffing levels are maintained through the use of an electronic rostering system which supports the internal Nurse Bank function to efficiently fill shifts.  The local CCG has undertaken a number of unannounced visits across the year providing an external view on the levels of staffing on the wards visited and have reported they have not witnessed any concerns in this area. The reporting to the Board has identified that the Trust has remained safely staffed throughout the year.  With the design and operation of these controls having been assured during the year confirming their sound application across the year, no further risk mitigation is required. Therefore the risk will be reduced for 2015/16 and will sit within the Trust's tolerance for this area with monitoring and assurance reporting taking place routinely across the year.

During 2014/15, the work of the internal auditors and the Board review of the Assurance Framework and supporting governance processes identified some gaps in control which resulted in specific action plans being drawn up with their progress reported to and monitored by the Audit Committee. These identified weaknesses are considered to be operational in nature and through the robust monitoring of the delivery of the actions have not impacted on the final delivery of the Trust's stated objectives.

In 2013/14 the Trust commissioned Deloitte LLP to undertake an independent review of the effectiveness of Board Governance and Quality Governance. The review found areas of good practice but made recommendations to revise the Committee structure and reporting lines. Detailed action plans were developed and reporting structures reviewed and revised to strengthen reporting lines and clarify accountability throughout the organisation.  The Board approved a new Committee

structure which was implemented with effect from 1st April 2014 and has been operating for the whole of this year.

In accordance with Schedule 7 of the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012) only directors may be members of the board committees. All Committees of the Board are chaired by non-executive directors. Each committee chair provides a formal summary of key issues arising from the Committee to the full Board of Directors. The 2013/14 Deloitte report confirmed that there was "appropriate dedicated time to receiving and discussing updates from each Committee" at the Board and the Board of Directors has ensured that this has remained during 2014/15.

The Trust informs and engages with its key stakeholders in relation to risk through a number of forums which include a regular joint contract/clinical quality review meeting with the Trust's host commissioners and the sharing of performance reports including key risks with the Trust's Council of Governors. Key stakeholders include Dudley CCG, our PFI partner Summit Healthcare (Dudley) Ltd, voluntary groups, the Council of Governors, the FT members, patient groups, patients, the local community and the Local Authority Select Committee on Health and Adult Social Care.

The Foundation Trust is compliant with the registration requirements of the Care Quality Commission (CQC), but as a result of the inspection at the end of last year, December 2014, the Trust is rated as "requires improvement". In arriving at this overall assessment the CQC assessed 38 elements within five areas. Of the 38 elements 30 were rated as "good" which meant that in three of the main areas the Trust was in fact rated as "good", these three areas included an assessment of the categories of caring and being well-led. For the two areas where the Trust was rated as requiring improvement a detailed action plan was put in place, with the monitoring of its delivery reported to the Board. Since the inspection in December 2014, the Trust through the delivery of the action plan has sort to embed the learning with revisions to the performance and monitoring frameworks applied within all areas of the Trust.

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

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

In partnership with its PFI provider, the Foundation Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaption Reporting requirements are complied with.

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

The Trust produces detailed Annual Plans incorporating both service and quality initiatives and reflecting service, operational requirements and financial targets in respect of income and expenditure and capital investments. These include the Trust's plan for improving productivity and efficiency in order to minimise income losses, meet the national efficiency targets applied to all NHS providers and fund local investment proposals. The Plan incorporates projections for the next two years which facilitates forward planning in the Trust. Financial plans are approved by the Board of Directors, supported by the Finance and Performance Committee, prior to submission to Monitor.

The in-year resource utilisation is monitored by the Board and its committees via a series of detailed reports covering finance, activity, capacity, human resource management and risk. Clinical risk assessments are conducted on individual savings proposals that may impact on the provision or delivery of clinical services. The Trust has faced a challenging year financially in 2014/15 and recognises that this will continue into 2016/17.  The Trust has instigated a turnaround programme to ensure that it is financially sustainable going forward which underpins the Trust's five year strategy.

Performance review meetings assess each division's performance across a full range of financial and quality matrices which, in turn, forms the basis of the monthly integrated performance report to the Finance and Performance Committee. Quarterly reports are submitted to Monitor from which Continuity of Service and Governance risk ratings are assigned. The Trust received a Continuity of Service risk rating of 3 from Monitor for the 2014/15 financial year and a governance rating of red. The red rating is linked to the technical breach of the Trust's Licence in respect of its long term financial sustainability.  The Trust breached the A&E maximum waiting time of four hours from arrival to admission/transfer/discharge (95%) target in the first quarter of the financial year but has in every quarter since then met the target, recognising that for the year this meant we narrowly missed the overall target.

The key processes embedded within the Trust to ensure that resources are used economically, efficiently and effectively, centre around a robust budget setting and control system which includes activity related budgets and periodic reviews during the year which are considered by executive directors and the Board of Directors. The budgetary control system is complemented by Standing Financial Instructions, a Scheme of Delegation and Financial Approval Limits. This process enables regular review of financial performance by highlighting areas of concern via variance analysis. The Finance and Performance Committee also receive a monthly report showing the Trusts performance against CQUIN, Monitor and CQC targets.

As Accounting Officer, I have overall accountability for delivery of the Annual Plan and I am supported by the executive directors with delegated accountability and responsibility for delivery of specific targets and performance objectives. These are formally reviewed and monitored monthly by the Board of Directors and its Committees. Independent assurance on the use of resources is provided through the

Trust's internal audit programme, Audit Committee and external agencies such as Monitor, External Audit and the CQC.

## Information governance

As described previously the Trust takes Information Governance very seriously and its associated risks are managed in the same way as other corporate risks. The Trust has through the completion and submission of its Information Governance Toolkit scored a "satisfactory" rating with all 44 applicable mandatory elements being judged to meet at least level 2 (the minimum standard required). The Board has received assurance via a review of this submission by Internal Audit at the year end which confirmed that for the sampled requirements the evidence supported the Trust's assessment.

During the year we have had no data losses requiring formal reporting to the Information Commissioner's Office and whilst we have had isolated Information Governance Incidents, all of which were investigated, none of these were classified as serious, utilising the Department for Health's classifications (that being classified as scoring above a level 1).

## Annual Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Reports) Regulations 2010 (as amended) to prepare Quality Reports for each financial year. Monitor has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

The Board of Directors has taken the following measures to ensure the Quality Report presents a balanced view and has appropriate controls to ensure the accuracy of data:

**Governance and leadership**
The executive and non-executive directors have a collective responsibility as a Board to ensure that the governance arrangements supporting the Quality Reports and Report provide adequate and appropriate information and assurances relating to the Trust's quality objectives. Board sponsors are nominated for all quality priorities providing visible board leadership of specific quality initiatives.

Whilst the Chief Executive has overall responsibility for the quality of care provided to patients the implementation and co-ordination of the quality framework is delegated to both the Nursing and Medical Directors who have joint responsibility for reporting to the Board of Directors on the development and progress of the quality framework and for ensuring that the Quality Strategy is implemented and evaluated effectively.

**Policies**
High quality organisational documentation is an essential tool of effective governance which will help the Trust achieve its strategic objectives, operational

requirements and bring consistency to day to day practice. A common format and approved structure for such documents helps reinforce corporate identity, helps to ensure that policies and procedures in use are current, and reflects an organisational approach. A standard approach ensures that agreed practice is followed throughout the organisation, with regard to the development of approved documentation all procedural documents are accessible to all relevant staff supporting the delivery of safe and effective patient care.

**Systems and processes**
The systems and processes which support the development of the Quality Reports focus on engagement activities with public, patients and staff and utilising the many media/data capture opportunities available.

The topics were agreed by the Board of Directors and the Council of Governors on the basis of their importance both from a local perspective (e.g. based on complaints, results of Nursing Care Indicators) and a national perspective (e.g. reports from national bodies e.g. Age Concern, CQC findings etc).

The Trust reviews its quality priorities annually engaging with governors, staff, members of the public and partner organisations.  This year has seen the Trust continue with the priorities established in 2013/14. It was decided in 2013/14 through the  Listening into Action event on the Quality Report, hosted by the Chief Executive and Director of Nursing that the Trust would continue with the agreed priorities for two years to allow time to assess that the system and process improvements were embedded. In 2015/16 the Trust has refreshed these priorities and these are discussed further in the Trust's Quality Report.

**People and skills**
In addition to the leadership provided by the Board of Directors, Clinical Divisional Management Teams, led by clinical directors and coordinated by general managers, are accountable for, and ensure that a quality service is provided within, their respective divisions and areas of authority.  They are required to implement the Quality Strategy, providing safe, effective and personal care and ensure that patients have a positive experience and are treated with courtesy, respect and kindness.

Training opportunities are available for clinical and non-clinical staff and competency is monitored as part of the Trust's appraisal system. External reviewers provide independent opinions on the appropriateness and adequacy of training.

The Board of Directors ensures that quality improvement is central to all activities. This is achieved by routine monitoring, participation in national improvement campaigns, celebrating success with our staff awards and proactively seeking patient views on our services.

**Data use and reporting**
Data Quality Assurance over the various elements of quality, finance and performance is of key importance to Management and the Board and reviews of the Trust's system of internal control in respect of data quality are undertaken in each year through the approved Internal Audit work plan.

The Trust has robustly utilised existing data collection and reporting arrangements to monitor progress against the quality priorities and identify trends. Good quality information underpins the effective delivery of patient care and is essential if improvements in quality of care are to be made.

Since the introduction of the Referral To Treatment (RTT) waiting times in 2007 the Trust has developed a comprehensive set of in-house RTT monitoring reports that are used both within the organisation to manage the RTT waits, in conjunction with information held on the Trust's OASIS Patient Administration System (PAS), and for the external reporting of performance.

The reports have been produced by the Information Department who have worked closely with the Operational Directorate to generate a set of reports that match the patient pathways, primarily using data sourced from the Trust's Patient Administration System (PAS) system. Internal, management audits, of the RTT pathways are done on an ad-hoc basis by both Operational and Information staff periodically throughout the year. These have been complemented to provide further assurance to the Board by several independent audits stretching back to the introduction of the formal RTT targets. In 2010 External Audit undertook a review of the RTT completed pathways, this was followed up by a second audit of these pathways by Internal Audit that year and then in 2012 Internal Audit undertook an audit of the RTT incomplete pathways. The Trust is currently being subject to another review of the RTT incomplete pathways by External Audit as part of their review of the Trust's Quality Report.

## Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the quality report attached to this Annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and the Clinical Quality, Safety and Patient Experience Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board Assurance Framework and the Trust's risk management arrangements provide me with evidence that the controls to manage the risks to the Trust achieving its principal objectives have been reviewed and are effective. My review is also informed by the work of external and independent assessors and advisors including the Care Quality Commission.

During 2014/15, the work of the internal auditors and the Board's review of the Board Assurance Framework and supporting governance processes identified some internal control weaknesses and perceived gaps in control which have been reported as part of the Trust's routine and ongoing monitoring arrangements. These identified

weaknesses are considered to be operational in nature and have had their actions robustly monitored to ensure continuous improvement of the systems in place.

The Head of Internal Audit confirmed that "Based on the work undertaken in 2014/15, significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives and that controls are generally being applied consistently".  Some weaknesses were identified as a result of their work.  However none of the identified weaknesses were deemed to be significant in terms of the overall systems of internal control of the Trust.

## Conclusion

My review of the effectiveness of the risk management and internal control has confirmed that:
- The Trust has a generally sound system of internal control designed to meet the organisation's objectives and that controls are generally being applied consistently.
- The systems of internal control in relation to the Quality Report are consistent with the Trust's overall system of internal control and the Board has been assured that the Quality Report presents a balanced view and that the data is accurate.
- Based on the work undertaken by a range of assurance providers, there were no significant control issues identified during 2014 / 2015.
- Where improvements have been recommended we have acted on them and tracked their implementation at both management and Board/Committee level.

I therefore, believe that the Annual Governance Statement is a balanced reflection of the actual control position and within the year no significant internal control issues.

**Signed**                                                                    **Date: 21st May 2015**

**Paula Clark**
**Chief Executive**

**INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS AND BOARD OF DIRECTORS OF THE DUDLEY GROUP NHS FOUNDATION TRUST**

| | |
|---|---|
| **Opinion on the financial statements of The Dudley Group NHS Foundation Trust** | **In our opinion the financial statements:**<br><br>• **give a true and fair view of the state of the Group and Trust's affairs as at 31 March 2015 and of the Group's and Trust's income and expenditure for the year then ended;**<br>• **have been properly prepared in accordance with the accounting policies directed by Monitor – Independent Regulator of NHS Foundation Trusts; and**<br>• **have been prepared in accordance with the requirements of the National Health Service Act 2006.**<br><br>The financial statements comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes 1 to 32. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by Monitor – Independent Regulator of NHS Foundation Trusts. |
| **Qualified Certificate** | We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts, except that, as noted in the section 'matters on which we are required to report by exception', as the Trust has been declared in breach of its licensing conditions by Monitor, we have been unable to satisfy ourselves that the Dudley Group NHS Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. |
| **Going concern** | We have reviewed the Accounting Officer's statement contained within Strategic Report that the Group is a going concern. We confirm that:<br><br>• we have concluded that the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and<br>• we have not identified any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.<br><br>However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern. |
| **Our assessment of risks of material misstatement** | The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team: |

| Risk | How the scope of our audit responded to the risk |
|---|---|
| **NHS revenue and provisions**<br>There are significant judgments in recognition of revenue from care of NHS patients and in provisioning for disputes with commissioners due to:<br><br>• the complexity of the Payment by Results regime, in particular in determining the level of overperformance and Commissioning for Quality and Innovation revenue to recognise; and<br><br>• the judgemental nature of provisions for disputes, including in respect of outstanding overperformance income for quarters 3 and 4.<br><br>The Trust earns revenue from a wide range of commissioners, increasing the complexity of agreeing a final year-end position and increasing the significance of associated judgements.<br><br>This risk refers to revenue from activities as shown in Note 3 of £303,199,000 and the accounting policy in Note 1.2 | We evaluated the design and implementation of controls over recognition of Payment by Results income.<br><br>We performed detailed substantive testing of the recoverability of overperformance income and adequacy of provision for underperformance through the year, and evaluated the results of the agreement of balances exercise.<br><br>We challenged key judgements around specific areas of dispute and actual or potential challenge from commissioners and the rationale for the accounting treatments adopted. In doing so, we considered the historical accuracy of provisions for disputes and reviewed correspondence with commissioners. |
| **Financial standing and efficiency requirements**<br>The Group has reported a deficit for the year of £8,128,000, which is broadly in line with the planned position. The Group is also forecasting a further deficit of £4,200,000 in 2015/16 before returning to a breakeven position in 2016/17.<br><br>The Trust has also fallen short of its Cost Improvement Programme (CIP) for the year delivering £7,099,000 against a target of £10,264,000.<br><br>Due to the current financial performance of the Trust, Monitor has issued a notice of breach of licence in relation to the sustainability of the Group's long term financial strategy. This remains in place at the year end.<br><br>The deterioration in the financial position of the Trust and challenging turnaround plans create an increased risk in relation to financial standing and value for money. | We have undertaken a detailed review and challenged of in-year performance and forecasts for the year-end position against Financial and CIP plans.<br><br>In addition, we have reviewed the Trust's initial plans and assumptions for 2015/16 and 2016/17; cash flow forecasts and management's assessment of going concern.<br><br>We have reviewed correspondence between the Trust and Monitor and the formal enforcement action and undertakings provided by the Trust to Monitor in the letter dated 26 January 2015. We have also held discussions with board members and management. |
| **Capital programme and valuation**<br>The Trust holds property assets within Property, Plant and Equipment at a modern equivalent use valuation, as set out in note 1.5. The valuations are by nature significant estimates which are based on specialist and management assumptions, such as indices and estimated useful lives, and which can be subject to material changes in value. As at 31 March 2015 Property, Plant and Equipment assets are valued at £214,153,000 and are included in note 13. | We evaluated the design and implementation of controls over property valuations and monitoring progress again the capital plan.<br><br>We have tested the accuracy and completeness of the year end asset register including additions in the year. |

| Risk | How the scope of our audit responded to the risk |
|---|---|
| In line with their accounting policy the Trust has not performed a valuation exercise in the current year. The carrying value of the property portfolio is therefore based on the most recent valuation less depreciation based on the expected useful life of the asset. The Trust have also considered if there are any indicators of impairment.<br><br>There is also judgement involved in determining whether expenditure is capital in nature and when assets commence depreciation. | The Trust has also performed an impairment review which we have reviewed and challenged whether the assumptions made are in line with our understanding of the business and sector.<br><br>We have tested a sample of additions during the year to confirm they comply with the relevant accounting requirements. |

The description of risks above should be read in conjunction with the significant issues considered by the Audit Committee discussed on pages 76 and 77.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

**Our application of materiality**

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group to be £3,091,000, which is below 1% of revenue.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £150,000 as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters identified when assessing the overall presentation of the financial statements.

**An overview of the scope of our audit**

Our group audit was scoped by obtaining an understanding of the Group and its environment, including group-wide controls, and assessing the risks of material misstatement at the Group level.

The focus of our audit work was on the Trust, with work performed at the Trust's head offices in Dudley directly by the audit engagement team, led by the audit partner.

We performed specified audit procedures on the Trust's subsidiaries, The Dudley Group NHS Foundation Trust Charity and Dudley Clinical Services Limited, where the extent of our testing was based on our assessment of the risks of material misstatement and the materiality of the subsidiaries to the Group.

Our audit covered all of the entities within the Group, which account for 100% of the Group's net assets, revenue and surplus.

Our audit work was executed at levels of materiality applicable to each individual entity which were lower than group materiality.

At the Group level we also tested the consolidation process.

| **Opinion on other matters prescribed by the National Health Service Act 2006** | In our opinion:<br>• the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the National Health Service Act 2006; and<br>• the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements. |
|---|---|

**Matters on which we are required to report by exception**

*Use of resources*

The Trust has described the following matter in its Annual Governance Statement which we consider to be relevant to the Trust's arrangements to secure economy, efficiency and effectiveness:

• The risks to the Trust in respect of its financial performance in 2014/15 and plan for 2015/16;
• In January 2015, Monitor issued a notice of breach of license in relation to the sustainability of the Trust's long term financial strategy.

As a result of these matters, we have been unable to satisfy ourselves that the Dudley Group NHS Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

*Annual Governance Statement and compilation of financial statements*

Under the Audit Code for NHS Foundation Trusts, we are required to report to you if, in our opinion:

• the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit; or
• proper practices have not been observed in the compilation of the financial statements.

We have nothing to report in respect of these matters.

We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

*Our duty to read other information in the Annual Report*

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

• materially inconsistent with the information in the audited financial statements;
• apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
• otherwise misleading.

In particular, we have considered whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

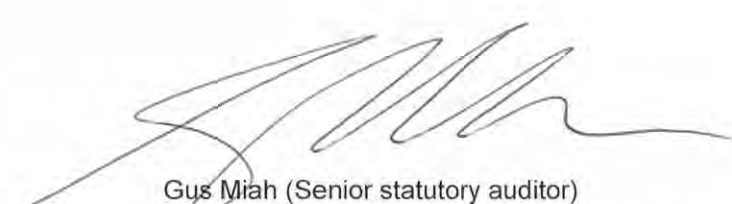| | |
|---|---|
| **Respective responsibilities of the accounting officer and auditor** | As explained more fully in the Accounting Officer's Responsibilities Statement, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, the Audit Code for NHS Foundation Trusts and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team. |
| | This report is made solely to the Council of Governors and Board of Directors ("the Boards") of The Dudley Group NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed. |
| **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 Group's and the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements 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. |

Gus Miah (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom
21 May 2015

# Remuneration report

## Remuneration Committee (unaudited information)

The Remuneration Committee is a Sub Committee of the Board which determines the appropriate levels of remuneration for the executive directors. The members were Chairman John Edwards and non-executive directors David Badger, Ann Becke, Jonathan Fellows, Richard Miner and David Bland.

Remuneration levels are normally determined by reference to such factors as those applying in equivalent organisations in the NHS, changes in responsibility, performance, salary increases agreed for other NHS staff and guidance issued by the Secretary of State.

One meeting was held during 2014/15 in April 2014.

| Remuneration Committee membership | | Attendance out of 1 |
|---|---|---|
| John Edwards | Chairman (Committee Chair) | 1/1 |
| David Badger | Non-executive Director | 1/1 |
| Ann Becke | Non-executive Director | 1/1 |
| David Bland | Non-executive Director | 0/1 |
| Jonathan Fellows | Non-executive Director | 0/1 |
| Richard Miner | Non-executive Director | 1/1 |
| In attendance | | |
| Paula Clark | Chief Executive | 1/1 |
| Paul Assinder | Director of Finance and Information | 1/1 |
| Annette Reeves | Associate Director of Human Resources | 1/1 |

Remuneration for executive directors does not include any performance-related elements.

No significant financial awards or compensation have been made to past senior managers during the period of this report.

The terms and conditions for the executive directors and senior managers of the Trust are included in their individual contracts of employment which includes notice periods and any termination arrangements.

In 2014-15 the non-executive directors received no pay increase. Executive directors of the Trust received a non-consolidated 1% pay increase.

For the purpose of the Annual Report and Accounts, the Chief Executive has agreed the definition of a "senior manager" to be executive and non-executive directors only.

## Off Payroll Engagements

The tables below provide detail of off payroll engagements of more than £220 per day lasting longer than six months

| Existing off payroll engagements as of 31st March 2015 | |
|---|---|
| Number of existing engagements as of 31st March 2015 | 3 |
| Number that have existed for less than one year at time of reporting | 2 |
| Number that have existed for between one and two years at time of reporting | 0 |
| Number that have existed for between two and three years at time of reporting | 0 |
| Number that have existed for between three and four years at time of reporting | 0 |
| Number that have existed for four or more years at time of reporting | 1 |

All existing off payroll engagements, outlined above, have been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

| New off payroll engagements and those that reached six months in duration between 1st April 2014 and 31st March 2015 | |
|---|---|
| Number of new engagements, or those that reached six months in duration, between 1st April 2014 and 31st March 2015 | 2 |
| Number of the above which include contractual clauses giving the Trust the right to request assurance in relation to income tax and national insurance obligations | 2 |
| Number for whom assurance has been requested | 2 |
| Of which: | |
| Number for whom assurance has been received | 2 |
| Number for whom assurance has not been received | 0 |
| Number that have been terminated as a result of assurance not being received | 0 |

| Off payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1st April 2014 and 31st March 2015 | |
|---|---|
| Number of off payroll engagements of board members, and /or, senior officials with significant financial responsibility, during the financial year | 2 |
| Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility" during the financial year* | 14 |

*This figure includes both off payroll and on payroll engagements and includes all individuals who have been a non-executive or executive director during 2014/15.*

The Trust has had two off payroll engagements where the individuals had significant financial responsibility during 2014/15. Both of these instances were interim engagements where the Trust required support to carry out the roles in between the previous post holder's resignation and the recruitment of a permanent member of staff. The posts covered by interim arrangements during 2014/15 were:

- **Director of Operations**: interim cover between June 2014 and November 2014

- **Director of Finance and Information**: interim cover commencing October 2014 continuing into 2015/16

# Salary and Pension entitlements of senior managers (audited information)

## A) Remuneration

| Name and Title | Note | 2014-15 | | | | | 2013-14 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Salary (bands of £5,000) | Other Remuneration (bands of £5,000) | *Benefits in Kind (Rounded to the nearest £100) | # All Pension Related Benefits (bands of £2,500) | Total (bands of £5,000) | Salary (bands of £5,000) | Other Remuneration (bands of £5,000) | * Benefits in Kind (Rounded to the nearest £100) | All Pension Related Benefits (bands of £2,500) | Total (bands of £5,000) |
| | | £000 | £000 | £00 | £000 | £000 | £000 | £000 | £00 | £000 | £000 |
| Paula Clark, Chief Executive | | 180 - 185 | | | 22.5 - 25 | 205- 210 | 180 - 185 | | | 60 - 62.5 | 240 - 245 |
| Paul Assinder, Director of Finance & Information | a | 70 - 75 | | | 0 | 70 - 75 | 140 - 145 | | | 25 - 27.5 | 170 - 175 |
| Paul Taylor, Director of Finance & Information | b | 100 - 105 | | | | 100 - 105 | | | | | 0 |
| Paul Harrison, Medical Director | | 65 - 70 | 110 - 115 | | 5 - 7.5 | 180 - 185 | 65 - 70 | 110 - 115 | | 72.5 - 75 | 245 - 250 |
| Richard Beeken, Director of Operations & Transformation | c | 15 - 20 | | | 22.5 - 25 | 40 - 145 | 120 - 125 | | | 30 - 32.5 | 155 - 160 |
| Jon Scott, Director of Operations | d | 160 - 165 | | | | 160 - 165 | | | | | 0 |
| Denise McMahon, Director of Nursing | | 120 - 125 | | | 0 - 2.5 | 125 - 130 | 120 - 125 | | | 20 - 22.5 | 140 - 145 |
| John Edwards, Chairman | e | 35 - 40 | | 1,700 | | 35 - 40 | 45 - 50 | | 2,800 | | 55 - 60 |
| David Badger, Chairman | f | 20 - 25 | | | | 20 - 25 | 15-20 | | 300 | | 15 - 20 |
| Ann Becke, Non-executive Director | | 10 -15 | | 100 | | 10 - 15 | 10 -15 | | 200 | | 10 - 15 |
| Jonathon Fellows, Non-executive Director | | 15 - 20 | | | | 15 - 20 | 10 -15 | | | | 10 - 15 |
| David Bland, Non-executive Director | | 10 - 15 | | 600 | | 10 - 15 | 10 -15 | | 400 | | 10 - 15 |
| Richard Miner, Non-executive Director | | 10 - 15 | | 500 | | 10 - 15 | 10 -15 | | | | 10 - 15 |
| Douglas Wulff, Non-executive Director | g | 0 -5 | | | | 0 -5 | | | | | 0 |
| Aggregate Total | | 810 - 880 | 110 - 115 | 2,900 | 190 - 200 | 980 -1050 | 725 -780 | 110 - 115 | 3,700 | 207.5 - 220 | 1060 - 1115 |

Note:
* Benefits in kind relate to home to base travel reimbursement for non-executive directors
# The all pensions related benefits disclosed arise from membership of the NHS Pensions defined benefit scheme. They are not remuneration paid (non-cash), but the increase in pension benefit net of inflation for the current year. Contributions are made by both the employer and the employee from their salary in accordance with the rules of the scheme which applies to all NHS staff in the scheme.

a   Paul Assinder left 3 October 2014
b   Paul Taylor started 1 October 2014 and is employed on an off-payroll basis.
c   Richard Beeken left 25 May 2014
d   Jon Scott started 23 June 2014 and vacated the position 27 November 2014 and was employed on an off payroll basis.
e   John Edwards left 31 December 2014
f   David Badger changed from Non-exec to Chairman 1 January 2015
g   Douglas Wulff started 2 February 2015

The Trust is required to disclose the relationship between the remuneration of the highest paid director and the median remuneration of the other Trust employees.
The banded remuneration of the highest paid director of the Trust for 2014/15 is £180,000 - £185,000 (2013/14 £180,000 - £185,000). This was 7.9 times (2014/15 7.9 times) the median remuneration of the workforce, which was £20,000 - £25,000 (2014/15 £20,000 - £25,000).
In 2014/15, there were no (2013/14 nil) employees who received remuneration in excess of the highest paid director.
Total remuneration includes salary, non-consolidated performance-related pay, benefits in kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

## B) Pension benefits

| Name and Title | Note | Real increase in pension at age 60 (bands of £2,500) £000 | Real increase in lump sum at age 60 (bands of £2,500) £000 | Total accrued pension at age 60 at 31 March 2015 (bands of £5,000) £000 | Lump sum at age 60 related to accrued pension at 31 March 2015 (bands of £5,000) £000 | Cash Equivalent Transfer Value at 1 April 2014 To nearest £1,000 £000 | Real Increase in Cash Equivalent Transfer Value To nearest £1,000 £000 | Cash Equivalent Transfer Value at 31 March 2015 To nearest £1,000 £000 |
|---|---|---|---|---|---|---|---|---|
| Paula Clark, Chief Executive | | 0 - 2.5 | 0 - 2.5 | 55 - 60 | 165 - 170 | 1,105 | 83 | 1,188 |
| Paul Assinder, Director of Finance & Information | 1 | 0 - 2.5 | 0 - 2.5 | 55 - 60 | 165 - 170 | 1,142 | 17 | 1,159 |
| Paul Taylor, Director of Finance & Information | 2 | | | | | | | |
| Richard Beeken, Director of Operations & Transformation | 3 | 0 - 2.5 | 2.5 - 5.0 | 35 - 40 | 110 - 115 | 432 | 130 | 562 |
| Jon Scott, Director of Operations | 4 | | | | | | | |
| Paul Harrison, Medical Director | 5 | 0 - 2.5 | 0 - 2.5 | 60 - 65 | 180 - 185 | 1,064 | 65 | 1,129 |
| Denise McMahon, Director of Nursing | | 0 - 2.5 | 0 - 2.5 | 55 - 60 | 170 - 175 | 1,069 | 61 | 1,130 |

Note:
1 Director of Finance & Information Paul Assinder left 3 October 2014
2 Director of Finance & Information Paul Taylor does not receive any pension benefit
3 Director of Operations & Transformation Richard Beeken left 25 May 2014
4 Director of Operations Jon Scott did not receive any pension benefit.
5 Medical Director figures shown include accrued benefits and contributions in respect of full salary, which will include both management and medical contributions.

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 pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004-05 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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

## C) Director and governor expenses

The Trust is required to disclose the expenses paid to Directors, Non-executive Directors and Governors.
The band of the expenses paid for 2014/15 was £7,500 - £10,000 (2013/14 £10,000 - £12,500).

**Signed**                                          **Date: 21st May 2015**

**Paula Clark**
**Chief Executive**

# Consolidated statement of Comprehensive Income
## for the year ended 31st March 2015

| | Note | Group | | Foundation Trust | |
|---|---|---|---|---|---|
| | | Year Ended 31 March 2015 £'000 | Year Ended 31 March 2014 £'000 | Year Ended 31 March 2015 £'000 | Year Ended 31 March 2014 £'000 |
| Operating Income from continuing operations | 3 & 4 | 326,396 | 316,868 | 326,263 | 316,456 |
| Operating Expenses of continuing operations | 5 | (321,236) | (306,466) | (320,974) | (305,926) |
| **OPERATING SURPLUS / (DEFICIT)** | | **5,160** | **10,402** | **5,289** | **10,530** |
| | | | | | |
| **FINANCE COSTS** | | | | | |
| Finance income | 9 | 173 | 187 | 120 | 134 |
| Finance expense - financial liabilities | 10 | (11,098) | (10,759) | (11,098) | (10,759) |
| PDC Dividends payable | | (2,344) | (2,254) | (2,344) | (2,254) |
| **NET FINANCE COSTS** | | **(13,269)** | **(12,826)** | **(13,322)** | **(12,879)** |
| | | | | | |
| Corporation tax expense | 11 | (19) | (13) | 0 | 0 |
| | | | | | |
| **Surplus/(Deficit) from operations** | | **(8,128)** | **(2,437)** | **(8,033)** | **(2,349)** |
| | | | | | |
| | | | | | |
| **SURPLUS/(DEFICIT) FOR THE YEAR** | | **(8,128)** | **(2,437)** | **(8,033)** | **(2,349)** |
| | | | | | |
| | | | | | |
| **Other comprehensive income** | | | | | |
| **Will not be reclassified to income and expenditure:** | | | | | |
| Impairments | | 0 | (318) | 0 | (318) |
| Revaluations | | 0 | 3,321 | 0 | 3,321 |
| | | | | | |
| **May be reclassified to income and expenditure where certain conditions are met:** | | | | | |
| Fair Value gains/(losses) on Available-for-sale financial instruments | 14 | 73 | 29 | 0 | 0 |
| | | | | | |
| **TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR** | | **(8,055)** | **595** | **(8,033)** | **654** |

The notes on pages 5 to 40 form part of these accounts.
All income and expenditure is derived from continuing operations.
There are no Non-Controlling Interests in the Group, therefore the deficit for the year of £8,128,000 (2013/14 deficit of £2,437,000) and the Total Comprehensive Expense of £8,055,000 (2013/14 Total Comprehensive Income of £595,000) is wholly attributable to the Trust.

# Consolidated statement of Financial Position
## for the year ended 31st March 2015

| | Note | Group 31 March 2015 £'000 | Group 31 March 2014 £'000 | Foundation Trust 31 March 2015 £'000 | Foundation Trust 31 March 2014 £'000 |
|---|---|---|---|---|---|
| **Non-current assets** | | | | | |
| Intangible assets | 12 | 4,368 | 1,150 | 4,368 | 1,148 |
| Property, plant and equipment | 13 | 214,153 | 218,083 | 214,153 | 218,083 |
| Other Investments | 14 | 1,200 | 1,127 | 0 | 0 |
| Trade and other receivables | 17 | 8,465 | 9,924 | 8,465 | 9,924 |
| **Total non-current assets** | | 228,186 | 230,284 | 226,986 | 229,155 |
| **Current assets** | | | | | |
| Inventories | 16 | 2,949 | 3,159 | 2,713 | 2,896 |
| Trade and other receivables | 17 | 10,963 | 17,926 | 11,073 | 18,114 |
| Other financial assets | 15 | 1,287 | 207 | 0 | 0 |
| Cash and cash equivalents | 24 | 26,530 | 27,821 | 26,179 | 26,165 |
| **Total current assets** | | 41,729 | 49,113 | 39,965 | 47,175 |
| **Current liabilities** | | | | | |
| Trade and other payables | 18 | (23,669) | (19,666) | (23,413) | (19,329) |
| Borrowings | 23 | (5,346) | (5,344) | (5,346) | (5,344) |
| Provisions | 21 | (251) | (2,945) | (251) | (2,945) |
| Other liabilities | 19 | (2,026) | (1,809) | (2,026) | (1,809) |
| **Total current liabilities** | | (31,292) | (29,764) | (31,036) | (29,427) |
| **Total assets less current liabilities** | | 238,623 | 249,633 | 235,915 | 246,903 |
| **Non-current liabilities** | | | | | |
| Borrowings | 23 | (137,072) | (142,069) | (137,072) | (142,069) |
| **Total non-current liabilities** | | (137,072) | (142,069) | (137,072) | (142,069) |
| **Total assets employed** | | 101,551 | 107,564 | 98,843 | 104,834 |
| **Financed by** | | | | | |
| **Taxpayers' equity** | | | | | |
| Public Dividend Capital | | 24,621 | 22,579 | 24,621 | 22,579 |
| Revaluation reserve | | 55,592 | 55,608 | 55,592 | 55,608 |
| Income and expenditure reserve | | 18,757 | 26,699 | 18,630 | 26,647 |
| **Other equity** | | | | | |
| Charitable Fund reserves | | 2,581 | 2,678 | 0 | 0 |
| **Total Taxpayers' and Others equity** | | 101,551 | 107,564 | 98,843 | 104,834 |

The financial statements were approved by the Board of Directors and authorised for issue on their behalf by:

Signed *Paula Clark*          Date: 21st May 2015

Paula Clark, Chief Executive

# Consolidated statement of Changes in Equity
## for the year ended 31st March 2015

| | Group | | | | | Foundation Trust | | | |
|---|---|---|---|---|---|---|---|---|---|
| | ......... Taxpayers Equity ......... | | | | | ......... Taxpayers Equity ......... | | | |
| | Public Dividend Capital | Revaluation Reserve | Income and Expenditure Reserve | Charitable Fund Reserves ** | Total | Public Dividend Capital | Revaluation Reserve | Income and Expenditure Reserve | Total |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Taxpayers' and Other Equity at 1 April 2013** | **22,579** | **52,649** | **28,952** | **2,789** | **106,969** | **22,579** | **52,649** | **28,952** | **104,180** |
| Prior period adjustment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Taxpayers' and Other Equity at 1 April 2013 - restated** | **22,579** | **52,649** | **28,952** | **2,789** | **106,969** | **22,579** | **52,649** | **28,952** | **104,180** |
| Surplus / (Deficit) for the year | 0 | 0 | (2,324) | (113) | (2,437) | 0 | 0 | (2,349) | (2,349) |
| Transfers between reserves | 0 | (44) | 44 | 0 | 0 | 0 | (44) | 44 | 0 |
| Impairments | 0 | (318) | 0 | 0 | (318) | 0 | (318) | 0 | (318) |
| Revaluations - property, plant and equipment | 0 | 3,321 | 0 | 0 | 3,321 | 0 | 3,321 | 0 | 3,321 |
| Fair Value gains/(losses) on available -for-sale financial investments | 0 | 0 | 0 | 29 | 29 | 0 | 0 | 0 | 0 |
| Public Dividend Capital Received | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other reserve movements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Consolidation adjustment | 0 | 0 | 27 | (27) | 0 | 0 | 0 | 0 | 0 |
| **Taxpayers' and Other Equity at 31 March 2014** | **22,579** | **55,608** | **26,699** | **2,678** | **107,564** | **22,579** | **55,608** | **26,647** | **104,834** |
| | | | | | | | | | |
| **Taxpayers' and Other Equity at 1 April 2014** | **22,579** | **55,608** | **26,699** | **2,678** | **107,564** | **22,579** | **55,608** | **26,647** | **104,834** |
| Surplus / (Deficit) for the year | 0 | 0 | (7,985) | (143) | (8,128) | 0 | 0 | (8,033) | (8,033) |
| Transfers between reserves | 0 | (16) | 16 | 0 | 0 | 0 | (16) | 16 | 0 |
| Impairments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluations - property, plant and equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fair Value gains/(losses) on available -for-sale financial investments | 0 | 0 | 0 | 73 | 73 | 0 | 0 | 0 | 0 |
| Public Dividend Capital Received | 2,042 | 0 | 0 | 0 | 2,042 | 2,042 | 0 | 0 | 2042 |
| Other reserve movements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Consolidation adjustment | 0 | 0 | 27 | (27) | 0 | 0 | 0 | 0 | 0 |
| **Taxpayers' and Other Equity at 31 March 2015** | **24,621** | **55,592** | **18,757** | **2,581** | **101,551** | **24,621** | **55,592** | **18,630** | **98,843** |

** Charitable Fund Reserves comprise Unrestricted Funds £297,000 (2013/14 £518,000); Restricted Funds £2,284,000 (2013/14 £2,160,000) and Endowment Funds £nil (2013/14 £nil). Unrestricted Funds comprise those funds that the Trustee is free to use for any purpose in furtherance of the Charity objectives, Restricted Funds have restrictions imposed by the Donor, and Endowment Funds are held as capital by the Charity to generate income for charitable purposes but cannot themselves be spent.

## Consolidated statement of Cash Flows
## for the year ended 31st March 2015

|  | Group | | Foundation Trust | |
|---|---|---|---|---|
|  | 31 March 2015 | 31 March 2014 | 31 March 2015 | 31 March 2014 |
|  | £'000 | £'000 | £'000 | £'000 |
| **Cash flows from operating activities** | | | | |
| Operating surplus/(deficit) from continuing operations | 5,160 | 10,402 | 5,289 | 10,530 |
| **Operating surplus/(deficit)** | **5,160** | **10,402** | **5,289** | **10,530** |
| **Non-cash income and expense:** | | | | |
| Depreciation and amortisation | 9,200 | 9,183 | 9,200 | 9,183 |
| (Gain)/Loss on Disposal | 57 | 12 | 57 | 12 |
| Non-cash donations/grants credited to income | (244) | (198) | (244) | (198) |
| (Increase)/Decrease in Trade and Other Receivables | 7,866 | (10,525) | 7,935 | (10,729) |
| (Increase)/Decrease in Inventories | 210 | (71) | 183 | 192 |
| Increase/(Decrease) in Trade and Other Payables | 4,636 | 3,348 | 4,700 | 3,109 |
| Increase/(Decrease) in Other Liabilities | 217 | 1,564 | 217 | 1,564 |
| Increase/(Decrease) in Provisions | (2,694) | 2,515 | (2,694) | 2,515 |
| Tax (paid) / received | 0 | 0 | 0 | 0 |
| NHS Charitable funds - net adjustments for working capital movements, non-cash transactions and non-operating cash flows | (1,123) | 188 | 0 | 0 |
| **NET CASH GENERATED FROM/(USED IN) OPERATIONS** | 23,285 | 16,418 | 24,643 | 16,178 |
| **Cash flows from investing activities** | | | | |
| Interest received | 120 | 142 | 119 | 142 |
| Purchase of financial assets | (366,500) | (389,000) | (366,500) | (389,000) |
| Sales of financial assets | 366,500 | 389,000 | 366,500 | 389,000 |
| Purchase of intangible assets | (3,719) | (175) | (3,719) | (175) |
| Sales of intangible assets | 0 | 0 | 0 | 0 |
| Purchase of Property, Plant and Equipment | (4,875) | (4,231) | (4,875) | (4,231) |
| Sales of Property, Plant and Equipment | 25 | 23 | 25 | 23 |
| NHS Charitable funds - net cash flows from investing activities | 52 | 0 | 0 | 0 |
| **Net cash generated from/(used in) investing activities** | (8,397) | (4,241) | (8,450) | (4,241) |
| **Cash flows from financing activities** | | | | |
| Public dividend capital received | 2,042 | 0 | 2,042 | 0 |
| Capital element of PFI Obligations | (5,345) | (4,980) | (5,345) | (4,980) |
| Interest element of PFI Obligations | (11,098) | (10,759) | (11,098) | (10,759) |
| PDC Dividend paid | (1,778) | (2,939) | (1,778) | (2,939) |
| **Net cash generated from/(used in) financing activities** | (16,179) | (18,678) | (16,179) | (18,678) |
| **Increase/(decrease) in cash and cash equivalents** | **(1,291)** | **(6,501)** | **14** | **(6,741)** |
| **Cash and Cash equivalents at 1 April** | 27,821 | 34,322 | 26,165 | 32,906 |
| **Cash and Cash equivalents at 31 March** | **26,530** | **27,821** | **26,179** | **26,165** |

# 1. Accounting Policies and Other Information

Monitor has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the Foundation Trust Annual Reporting Manual (FT ARM) which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the FT ARM 2014/15 issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's FReM to the extent that they are meaningful and appropriate to NHS Foundation Trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

## Accounting Convention
These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment.

## 1.1 Consolidation
The group financial statements consolidate the financial statements of the Trust and all of its subsidiary undertakings made up to 31st March 2014. The income, expenses, assets, liabilities, equity and reserves of the subsidiaries have been consolidated into the Trust's financial statements and group financial statements have been prepared.

## Subsidiaries
Subsidiary entities are those which the Foundation Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The amounts consolidated are drawn from the published financial statements of the subsidiaries for the year. Where subsidiaries' accounting policies are not aligned with those of the Foundation Trust then amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains/losses are eliminated in full on consolidation.

## NHS Charitable Fund
The NHS Foundation Trust is the corporate trustee to Dudley Group NHS Charity. The Foundation Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Foundation Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

Prior to 2013/14, the FT ARM permitted the NHS Foundation Trust not to consolidate the charitable fund. From 2013/14, the Foundation Trust has consolidated the charitable fund and has applied this as a change in accounting policy.

The charitable fund's statutory accounts are prepared to 31st March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Generally Accepted Accounting Principles (UK GAAP). On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:
- recognise and measure them in accordance with the Foundation Trust's accounting policies; and
- eliminate intra-group transactions, balances gains and losses.

## 1.2 Income
Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with commissioners in respect of healthcare services. Income is recognised in the period in which services are provided, for patients whose treatment straddles the year end this means income is apportioned across financial years on the basis of length of stay. Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred. Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

## 1.3 Expenditure on Employee Benefits
### Short-term Employee Benefits
Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

**Pension costs**

NHS Pension Scheme

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

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

**a) Accounting valuation**

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2015, is based on valuation data as at 31 March 2014, updated to 31 March 2015 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

**b) Full actual (funding) valuation**

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2004. Consequently, a formal actuarial valuation would have been due for the year ending 31 March 2008. However, formal actuarial valuations for unfunded public service schemes were suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions, and while future scheme terms are developed as part of the reforms to public service pension provision due in 2015.

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

The next formal valuation to be used for funding purposes will be carried out as at March 2012 and will be used to inform the contribution rates to be used from 1 April 2015.

**c) Scheme provisions**

The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as "pension commutation".

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) has been used and replaced the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

**1.4 Expenditure on Other Goods and Services**
Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

**1.5 Property, Plant and Equipment**
**Recognition**
Property, Plant and Equipment is capitalised where:
- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- it is expected to be used for more than one financial year; and
- the cost of the item can be measured reliably and;
    o has an individual cost of at least £5,000; or
    o the items form a group of assets which collectively have a cost of at least £5,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under the same managerial control; or
    o form part of the initial equipping and setting up cost of a new building or refurbishment of a ward or unit, and the items collectively have a cost of at least £5,000.

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

**Measurement**
Valuation
All Property, Plant and Equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

For property assets the frequency of revaluations will be at least every five years, in line with Monitor's view.

The fair value of land and buildings are determined by valuations carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The valuations are carried out primarily on the basis of modern equivalent cost for specialised operational property and existing use value for non-specialised operational property. The value of land for existing use purposes is assessed at existing use value. For non-operational properties including surplus land, the valuations are carried out at open market value.

Assets under construction are valued at cost and are subsequently revalued by professional valuers when they are brought into use if factors indicate that the value of the asset differs materially from its carrying value. Otherwise, the asset should only be revalued on the next occasion when all assets of that class are revalued.

Subsequent expenditure
Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from use of an item of property, plant and equipment and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Depreciation
Items of Property, Plant and Equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

The Trust depreciates its non-current assets on a straight line basis over the expected life of the assets after allowing for the residual value. Useful lives are determined on a case by case basis. The typical lives for the following assets are:

| Asset Category | Useful Life (years) |
|---|---|
| Buildings | As per valuer's estimate |
| Engineering Plant & Equipment | 5 – 15 |
| Medical Equipment | 5 – 15 |
| Transport Equipment | 7 |
| Information Technology | 5 – 7 |
| Furniture & Fittings | 5 – 10 |

Freehold land is considered to have an infinite life and is not depreciated. Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon reclassification.

Assets in the course of construction and residual interests in off-balance sheet PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Revaluation gains and losses
Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses. Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments
In accordance with the FT ARM, impairments that arise from a clear consumption of economic benefits or service potential in the asset are charged to operating expenses.  A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss are reversed. Reversals are recognised in operating income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses.  Reversals of other impairments are treated as revaluation gains.

**De-recognition**
Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:
- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e.:
  - management are committed to a plan to sell the asset;
  - an active programme has begun to find a buyer and complete the sale;
  - the asset is being actively marketed at a reasonable price;
  - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met. Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

**Donated, Government Grant and other grant funded assets**
Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met. The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

**Private Finance Initiative (PFI) transactions**

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in the Annual Reporting Manual issued by Monitor, are accounted for as 'on-statement of Financial Position' by the Trust. The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently the assets are measured at fair value, which is kept up to date in accordance with the Trust's approach for each relevant class of asset in accordance with the principles of IAS 16.  An equivalent financial liability is recognised in accordance with IAS 17.

The annual contract payments are apportioned between the repayment of the liability, a lifecycle element, a finance cost and the charges for services. The finance cost is calculated using the implicit interest rate for the scheme. The service charge is recognised in operating expenses and the finance cost is charged to Finance Costs in the Statement of Comprehensive Income.

The lifecycle element is established on the lifecycle plan contained within the financial model.  Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value. The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively. Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

## 1.6 Intangible Assets

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably. Where internally generated assets are held for service potential, this involves a direct contribution to the delivery of services to the public.

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets. Expenditure on research is not capitalised. Expenditure on development is capitalised only where all of the following can be demonstrated:
- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Trust intends to complete the asset and sell or use it;
- the Trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset;
- the Trust can measure reliably the expenses attributable to the asset during development.

**Software**

Software which is integral to the operation of hardware e.g. an operating system is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset. Purchased computer software licences are capitalised as intangible non-current assets where expenditure of at least £5,000 is incurred and amortised over the shorter of the term of the license and their useful lives.

**Measurement**

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management. Subsequently intangible assets are measured at fair value. Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in operating expenses, in which case they are recognised in operating income. Decreases in asset values and impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses. Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'. Intangible assets held for sale are measured at the lower of their carrying amount or 'fair value less costs to sell'.

**Amortisation and impairment**

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. 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.

| Asset Category | Useful Life (years) |
|---|---|
| Software Licences | 2 – 10 |

**1.7 Government Grants**

Government grants are grants from Government bodies other than income from Clinical Commissioning Groups or NHS Trusts for the provision of services. Grants from the Department of Health, are accounted for as Government grants as are grants from the Big Lottery Fund. Where the Government grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grant is used to fund capital expenditure the grant is credited to income at the same time, unless the grant has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the grant, in which case, the grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

**1.8 Inventories**

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the First In, First Out (FIFO) method.

**1.9 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.

**1.10 Financial Instruments and Financial Liabilities**
**Recognition**

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made. Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below. Regular way purchases or sales are recognised and de-recognised, as applicable, using the settlement date. All other financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

**De-recognition**

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership. Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

**Classification and Measurement**

Financial assets are categorised as 'Fair Value through Income and Expenditure' or Loans and Receivables. Financial liabilities are classified as 'Fair value through Income and Expenditure' or as 'Other Financial Liabilities'.

**Financial assets and financial liabilities at 'Fair Value through Income and Expenditure'**

Financial assets and financial liabilities at 'fair value through income and expenditure' are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Derivatives which are embedded in other contracts but which are not 'closely-related' to those contracts are separated-out from those contracts and measured in this category. Assets and liabilities in this category are classified as current assets and current liabilities. These financial assets and financial liabilities are recognised initially at fair value, with transaction costs expensed in the Statement of Comprehensive Income. Subsequent movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Income.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets. The Trust's loans and receivables comprise: current investments, cash and cash equivalents, NHS receivables, accrued income and 'other receivables'. Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset. Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

**Available for sale financial assets**
Available for sale financial assets are non-derivative financial assets which are either designated in this category or not classified in any of the other categories. They are included in long term assets unless the Trust intends to dispose of them within 12 months of the Statement of Financial Position date.

Available for sale financial assets are recognised initially at fair value, including transaction costs, and measured subsequently at fair value, with gains or losses recognised in reserves and reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'. When items classified as 'available for sale' are sold or impaired, the accumulated fair value adjustments recognised are transferred from reserves and recognised in ' Finance Costs' in the Statement of Comprehensive Income.

**Other Financial liabilities**
All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability. They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities. Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to Finance Costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

**Impairment of financial assets**
At the Statement of Financial Position date, the Trust assesses whether any financial assets, other than those held at 'fair value through income and expenditure' are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future 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 the Statement of Comprehensive Income and the carrying amount of the asset is reduced through the use of a bad debt provision.

**1.11 Leases**
**Finance leases**
Where substantially all risks and rewards of ownership of a leased asset are borne by the NHS Foundation Trust, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability. The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to Finance Costs in the Statement of Comprehensive Income.

**Operating leases**
Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

**Leases of land and buildings**
Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

**1.12 Provisions**
The NHS Foundation Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's long term discount rate of 2.2% (2013/14 2.2%) in real terms, except for early retirement provisions and injury benefit provisions which both use the HM Treasury's pension discount rate of 1.3% (2013/14 1.8%) in real terms.

**Clinical negligence costs**
The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS Foundation Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS Foundation Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the NHS Foundation Trust is disclosed at note 17, but is not recognised in the Trust accounts.

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

**1.13 Contingencies**
Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 26 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 26, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:
- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

**1.14 Public Dividend Capital**
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

A charge, reflecting the cost of capital utilised by the NHS Foundation Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS Foundation Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets, (ii) average daily cash balances held with the Government Banking Services and National Loans Fund deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

**1.15 Value Added Tax**
Most of the activities of the NHS Foundation 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.

**1.16 Foreign Exchange**
The functional and presentational currencies of the Trust are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction. Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:
- monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expenditure in the period in which they arise. Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

**1.17 Third Party Assets**
Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Foundation Trust has no beneficial interest in them. However, they are disclosed in note 30 to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual.

**1.18 Corporation Tax**
The Trust is a Health Service Body within the meaning of S519A ICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this. There is a power for the Treasury to remove the exemption in relation to specified activities of a Foundation trust (s519A (3) to (8) ICTA 1988). Accordingly, the Trust is potentially within the future scope of income tax in respect of activities where income is received from a non-public sector source.

The tax expense on the Statement of Comprehensive Income comprises current and deferred tax due to the Trust's trading commercial subsidiaries. Current tax is the expected tax payable for the year, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the Statement of Financial Position liability method, providing for temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised on taxable temporary differences arising on the initial recognition of goodwill or for temporary differences arising from the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.

Deferred taxation is calculated using rates that are expected to apply when the related deferred asset is realised or the deferred taxation liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised.

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

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 Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.
- Accounting for PFI
- Application of IFRIC 4 Determining whether an Arrangement contains a Lease
- Application of IFRIC12 Service Concession Arrangements

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
- Valuation of Non- Current Assets
- Provisions
- Settlement of Over Performance with Healthcare Purchasers

**1.20 Accounting Standards that have been issued but have not yet been adopted**
The following standards and interpretations have been adopted by the European Union.  These are not expected to impact upon the Trust financial statements.
- IFRS   9  Financial Instruments (Not yet EU adopted. Expected to be effective from 2018/19)
- IFRS 12  Disclosure of interests in other Entities (effective 2014/15)
- IFRS 13  Fair Value Measurement (effective 2013/14 but not adopted by HM Treasury)
- IFRS 15  Revenue from contracts with customers (Not yet EU Adopted. Expected to be effective from 2017/18)
- IAS    19  Employer Contributions to Defined Benefit Pension Schemes (effective 2015/16)
- IAS    36  Recoverable Amount Disclosures(to be adopted from 2015/16)
- IFRIC 21 Levies (adoption delayed by HM Treasury)
- Annual Improvements 2012 (effective 2015/16)
- Annual Improvements 2013 (effective 2015/16)

**1.21 Losses and special payments**

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation.  By their nature they are items that ideally should not arise.  They are therefore subject to special control procedures compared with the generality of payments.  They are divided into different categories, which govern the way that individual cases are handled.  Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accruals basis with the exception of provisions for future losses.

**1.22 Transfers of functions to/from other NHS/Local Government Bodies**

For functions that have been transferred to the Trust from another NHS Body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer.  The assets and liabilities are not adjusted to their fair value prior to recognition.  The net gain/loss corresponding to the net assets/liabilities transferred is recognised within income/expenses, but not within operating activities.

For property plant and equipment assets and intangible assets, the Cost and Accumulated Depreciation/Amortisation balances from the transferring entity's accounts are preserved on recognition in the Trust's accounts.  Where the transferring body recognised revaluation reserve balances attributable to the assets, the Trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

For functions that the Trust has transferred to another NHS/Local Government Body, the assets and liabilities are de-recognised from the accounts as at the date of transfer.  The net loss/gain corresponding to the net assets/liabilities transferred is recognised within expenses/income, but not within operating activities.  Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve.  Adjustments to align the acquired function to the Foundation Trust's policies are applied after initial recognition and are adjusted directly in taxpayers' equity.  There have not been any transfers during 2013/14.

# 2 Segmental Analysis

The analysis by business segment is presented in accordance with IFRS 8 Operating Segments, on the basis of those segments whose operating results are regularly reviewed by the Board (the Chief Operating Decision Maker as defined by IFRS 8) as follows:

**Healthcare Services**
The Board as 'Chief Operating Decision Maker' has determined that Healthcare Services operate in a single operating segment, which is the provision of healthcare services.  The segmental reporting format reflects the Trust's management and internal reporting structure.

The Trust has identified segments in line with the thresholds in IFRS 8, applying the requirement of the ARM to consider expenditure instead of income as income is not analysed between segments in our monthly finance report to the Trust Board. Following a significance test of the expenditure segments the Trust found that there were six significant operating segments subject to the external reporting requirements of IFRS 8.  Applying the aggregation criteria to the Trust's six significant operating segments found that in all cases the segments had similar economic characteristics, the nature of the services are similar, the nature of the production process are similar, the type or class of customer for the services are similar, the methods used to provide the services are similar and the nature of the regulatory environment is similar.

The Trust's significant operating segments satisfy all of the criteria listed for an aggregation to be deemed appropriate. The six significant operating segments of the Trust are all active in the same business – the provision of healthcare, and all operate within the same economic environment – the United Kingdom. Given that the purpose of disclosing segmental information is to enable users of the financial statements to evaluate the nature and financial effects of business activities and economic environments, reporting a single segment of "Healthcare" would be consistent with the core principle of IFRS 8, as it would show the singular nature of both the business activity and the economic environment of the Trust.

Income from activities (medical treatment of patients) is analysed by customer type in note 3 to the accounts on page 17. Other operating income is analysed in note 4 to the accounts on page 18 and materially consists of revenues from healthcare, research and development, medical education, and the provision of services to other NHS bodies.  Total income by individual customers within the whole of HM Government and considered material, is disclosed in the related parties transactions note 27 to the accounts on page 35.

**Dudley Clinical Services Limited**
The company is a wholly owned subsidiary of the Trust and provides an Outpatient Dispensing service. As a trading company, subject to an additional legal and regulatory regime (over and above that of the Trust), this activity is considered to be a separate business segment whose individual operating results are reviewed by the Trust Board (the Chief Operating Decision Maker).

A significant proportion of the company's revenue is inter segment trading with the Trust which is eliminated upon the consolidation of these group financial statements. The quarterly performance report to the Chief Operating Decision Maker reports financial summary information in the format of the table below.

**Dudley Group NHS Charity**
The Trust Board are corporate trustees for Dudley Group NHS Charity. Following Treasury's agreement to apply IAS 27 to NHS Charities from 1st April 2013, the Trust has established that as the Trust is the corporate trustee of the linked NHS Charity, it effectively has the power to exercise control so as to obtain economic benefits. The Charity is therefore treated as a group entity and is consolidated. As this is a change in the accounting policy, the prior year has been restated. The consolidation is for reporting purposes only and does not affect the charities' legal and regulatory independence and day to day operations. Some of the charity's expenditure is inter segment trading with the Trust which is eliminated upon the consolidation of these group financial statements. The quarterly performance report to the Chief Operating Decision Maker reports financial summary information in the format of the table below.

| | Healthcare Services £000 | Dudley Clinical Services Ltd £000 | Dudley Group NHS Charity £000 | Inter Group Eliminations £000 | Total £000 |
|---|---|---|---|---|---|
| **Year ended 31 March 2015** | | | | | |
| Total segment revenue | 326,263 | 3,288 | 445 | (3,600) | 326,396 |
| Total segment expenditure | (320,974) | (3,195) | (667) | 3,600 | (321,236) |
| **Operating Surplus** | 5,289 | 93 | (222) | 0 | 5,160 |
| Net Financing | (10,978) | 1 | 52 | 0 | (10,925) |
| PDC Dividends Payable | (2,344) | 0 | 0 | 0 | (2,344) |
| Taxation | | (19) | 0 | 0 | (19) |
| **Retained surplus - before non-recurring items** | (8,033) | 75 | (170) | 0 | (8,128) |
| Non-recurring items | 0 | 0 | 0 | 0 | 0 |
| **Retained surplus/(deficit)** | (8,033) | 75 | (170) | 0 | (8,128) |
| Reportable Segment assets | 266,951 | 716 | 2,630 | 0 | 270,297 |
| Eliminations | 0 | 0 | 0 | (382) | (382) |
| **Total assets** | 266,951 | 716 | 2,630 | (382) | 269,915 |
| Reportable Segment liabilities | (168,108) | (589) | (49) | 0 | (168,746) |
| Eliminations | 0 | 0 | 0 | 382 | 382 |
| **Total liabilities** | (168,108) | (589) | (49) | 382 | (168,364) |
| **Net assets/liabilities** | 98,843 | 127 | 2,581 | 0 | 101,551 |

| | Healthcare Services £000 | Dudley Clinical Services Ltd £000 | Dudley Group NHS Charity £000 | Inter Group Eliminations £000 | Total £000 |
|---|---|---|---|---|---|
| **Year ended 31 March 2014** | | | | | |
| Total segment revenue | 316,456 | 2,038 | 665 | (2,291) | 316,868 |
| Total segment expenditure | (305,926) | (1,973) | (858) | 2,291 | (306,466) |
| **Operating Surplus** | 10,530 | 65 | (193) | 0 | 10,402 |
| Net Financing | (10,625) | 0 | 53 | 0 | (10,572) |
| PDC Dividends Payable | (2,254) | 0 | 0 | 0 | (2,254) |
| Taxation | 0 | (13) | 0 | 0 | (13) |
| **Retained surplus - before non-recurring items** | (2,349) | 52 | (140) | 0 | (2,437) |
| Non-recurring items | 0 | 0 | 0 | 0 | 0 |
| **Retained surplus/(deficit)** | (2,349) | 52 | (140) | 0 | (2,437) |
| Reportable Segment assets | 276,330 | 610 | 2,763 | 0 | 279,703 |
| Eliminations | 0 | 0 | 0 | (306) | (306) |
| **Total assets** | 276,330 | 610 | 2,763 | (306) | 279,397 |
| Reportable Segment liabilities | (171,496) | (558) | (85) | 0 | (172,139) |
| Eliminations | 0 | 0 | 0 | 306 | 306 |
| **Total liabilities** | (171,496) | (558) | (85) | 306 | (171,833) |
| **Net assets/liabilities** | 104,834 | 52 | 2,678 | 0 | 107,564 |

# 3 Revenue from Activities

## 3.1 By Commissioner

| | Year Ended 31 March 2015 | Year Ended 31 March 2014 |
|---|---|---|
| | £'000 | £'000 |
| NHS Foundation Trusts | 126 | 254 |
| NHS Trusts | 1,788 | 1,219 |
| CCG's and NHS England | 297,633 | 291,706 |
| Local Authorities | 2,381 | 2,265 |
| NHS Other | 0 | 146 |
| Non NHS: Private patients | 68 | 75 |
| Non-NHS: Overseas patients (chargeable to patient) | 107 | 28 |
| NHS injury scheme (was RTA) | 1,013 | 1,105 |
| Non NHS: Other | 83 | 147 |
| **Total income from activities** | **303,199** | **296,945** |

## 3.2 By Nature

| | Year Ended 31 March 2015 | Year Ended 31 March 2014 |
|---|---|---|
| | £'000 | £'000 |
| Acute Trusts | | |
| Elective | 50,199 | 48,450 |
| Non Elective | 92,297 | 91,920 |
| Outpatient | 44,706 | 46,003 |
| A&E | 10,803 | 10,364 |
| Other NHS Clinical Income | 69,950 | 70,119 |
| Community Trusts | | |
| Income from CCG's and NHS England | 21,374 | 20,980 |
| Income not from CCG's NHS England | 944 | 872 |
| **Income at Tariff** | **290,273** | **288,708** |
| Private Patients | 68 | 75 |
| Other clinical income | 12,858 | 8,162 |
| **Total income from activities** | **303,199** | **296,945** |

## 3.3 Income from Commissioner Requested Services and Non-Commissioner Requested Services

Under the terms of its Provider Licence, the Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

| | Year Ended 31 March 2015 | Year Ended 31 March 2014 |
|---|---|---|
| | £'000 | £'000 |
| Income from Commissioner Requested Services | 267,955 | 266,856 |
| Income from Non Commissioner Requested Services | 22,318 | 21,85 |
| Income from Activities | 290,273 | 288,708 |
| Other Clinical Income | 12,926 | 8,237 |
| Total Income | 303,199 | 296,945 |

Other NHS Clinical Income comprises the following services pathology; rehabilitation; community support services; radiology; renal services; patient transport services; and high cost drugs / devices / appliances.

**3.4 Private Patient Income**

The statutory limitation on private patient income in section 44 of the 2006 Act was repealed with effect from 1 October 2012 by the Health and Social Care Act 2012. The financial statement disclosures that were provided previously are now no longer required.

**3.5 Overseas Visitors**

| | Year Ended 31 March 2015 £'000 | Year Ended 31 March 2014 £'000 |
|---|---|---|
| Income recognised this year | 107 | 28 |
| Cash payments received in-year | 36 | 27 |
| Amounts added to provision for impairment of receivables | 57 | 35 |
| Amounts written off in-year | 16 | 9 |

**3.3 Income from Commissioner Requested Services and Non-Commissioner Requested Services**

Under the terms of its Provider Licence, the Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

| | Year Ended 31 March 2015 £'000 | Year Ended 31 March 2014 £'000 |
|---|---|---|
| Income from Commissioner Requested Services | 267,955 | 266,856 |
| Income from Non Commissioner Requested Services | 22,318 | 21,85 |
| Income from Activities | 290,273 | 288,708 |
| Other Clinical Income | 12,926 | 8,237 |
| Total Income | **303,199** | **296,945** |

Other NHS Clinical Income comprises the following services pathology; rehabilitation; community support services; radiology; renal services; patient transport services; and high cost drugs / devices / appliances.

# 4 Other Operating Revenue

| | Year Ended 31 March 2015 £'000 | Year Ended 31 March 2014 £'000 |
|---|---|---|
| Research and development | 1,047 | 681 |
| Education and training | 9,387 | 8,955 |
| Charitable asset donations | 244 | 198 |
| Charitable contributions to expenditure | 68 | 0 |
| Non-patient care services to other bodies | 4,575 | 4,115 |
| Profit on disposal of intangible fixed assets | 0 | 0 |
| Profit on disposal of land and buildings | 0 | 0 |
| Profit on disposal of other tangible fixed assets | 22 | 22 |
| Income in respect of Staff Costs | 1,551 | 1,140 |
| NHS Charitable Funds incoming resources excluding investment income | 445 | 665 |
| Other | 5,858 | 4,147 |
| **Total other operating income** | **23,197** | **19,923** |

Other income is derived from Staff Recharges £441,000 (2013/14 £509,000); Pharmacy Drugs £2,518,000 (2013/14 £1,247,000); settlement of an insurance claim £nil (2013/14 £ 365,000) and numerous other small amounts.

# 5 Operating Expenditure

## 5.1 Operating Expenses

|  | Year Ended 31 March 2015 £'000 | Restated* Year Ended 31 March 2014 £'000 |
|---|---|---|
| Services from NHS Foundation Trusts | 154 | 139 |
| Services from NHS Trusts | 196 | 150 |
| Services from CCG's and NHS England | 18 | 11 |
| Services from other NHS Bodies | 81 | 59 |
| Purchase of healthcare from non NHS bodies | 646 | 771 |
| Employee Expenses - Executive directors | 629 | 911 |
| Employee Expenses - Non-executive directors | 127 | 129 |
| Employee Expenses - Staff | 189,352 | 185,272 |
| NHS Charitable funds - employee expenses | 39 | 37 |
| Drug costs (non inventory drugs only) | 30,727 | 26,838 |
| Drugs Inventories consumed | 1,784 | 1,849 |
| Supplies and services - clinical (excluding drug costs) | 27,638 | 24,118 |
| Supplies and services - general | 1,200 | 1,997 |
| Establishment | 1,726 | 3,524 |
| Transport - Business Travel | 692 | 774 |
| Transport - Other | 2,614 | 2,502 |
| Premises - Business Rates * | 1,356 | 1,252 |
| Premises - Other * | 7,825 | 3,344 |
| Increase / (decrease) in bad debt provision | 991 | (1) |
| Rentals under operating leases - minimum lease receipts | 62 | 65 |
| Depreciation on property, plant and equipment | 8,701 | 8,814 |
| Amortisation on intangible assets | 499 | 369 |
| NHS Charitable funds - Depreciation and amortisation on charitable fund assets | 2 | 1 |
| Audit fees |  |  |
| Audit services * | 64 | 64 |
| Regulatory Reporting * | 21 | 26 |
| Other Auditor Remuneration * | 4 | 3 |
| NHS Charitable Fund Accounts * | 6 | 6 |
| Clinical negligence | 9,562 | 8,369 |
| Loss on disposal of intangible fixed assets | 0 | 23 |
| Loss on disposal of land and buildings | 0 | 11 |
| Loss on disposal of other property, plant and equipment | 79 | 0 |
| Consultancy costs | 1,544 | 967 |
| Redundancy | 1,583 | 0 |
| Other | 30,721 | 33,285 |
| NHS Charitable funds Other resources expended | 593 | 787 |
| **TOTAL** | **321,236** | **306,466** |

Other expenditure includes £29,086,000 (2013/14 £31,779,000) in relation to payments to the Trust's PFI Partner for services provided and numerous other small amounts.

*Restated - to reflect expanded analysis.

## 5.2 The Late Payment of Commercial Debts (interest) Act 1998
During the year 2014/15 (2013/14 £ nil) the Trust was not charged interest for the late payment of commercial debts.

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# 6 Operating Leases

**6.1 Payments recognised as an expense**

| | Year Ended 31 March 2015 £'000 | Year Ended 31 March 2014 £'000 |
|---|---|---|
| Minimum lease payments | 62 | 65 |
| | 62 | 65 |
| | | |
| Total future minimum lease payments Payable: | | |
| Not more than one year | 65 | 64 |
| Between one and five years | 112 | 134 |
| After 5 years | 0 | 0 |
| Total | 177 | 198 |

# 7 Directors' Remuneration and other benefits

| | Year Ended 31 March 2015 £'000 | Year Ended 31 March 2014 £'000 |
|---|---|---|
| Aggregate Remuneration | 998 | 899 |
| Employer Contributions to a pension scheme | 65 | 108 |
| | 1,063 | 1,007 |

# 8 Employee Expenses and Numbers

## 8.1 Employee Costs

| | Year Ended 31 March 2015 | | | | Restated* Year Ended 31 March 2014 | | | |
| | Total | Permanent | Other Government | External to Government | Total | Permanent | Other Government | External to Government |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
|---|---|---|---|---|---|---|---|---|
| Salaries and wages | 154,683 | 152,925 | 1,758 | 152,925 | 150,445 | 148,750 | 1,695 | 148,750 |
| Social security costs | 11,689 | 11,689 | 11,689 | 0 | 11,457 | 11,457 | 11,457 | 0 |
| Pension costs - defined contribution plans | | | | | | | | |
| Employer's contributions to NHS Pensions | 17,318 | 17,318 | 17,318 | 0 | 17,073 | 17,073 | 17,073 | 0 |
| Termination Benefits | 1,583 | 1,583 | 0 | 1,583 | 0 | 0 | 0 | 0 |
| Agency/contract staff | 6,326 | 0 | 0 | 6,326 | 7,208 | 0 | 0 | 7,208 |
| NHS Charitable fund staff | 39 | 0 | 0 | 39 | 37 | 37 | 0 | 37 |
| Total | 191,638 | 183,515 | 30,765 | 160,873 | 186,220 | 177,317 | 30,225 | 155,995 |

*Restated to show salaries and wages costs with other NHS Bodies as Other Government from External to Government.

## 8.2 Average Number of Persons Employed

| | Year Ended 31 March 2015 | | | Year Ended 31 March 2014 | | |
| | Total | Permanent | Other | Total | Permanent | Other |
|---|---|---|---|---|---|---|
| Medical and dental | 515 | 494 | 21 | 516 | 485 | 31 |
| Administration and estates | 809 | 809 | 0 | 802 | 802 | 0 |
| Healthcare assistants and other support staff | 1,120 | 1,120 | 0 | 1,076 | 1,076 | 0 |
| Nursing, midwifery and health visiting staff | 1,438 | 1,438 | 0 | 1,425 | 1,425 | 0 |
| Nursing, midwifery and health visiting learners | 15 | 15 | 0 | 9 | 9 | 0 |
| Scientific, therapeutic and technical staff | 276 | 276 | 0 | 273 | 273 | 0 |
| Agency and contract staff | 93 | 0 | 93 | 75 | 0 | 75 |
| Bank staff | 323 | 0 | 323 | 324 | 0 | 324 |
| Total | 4,589 | 4,152 | 437 | 4,500 | 4,070 | 430 |

## 8.3 Employee Benefits
Employees benefits include payment of salaries/wages and pension contributions. There were no other employee benefits paid in 2014/15 (2013/14 £ nil).

## 8.4 Retirements due to Ill-health
During the period 2014/15 there were 3 (in 2013/14 there were 5) early retirements from the Trust on the grounds of ill-health.
The estimated additional pension liabilities of these ill-health retirements will be £85,103 (2013/14 £373,657).
The cost of these ill-health retirements will be borne by the Pensions Scheme, and therefore there is no liability or provision in the Trust accounts.

## 8.5 Sickness absence
The detail of staff sickness / absence from work for the year are:

| | For the year 2014 | For the year 2013 |
|---|---|---|
| Total Days Lost | 34,884 | 34,248 |
| Total Staff Years | 4,170 | 4,037 |
| Average Working Days Lost Per WTE | 8 | 8 |

This sickness absence data represents the calendar year ended 31 December not the financial year.

**8.6 Other Compensation Schemes and Exit Packages**

The Trust's expenditure includes local MARS scheme payments to 11 members of staff totalling £264,000 (2013/14   6 staff   £94,000); contractual payments in lieu of notice to 17 members of staff totalling £64,000 (2013/14  6 staff   £19,000); there were no exit payments following an Employment Tribunal  (2013/14 1 staff £13,000); voluntary redundancy packages to 33 members of staff totalling £771,000 (2013/14   no payments); and early retirement packages to 1 member of staff totalling £27,000 (2013/14 no payments).

| 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 | 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 | £'000 | Number | £'000 | Number | £'000 | Number | £'000 |
| **Year Ended 31 March 2015** | | | | | | | | |
| < £10,000 | 10 | 26 | 26 | 86 | 36 | 112 | 0 | 0 |
| £10,000 - £25,000 | 9 | 171 | 18 | 291 | 27 | 462 | 0 | 0 |
| £25,001 - £50,000 | 3 | 95 | 14 | 490 | 17 | 585 | 0 | 0 |
| £50,001 - £100,000 | 2 | 170 | 4 | 259 | 6 | 429 | 0 | 0 |
| Total | 24 | 462 | 62 | 1,126 | 86 | 1,588 | 0 | 0 |
| **Year Ended 31 March 2014** | | | | | | | | |
| < £10,000 | 0 | 0 | 8 | 34 | 8 | 34 | 0 | 0 |
| £10,000 - £25,000 | 0 | 0 | 4 | 60 | 4 | 60 | 0 | 0 |
| £25,001 - £50,000 | 0 | 0 | 1 | 32 | 1 | 32 | 0 | 0 |
| £50,001 - £100,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 13 | 126 | 13 | 126 | 0 | 0 |

# 9 Finance Revenue

| | Year Ended 31 March 2015 £'000 | Year Ended 31 March 2014 £'000 |
|---|---|---|
| Interest on bank accounts | 121 | 134 |
| Interest on available for sale financial assets | 0 | 0 |
| Interest on held-to-maturity financial assets | 0 | 0 |
| NHS Charitable funds: investment income | 52 | 53 |
| | 173 | 187 |

# 10 Finance Costs – Interest Expense

| Finance Costs in PFI obligations | Year Ended 31 March 2015 £'000 | Year Ended 31 March 2014 £'000 |
|---|---|---|
| Main Finance Costs | 5,752 | 5,927 |
| Contingent Finance Costs | 5,346 | 4,832 |
| | 11,098 | 10,759 |

# 11 Taxation recognised in Statement of Comprehensive Income

The activities of the subsidiary company Dudley Clinical Services Limited have given rise to a corporation tax liability recognised in the Statement of Comprehensive Income of £19,000 (2013/14 £13,000). The activities of the Trust and the Charity do not incur corporation tax.

| **UK Corporation Tax Expense** | Year ended 31 March 2015 £'000 | Year ended 31 March 2014 £'000 |
|---|---|---|
| **Current tax expense** | | |
| Current year | 19 | 13 |
| Adjustments in respect of prior years | 0 | 0 |
| **Total income tax expense in Statement of Comprehensive Income** | 19 | 13 |

| **Reconciliation of effective tax rate** | Year ended 31 March 2015 £'000 | Year ended 31 March 2014 £'000 |
|---|---|---|
| Effective tax charge percentage | 20.00% | 20.00% |
| Tax if effective tax rate charged on surpluses before tax | (1,622) | (485) |
| **Effect of:** | | |
| Surpluses not subject to tax | 1,641 | 498 |
| **Total income tax charge for the year** | 19 | 13 |

The subsidiary company falls under the 'small profits' rate for corporation tax and tax rates are not planned to change from 20% for future financial years.

# 12 Intangible Assets

| | **Group** | | | | **Group** | |
|---|---|---|---|---|---|---|
| **2014/15** | Computer Software | Total | | **2013/14** | Computer Software | Total |
| | £'000 | £'000 | | | £'000 | £'000 |
| Gross Cost as at 1 April 2014 | 3,506 | 3,506 | | Gross Cost as at 1 April 2013 | 3,270 | 3,270 |
| Prior period Adjustments | 0 | 0 | | Prior period Adjustments | 0 | 0 |
| Gross Cost as at 1 April 2014 restated | 3,506 | 3,506 | | Gross Cost as at 1 April 2013 restated | 3,270 | 3,270 |
| Additions Purchased | 3,719 | 3,719 | | Additions Purchased | 175 | 175 |
| Additions Donated | 0 | 0 | | Additions Donated | 61 | 61 |
| Disposals | (7) | (7) | | Disposals | 0 | 0 |
| Gross Cost as at 31 March 2015 | 7,218 | 7,218 | | Gross Cost as at 31 March 2014 | 3,506 | 3,506 |
| | | | | | | |
| Amortisation as at 1 April 2014 | 2,356 | 2,356 | | Amortisation as at 1 April 2013 | 1,986 | 1,986 |
| Prior period Adjustments | 0 | 0 | | Prior period Adjustments | 0 | 0 |
| Amortisation as at 1 April 2014 restated | 2,356 | 2,356 | | Amortisation as at 1 April 2013 restated | 1,986 | 1,986 |
| Provided during the Year | 501 | 501 | | Provided during the Year | 370 | 370 |
| Disposals | (7) | (7) | | Disposals | 0 | 0 |
| Amortisation as at 31 March 2015 | 2,850 | 2,850 | | Amortisation as at 31 March 2014 | 2,356 | 2,356 |
| | | | | | | |
| Net Book Value | | | | Net Book Value | | |
| Purchased at 1 April 2014 | 1,095 | 1,095 | | Purchased at 1 April 2013 | 1,281 | 1,281 |
| Donated at 1 April 2014 | 55 | 55 | | Donated at 1 April 2013 | 3 | 3 |
| Total at 1 April 2014 | 1,150 | 1,150 | | Total at 1 April 2013 | 1,284 | 1,284 |
| | | | | | | |
| Net Book Value | | | | Net Book Value | | |
| Purchased at 31 March 2015 | 4,327 | 4,327 | | Purchased at 31 March 2014 | 1,095 | 1,095 |
| Donated at 31 March 2015 | 41 | 41 | | Donated at 31 March 2014 | 55 | 55 |
| Total at 31 March 2015 | 4,368 | 4,368 | | Total at 31 March 2014 | 1,150 | 1,150 |

A separate schedule for the Trust intangible assets has not been produced as the NHS Charity intangible assets represent just £nil (31 March 2014 £2,000) of the net book value held by the Group and the subsidiary does not have any intangible assets.

## 13 Tangible Assets

**13.1 Tangible Assets 2014/15**

| | | | | | Group | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Total | Land | Buildings excluding dwellings | Dwellings | Assets under construction & POA | Plant & Machinery | Transport Equipment | Information Technology | Furniture & Fittings |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost at 1 April 2014 | 247,322 | 24,600 | 179,946 | 0 | 158 | 34,193 | 129 | 7,625 | 671 |
| Additions - purchased | 4,609 | 0 | 2,185 | 0 | 122 | 1,559 | 0 | 639 | 104 |
| Additions - leased | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Additions - donated | 244 | 0 | 148 | 0 | 0 | 96 | 0 | 0 | 0 |
| Impairments charged to the revaluation reserve | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reclassifications | 0 | 0 | 0 | 0 | (158) | 0 | 0 | 158 | 0 |
| Revaluations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | (2,377) | 0 | 0 | 0 | 0 | (2,021) | 0 | (294) | (62) |
| Cost at 31 March 2015 | 249,798 | 24,600 | 182,279 | 0 | 122 | 33,827 | 129 | 8,128 | 713 |
| Accumulated depreciation at 1 April 2014 | 29,239 | 0 | 0 | 0 | 0 | 24,410 | 66 | 4,240 | 523 |
| Provided during the year | 8,701 | 0 | 4,934 | 0 | 0 | 2,803 | 16 | 903 | 45 |
| Revaluation surpluses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | (2,295) | 0 | 0 | 0 | 0 | (1,992) | 0 | (241) | (62) |
| Accumulated depreciation at 31 March 2015 | 35,645 | 0 | 4,934 | 0 | 0 | 25,221 | 82 | 4,902 | 506 |
| **Net book value** | | | | | | | | | |
| NBV - Owned at 1 April 2014 | 50,849 | 24,600 | 16,821 | 0 | 158 | 5,689 | 63 | 3,377 | 141 |
| NBV - PFI at 1 April 2014 | 166,957 | 0 | 163,120 | 0 | 0 | 3,837 | 0 | 0 | 0 |
| NBV - Donated at 1 April 2014 | 277 | 0 | 5 | 0 | 0 | 257 | 0 | 8 | 7 |
| **NBV total at 1 April 2014** | 218,083 | 24,600 | 179,946 | 0 | 158 | 9,783 | 63 | 3,385 | 148 |
| NBV - Owned at 31 March 2015 | 49,659 | 24,600 | 16,432 | 0 | 122 | 5,037 | 47 | 3,220 | 201 |
| NBV - PFI at 31 March 2015 | 164,058 | 0 | 160,761 | 0 | 0 | 3,297 | 0 | 0 | 0 |
| NBV - Donated at 31 March 2015 | 436 | 0 | 152 | 0 | 0 | 272 | 0 | 6 | 6 |
| **NBV total at 31 March 2015** | 214,153 | 24,600 | 177,345 | 0 | 122 | 8,606 | 47 | 3,226 | 207 |

A separate schedule for the Trust tangible assets has not been produced as neither the NHS Charity or the subsidiary Dudley Clinical Services Limited have any tangible assets.

**13.2 Tangible Assets 2013/14**

| | Total | Land | Buildings excluding dwellings | Dwellings | Group Assets under construction & POA | Plant & Machinery | Transport Equipment | Information Technology | Furniture & Fittings |
|---|---|---|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost at 1 April 2013 | 250,817 | 24,600 | 185,007 | 0 | 50 | 33,371 | 129 | 7,054 | 606 |
| Additions - purchased | 4,723 | 0 | 1,607 | 0 | 117 | 2,339 | 0 | 595 | 65 |
| Additions - leased | 560 | 0 | 0 | 0 | 0 | 560 | 0 | 0 | 0 |
| Additions - donated | 137 | 0 | 0 | 0 | 0 | 131 | 0 | 6 | 0 |
| Impairments | (318) | 0 | (318) | 0 | 0 | 0 | 0 | 0 | 0 |
| Reclassifications | 0 | 0 | 3 | 0 | (9) | 0 | 0 | 6 | 0 |
| Revaluations | (6,350) | 0 | (6,350) | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | (2,247) | 0 | (3) | 0 | 0 | (2,208) | 0 | (36) | 0 |
| Cost at 31 March 2014 | 247,322 | 24,600 | 179,946 | 0 | 158 | 34,193 | 129 | 7,625 | 671 |
| | | | | | | | | | |
| Accumulated depreciation at 1 April 2013 | 32,308 | 0 | 4,800 | 0 | 0 | 23,640 | 49 | 3,324 | 495 |
| Provided during the year | 8,814 | 0 | 4,871 | 0 | 0 | 2,946 | 17 | 952 | 28 |
| Revaluation surpluses | (9,671) | 0 | (9,671) | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | (2,212) | 0 | 0 | 0 | 0 | (2,176) | 0 | (36) | 0 |
| Accumulated depreciation at 31 March 2014 | 29,239 | 0 | 0 | 0 | 0 | 24,410 | 66 | 4,240 | 523 |
| | | | | | | | | | |
| **Net book value** | | | | | | | | | |
| NBV - Owned at 1 April 2013 | 50,684 | 24,600 | 16,682 | 0 | 50 | 5,444 | 80 | 3,726 | 102 |
| NBV - PFI at 1 April 2013 | 167,615 | 0 | 163,520 | 0 | 0 | 4,095 | 0 | 0 | 0 |
| NBV - Donated at 1 April 2013 | 210 | 0 | 5 | 0 | 0 | 192 | 0 | 4 | 9 |
| **NBV total at 1 April 2013** | 218,509 | 24,600 | 180,207 | 0 | 50 | 9,731 | 80 | 3,730 | 111 |
| | | | | | | | | | |
| NBV - Owned at 31 March 2014 | 50,849 | 24,600 | 16,821 | 0 | 158 | 5,689 | 63 | 3,377 | 141 |
| NBV - PFI at 31 March 2014 | 166,957 | 0 | 163,120 | 0 | 0 | 3,837 | 0 | 0 | 0 |
| NBV - Donated at 31 March 2014 | 277 | 0 | 5 | 0 | 0 | 257 | 0 | 8 | 7 |
| **NBV total at 31 March 2014** | 218,083 | 24,600 | 179,946 | 0 | 158 | 9,783 | 63 | 3,385 | 148 |

A separate schedule for the Trust tangible assets has not been produced as neither the NHS Charity nor the subsidiary have any tangible assets.

**13.3 Financing of Tangible Assets**

<div align="center"><b>Group</b></div>

| | Total | Land | Buildings excluding dwellings | Dwellings | Assets under construction & POA | Plant & Machinery | Transport Equipment | Information Technology | Furniture & Fittings |
|---|---|---|---|---|---|---|---|---|---|
| **Net Book Value** | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 31 March 2015 | | | | | | | | | |
| Owned | 49,659 | 24,600 | 16,432 | 0 | 122 | 5,037 | 47 | 3,220 | 201 |
| On Statement of Financial Position PFI contracts and other service concession arrangements | 164,058 | 0 | 160,761 | 0 | 0 | 3,297 | 0 | 0 | 0 |
| Donated | 436 | 0 | 152 | 0 | 0 | 272 | 0 | 6 | 6 |
| | 214,153 | 24,600 | 177,345 | 0 | 122 | 8,606 | 47 | 3,226 | 207 |
| | | | | | | | | | |
| At 31 March 2014 | | | | | | | | | |
| Owned | 50,849 | 24,600 | 16,821 | 0 | 158 | 5,689 | 63 | 3,377 | 141 |
| On Statement of Financial Position PFI contracts and other service concession arrangements | 166,957 | 0 | 163,120 | 0 | 0 | 3,837 | 0 | 0 | 0 |
| Donated | 277 | 0 | 5 | 0 | 0 | 257 | 0 | 8 | 7 |
| | 218,083 | 24,600 | 179,946 | 0 | 158 | 9,783 | 63 | 3,385 | 148 |

A separate schedule for the Trust tangible assets has not been produced as neither the NHS Charity or the subsidiary Dudley Clinical Services Limited have any tangible assets.

**13.4 Analysis of Tangible Assets**

| | Total | Land | Buildings excluding dwellings | Dwellings | Assets under construction & POA | Plant & Machinery | Transport Equipment | Information Technology | Furniture & Fittings |
|---|---|---|---|---|---|---|---|---|---|
| Net Book Value at 31 March 2015 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| | | | | | | | | | |
| Commissioner Requested Assets | 193,465 | 24,600 | 168,865 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non Commissioner Requested Assets | 20,688 | 0 | 8,480 | 0 | 122 | 8,606 | 47 | 3,226 | 207 |
| | 214,153 | 24,600 | 177,345 | 0 | 122 | 8,606 | 47 | 3,226 | 207 |
| | | | | | | | | | |
| Net Book Value at 31 March 2014 | | | | | | | | | |
| | | | | | | | | | |
| Commissioner Requested Assets | 195,951 | 24,600 | 171,351 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non Commissioner Requested Assets | 22,132 | 0 | 8,595 | 0 | 158 | 9,783 | 63 | 3,385 | 148 |
| | 218,083 | 24,600 | 179,946 | 0 | 158 | 9,783 | 63 | 3,385 | 148 |

Commissioner Requested assets are land and buildings owned or leased by the Foundation Trust, the disposal of which may affect the Trust's ability to provide these requested goods and services.

### 13.5 Economic Life of Assets

The estimated useful economic lives of the Group's intangible and tangible assets are as follows with each asset being depreciated over this period, as described in accounting policy notes 1.5 and 1.6

|  | Minimum Life Years | Maximum Life Years |
|---|---|---|
| **Intangible** | | |
| Software Licences | 2 | 10 |
| | | |
| **Tangible** | | |
| Buildings excluding dwellings | 5 | 90 |
| Dwellings | 0 | 0 |
| Assets under Construction & POA | 0 | 0 |
| Plant & Machinery | 3 | 15 |
| Transport Equipment | 7 | 7 |
| Information Technology | 5 | 7 |
| Furniture & Fittings | 5 | 10 |

Land does not depreciate.

### 13.6 Impairment Losses

The Trust carried out an impairment review of its non-current assets in March 2015. For land and buildings the Trust received a valuation report from the District Valuer prepared on a Modern Equivalent Asset (MEA) basis. The valuation report was prepared in accordance with the terms of the Royal Institution of Chartered Surveyors' Valuation Standards, 6$^{th}$ Edition, insofar as the terms are consistent with the requirements of HM Treasury, the National Health Service and Monitor. On application there was no movement in the value of land and a general increase in value of buildings compared to the carrying value at 31$^{st}$ March 2014. In line with IFRS the Trust was able to offset any fall in value of buildings against the relevant revaluation balance held for the applicable assets. In 2014/15 the Trust undertook an impairment review and concluded that there were no assets with impairment losses.

| Impairment of Assets | 31 March 2015 £'000 | 31 March 2014 £'000 |
|---|---|---|
| Changes in market price | 0 | 318 |
| TOTAL IMPAIRMENTS | 0 | 318 |

### 13.7 Asset Valuations

The Trust received a MEA valuation from the District Valuer in March 2014. The updated valuations of the Trust's land, buildings and dwellings were applied to the Trust financial statements and enable the Trust to disclose an up to date position with regard to asset valuations. No significant assumptions were made as part of the valuation process as minimum capital expenditure had been applied to the land and buildings since the previous full revaluation exercise.  If the Trust had not received this updated valuation the carrying values of land, buildings and dwellings would have been £24,800,000; £176,943,000 and £nil respectively.

### 13.8 Non Current Assets Held For Sale

During the year 2014/15 there were no Non Current Assets held for sale (2013/14 £ nil).

### 13.9  Capital Commitments

Commitments under capital expenditure contracts at the end of the period, not otherwise included in these financial statements were £719,000 (2013/14 £346,000). The amount relating to property, plant and equipment is £616,000 (2013/14 £327,000) and intangible assets £103,000 (2013/14 £19,000).

# 14 Investments and Subsidiaries

## 14.1 Investments

| | Group | |
|---|---|---|
| | 2014/15 | 2013/14 |
| | £'000 | £'000 |
| Carrying Value at 1 April | 1,127 | 1146 |
| Prior period adjustment | 0 | 0 |
| Carrying Value at 1 April restated | 1,127 | 1,146 |
| Movement in fair value of Available-for-sale financial assets recognised in Other Comprehensive Income | 73 | 29 |
| Disposals | 0 | (48) |
| Carrying Value at 31 March | 1,200 | 1,127 |

The investments are stocks and shares which are only held by Dudley NHS Charity.
A separate schedule for the Trust investments has not been produced as the Trust does not have any investments (2013/14 £nil).

## 14.2 Subsidiaries

The Trust wholly owns the subsidiary company Dudley Clinical Services Limited with a share of £1. Dudley Clinical Services Limited, was registered in the UK company number 8245934 ,and commenced trading on 9 October 2012.

# 15 Other Financial Assets

| | Group | |
|---|---|---|
| | 2014/15 | 2013/14 |
| Non Current | £'000 | £'000 |
| NHS Charitable funds: Other financial assets | 0 | 0 |
| | | |
| Current | | |
| NHS Charitable funds: Other financial assets | 1,287 | 207 |
| | 1,287 | 207 |

A separate schedule for the Trust other financial assets has not been produced as the Trust does not have any other financial assets (2013/14 £nil).

# 16 Inventories

| | Group | | Foundation Trust | |
|---|---|---|---|---|
| | 31 March 2015 | 31 March 2014 | 31 March 2015 | 31 March 2014 |
| | £'000 | £'000 | £'000 | £'000 |
| Drugs | 1,769 | 1,784 | 1,533 | 1,521 |
| Consumables | 1,132 | 1,315 | 1,132 | 1,315 |
| Energy | 12 | 23 | 12 | 23 |
| Other | 36 | 37 | 36 | 37 |
| TOTAL Inventories | 2,949 | 3,159 | 2,713 | 2,896 |

The Trust expensed £2,689,000 of inventories during the year (2013/14 £3,088,000).
The Trust charged £10,000 to operating expenses in the year due to write-downs of obsolete inventories (2013/14 £nil).

# 17 Trade Receivables and Other Receivables

| | Group | | Foundation Trust | |
|---|---|---|---|---|
| | 31 March 2015 | 31 March 2014 | 31 March 2015 | 31 March 2014 |
| **Current** | £'000 | £'000 | £'000 | £'000 |
| NHS Receivables - revenue | 8,143 | 13,563 | 8,143 | 13,563 |
| Other receivables with related parties | 631 | 469 | 631 | 469 |
| Provision for impaired receivables | (1,778) | (811) | (1,778) | (811) |
| Prepayments (non PFI) | 1,238 | 1,600 | 1,488 | 1,851 |
| PFI Prepayments | | | | |
|    Prepayments - Capital contributions | 0 | 0 | 0 | 0 |
|    Prepayments - Lifecycle replacements | 0 | 0 | 0 | 0 |
| Accrued income | 74 | 121 | 74 | 174 |
| Interest Receivable | 3 | 2 | 3 | 2 |
| Corporation tax receivable | 0 | 0 | 0 | 0 |
| PDC dividend receivable | 138 | 704 | 138 | 704 |
| VAT Receivable | 1,118 | 1,121 | 966 | 1,021 |
| Other receivables | 1,371 | 1,141 | 1,408 | 1,141 |
| NHS Charitable funds Trade and other receivables | 25 | 16 | 0 | 0 |
| **TOTAL CURRENT TRADE AND OTHER RECEIVABLES** | 10,963 | 17,926 | 11,073 | 18,114 |
| | | | | |
| **Non Current** | £'000 | £'000 | £'000 | £'000 |
| Prepayments (non PFI) | 2,177 | 3,135 | 2,177 | 3,135 |
| PFI Prepayments | | | | |
|    Prepayments - Capital contributions | 0 | 0 | 0 | 0 |
|    Prepayments - Lifecycle replacements | 5,052 | 5,450 | 5,052 | 5,450 |
| Other Receivables | 1,236 | 1,339 | 1,236 | 1,339 |
| NHS Charitable funds Trade and other receivables | 0 | 0 | 0 | 0 |
| **TOTAL NON CURRENT TRADE AND OTHER RECEIVABLES** | 8,465 | 9,924 | 8,465 | 9,924 |

NHS receivables consist of balances owed by NHS bodies in England, receivables with other related parties consist of balances owed by other HM Government organisations

Other current and non current receivables include the NHS Injury Scheme (was RTA).

Included within trade and other receivables of both Group and Trust are balances with a carrying amount of £1,999,000 (31 March 2014 £2,936,000) which are past due at the reporting date but for which no specific provision has been made as they are considered to be recoverable based on previous trading history.

### 17.2 Provision for impairment of receivables

| | Group | |
|---|---|---|
| | 31 March 2015 £'000 | 31 March 2014 £'000 |
| At 1 April | 811 | 824 |
| Increase in provision | 1,068 | 50 |
| Amounts utilised | (24) | (12) |
| Unused amounts reversed | (77) | (51) |
| At 31 March | 1,778 | 811 |

### 17.3 Analysis of impaired receivables

| | Group | | | |
|---|---|---|---|---|
| | 31 March 2015 | | 31 March 2014 | |
| Ageing of impaired receivables | Trade £'000 | Other £'000 | Trade £'000 | Other £'000 |
| 0 - 30 Days | 271 | 0 | 0 | 0 |
| 30 - 60 Days | 148 | 0 | 0 | 0 |
| 60 - 90 Days | 54 | 0 | 0 | 0 |
| 90 - 180 Days | 409 | 0 | 2 | 0 |
| over 180 Days (over 6 months) | 133 | 763 | 41 | 768 |
| Total | 1,015 | 763 | 43 | 768 |

A separate schedule for the impairment of receivables have not been produced as neither the NHS Charity or the subsidiary Dudley Clinical Services Limited have any impaired receivables.

### 17.4 Analysis of non-impaired receivables

| | Group | | | |
|---|---|---|---|---|
| | 31 March 2015 | | 31 March 2014 | |
| Ageing of non-impaired receivables past their due date | Trade £'000 | Other £'000 | Trade £'000 | Other £'000 |
| 0 - 30 Days | 3,875 | 74 | 3,685 | 94 |
| 30 - 60 Days | 319 | 118 | 1,135 | 117 |
| 60 - 90 Days | 173 | 74 | 85 | 131 |
| 90 - 180 Days | 235 | 297 | 344 | 185 |
| over 180 Days (over 6 months) | 43 | 740 | 88 | 851 |
| Total | 4,645 | 1,303 | 5,337 | 1,378 |

A separate schedule for the Trust non-impairment of receivables has not been produced as the NHS Charity non impaired receivables represent just £25,000 (31 March 2014 £16,000) of the value shown by the Group in the 0-30 days category and the subsidiary did not have any receivables outstanding .

# 18 Trade and Other Payables

| | Group | | Foundation Trust | |
|---|---|---|---|---|
| | 31 March 2015 | 31 March 2014 | 31 March 2015 | 31 March 2014 |
| **Current** | £'000 | £'000 | £'000 | £'000 |
| NHS payables - revenue | 3,409 | 2,434 | 3,409 | 2,434 |
| Amounts due to other related parties | 2,388 | 2,369 | 2,388 | 2,369 |
| Trade payables - capital | 485 | 1,101 | 485 | 1,101 |
| Other trade payables | 0 | 0 | 0 | 0 |
| Taxes payable | 3,832 | 3,781 | 3,811 | 3,781 |
| Other payables | 9,636 | 5,832 | 9,371 | 5,832 |
| Accruals | 3,870 | 4,064 | 3,949 | 4,064 |
| PDC dividend payable | 0 | 0 | 0 | 0 |
| NHS Charitable Funds trade and other payables | 49 | 85 | 0 | 85 |
| **TOTAL CURRENT TRADE & OTHER PAYABLES** | 23,669 | 19,666 | 23,413 | 19,666 |

Non-current trade and other payables are nil (31 March 2014 £nil).

Taxes payable consists of employment taxation only (Pay As You Earn and National Insurance contributions), owed to HM Revenue and Customs at the year end, and Corporation Tax payable by the subsidiary Dudley Clinical Services Limited.

# 19 Other Liabilities

| | Group | | Foundation Trust | |
|---|---|---|---|---|
| | 31 March 2015 | 31 March 2014 | 31 March 2015 | 31 March 2014 |
| **Current** | £'000 | £'000 | £'000 | £'000 |
| Deferred Income | 2,026 | 1,809 | 2,026 | 1,809 |
| **TOTAL OTHER CURRENT LIABILITIES** | 2,026 | 1,809 | 2,026 | 1,809 |

Non-current liabilities are nil (31 March 2014 £nil).

Where income has been received for a specific activity which is to be delivered in the following financial year, that income is deferred.

# 20 Deferred Tax

Liability for corporation tax only arises from the activity of the commercial subsidiary, the activities of the Trust do not incur corporation tax, see accounting policy note 1.18 for detailed explanation.

The subsidiary did not have any deferred tax in 2014/15 (2013/14 £nil).

## 21 Provision for Liabilities and Charges

| | Group Current | | Group Non Current | |
|---|---|---|---|---|
| | 31 March 2015 | 31 March 2014 | 31 March 2015 | 31 March 2014 |
| | £'000 | £'000 | £'000 | £'000 |
| Other legal claims | 171 | 193 | 0 | 0 |
| Restructuring | 0 | 2,604 | 0 | 0 |
| Redundancy | 80 | 0 | 0 | 0 |
| Other | 0 | 148 | 0 | 0 |
| Total | 251 | 2,945 | 0 | 0 |

| | Total | Other legal claims | Restructuring | Redundancy | Other |
|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 1 April 2014 | 2945 | 193 | 2,604 | 0 | 148 |
| Arising during the year | 370 | 290 | 0 | 80 | 0 |
| Utilised during the year - cash | (2,977) | (227) | (2,604) | 0 | (146) |
| Utilised during the year - accruals | 0 | 0 | 0 | 0 | 0 |
| Reversed unused | (87) | (85) | 0 | 0 | (2) |
| At 31 March 2015 | 251 | 171 | 0 | 80 | 0 |
| | | | | | |
| Expected timing of cashflows: | | | | | |
| - not later than one year; | 251 | 171 | 0 | 80 | 0 |
| - later than one year and not later than five years; | 0 | 0 | 0 | 0 | 0 |
| - later than five years. | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 251 | 171 | 0 | 80 | 0 |

A separate schedule for the Trust provision for liabilities and charges has not been produced as neither the NHS Charity or the subsidiary have any provisions.

The restructuring provision of £2.604m in place on 1 April 2014 related to a contractual payment the Trust was required to make as a result of voluntary termination of the IT service within the PFI contract. This payment was made in December 2014.

Other Legal Claims include claims under Employers' and Public Liability.

The NHS Litigation Authority has included in its provisions at 31 March 2015 £72,359,000 (2012/13  £69,127,000) in respect of clinical negligence liabilities for the Trust.

## 22 Prudential Borrowing Limit

The prudential borrowing code requirements in section 41 of the NHS Act 2006 have been repealed with effect from 1 April 2013 by the Health and Social Care Act 2012.  The disclosures provided previously are no longer required.

## 23 Borrowing

|  | Group | |
| --- | --- | --- |
|  | As at | As at |
|  | 31 March | 31 March |
|  | 2015 | 2014 |
| Current | £'000 | £'000 |
| Obligations under Private Finance Initiative contracts (excl lifecycle) | 5,346 | 5,344 |
| Total Current borrowings | 5,346 | 5,344 |
|  |  |  |
| Non Current |  |  |
| Obligations under Private Finance Initiative contracts | 137,072 | 142,069 |
| Total Other non Current Liabilities | 137,072 | 142,069 |

A separate schedule for the Trust borrowings has not been produced as neither the NHS Charity or the subsidiary Dudley Clinical Services Limited have any borrowings.

## 24 Cash and Cash Equivalents

|  | Group | | Foundation Trust | |
| --- | --- | --- | --- | --- |
|  | 31 March | 31 March | 31 March | 31 March |
|  | 2015 | 2014 | 2015 | 2014 |
|  | £'000 | £'000 | £'000 | £'000 |
| At 1 April | 27,821 | 34,322 | 26,165 | 32,906 |
| Transfers By Absorption | 0 | 0 | 0 | 0 |
| Net change in year | (1,291) | (6,501) | 14 | (6,741) |
| At 31 March | 26,530 | 27,821 | 26,179 | 26,165 |
|  |  |  |  |  |
| Analysed as follows: |  |  |  |  |
| Cash at commercial banks and in hand | 235 | 247 | 2 | 2 |
| Cash with the Government Banking Service | 26,295 | 27,574 | 26,177 | 26,163 |
| Other current investments | 0 | 0 | 0 | 0 |
| **Cash and cash equivalents as in Statement of Financial Position** | 26,530 | 27,821 | 26,179 | 26,165 |
| Bank overdraft | 0 | 0 | 0 | 0 |
| **Cash and cash equivalents as in Statement of Cash Flows** | 26,530 | 27,821 | 26,179 | 26,165 |

## 25 Events after the reporting period

The Group nor the Trust have any events after the reporting period.

## 26 Contingencies

Neither the Group nor the Trust have any contingent assets or liabilities in 2014/15( 2013/14 £nil).

## 27 Related Party Transactions

The Dudley Group NHS Foundation Trust is a public benefit corporation which was established under the granting of authority by Monitor, the Independent regulator for Foundation Trusts. The Trust has taken advantage of the partial exemption provided by IAS 24 'Related Party Disclosures', where the Government of the United Kingdom is considered to have ultimate control over the Trust and all other related party entities in the public sector.

The Trust considers other NHS Foundation Trusts to be related parties, as they and the Trust are under the common performance management of Monitor - part of the NHS in England. During the year the Trust contracted with certain other Foundation Trusts for the provision of clinical and non clinical support services. The Department of Health is also regarded as a related party. During the year the Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent organisation.

The Trust has had a number of material transactions with other Government Departments and Local Government Bodies. These related parties are summarised below by Government Department, with disclosure of the total balances owed and owing as at the reporting date and the total transactions for the reporting year with the Trust.

| Group | Year ended 31 March 2015 | | | | Year ended 31 March 2014 | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | Income £ million | Expenditure £ million | Receivable £ million | Payable £ million | Income £ million | Expenditure £ million | Receivable £ million | Payable £ million |
| Sandwell Mental Health Foundation Trust/ Black Country Partnership Foundation Trust | 1.3 | 0.5 | 0.2 | - | 1.2 | 0.6 | 0.1 | 0.2 |
| Dudley & Walsall Mental Health Trust | 2.0 | - | 0.1 | - | 1.9 | - | - | - |
| The Royal Wolverhampton Trust | 1.5 | 1.5 | 0.3 | 0.8 | 0.5 | 1.3 | 0.1 | - |
| Sandwell & West Birmingham Trust | 1.6 | 0.7 | 0.8 | 0.2 | 0.8 | 0.7 | 0.7 | 0.1 |
| Worcestershire Acute Hospitals Trust | 0.3 | 0.5 | - | - | 0.3 | 0.5 | - | 0.1 |
| Birmingham Cross City CCG | 0.9 | - | - | - | 0.8 | - | - | - |
| Birmingham South & Central CCG | 0.6 | - | - | - | 0.6 | - | - | - |
| Dudley CCG | 201.7 | - | 2.0 | 1.5 | 197.0 | - | 6.9 | 1.4 |
| Redditch & Bromsgrove CCG | 0.7 | - | - | - | 0.5 | - | - | - |
| Sandwell & West Birmingham CCG | 31.3 | - | 0.6 | - | 31.3 | - | 1.1 | - |
| Shropshire CCG | 0.6 | - | - | - | 0.7 | - | - | - |
| South East Staffs & Seisdon Peninsular CCG | 9.6 | - | 0.4 | - | 9.2 | - | 0.7 | - |
| Walsall CCG | 2.2 | - | 0.1 | - | 2.3 | - | 0.4 | - |
| Wolverhampton CCG | 4.5 | - | - | 0.3 | 5.0 | - | 0.4 | - |
| Wyre Forest CCG | 2.5 | - | - | - | 2.8 | - | 0.1 | - |
| NHS England | 43.4 | - | 2.4 | - | 41.0 | - | 1.7 | - |
| **Other related parties - Whole of Government Accounts** | | | | | | | | |
| Dudley Metropolitan Borough Council | 3.0 | 1.4 | 0.5 | - | 2.3 | 1.2 | - | - |
| HMRC | - | 11.7 | 1.1 | 3.8 | - | 11.4 | 1.1 | 3.8 |
| NHS Pensions | - | 17.3 | - | - | - | 17.1 | - | - |
| NHS Blood & Transplant | - | 1.6 | - | - | - | 1.5 | - | - |

Key management personnel, namely the Trust Board Directors, are those persons having authority and responsibility for planning, directing and controlling the activities of the Trust. During the year none of the key management personnel have parties related to them that have undertaken any material transactions with The Dudley Group NHS Foundation Trust.

The table below details, on an aggregate basis, key management personnel compensation:

| | 31 March 2015 | 31 March 2014 |
|---|---|---|
| **Compensation** | £ million | £ million |
| Salaries and short-term benefits | 0.90 | 0.90 |
| Post-employment benefits | 0.79 | 0.75 |
| | 1.69 | 1.65 |

The financial statements of the parent (the Trust) are presented together with the consolidated financial statements and any transactions or balances between group entities have been eliminated on consolidation. Dudley Group NHS Charity has a Corporate Trustee who are the Board members of the Trust. The Board members of Dudley Clinical Services Limited include the following Non Executive Directors from the Trust: Richard Miner as Chairman and David Bland as a Director.

Dudley Clinical Services Limited does not have any transactions with any NHS or Government entity except those with its parent, the Trust and HMRC. The Group receivables includes £152,000 owed to the subsidiary (£100,000 2013/14) and £25,000 owed by Dudley Group NHS Charity (£16,000 2013/14), and the Group payables includes £265,000 (£128,000 2013/14) owed by the subsidiary and £49,000 (£85,000 2013/14) owed to Dudley Group NHS Charity.

## 28 Private Finance Initiatives

### 28.1 PFI schemes on the Statement of Financial Position

The Dudley PFI project provided for the refurbishment and new building of major inpatient facilities at Russells Hall Hospital, the building of new facilities at Guest Hospital and Corbett Hospital. The Capital value of the scheme was £160.2m. The Project agreement runs for 40 years from May 2001. The Dudley PFI is a combination of buildings (including hard Facilities Managed (FM) services) and a significant range of allied and clinical support services.

The standard Unitary Payment changes periodically as a consequence of:

- Inflation ( based on RPI and reviewed annually)
- Deductions for poor performance (Deficiency points and financial penalties for poor performance or non-compliant incidents).
- Variations to the Project Agreement (PA) (agreed under Variations procedure in the PA)
- 50% of market testing or refinancing impact
- Energy tariff adjuster (the difference between actual energy tariff changes and the uplift that comes through RPI)
- Volume adjuster (computed by comparing actual in patient days against that in the schedule, with a tolerance of plus or minus 3%)

The Trust has the rights to use the specified assets for the length of the Project Agreement and has the rights to expect provision of the range of allied and clinical support services. At the end of the Project Agreement the assets will transfer back to the Trust's ownership.

The PFI transaction meets the IFRIC 12 definition of a service concession, as interpreted in the Annual Reporting Manual (ARM) issued by Monitor, and therefore the Trust is required to account for the PFI scheme 'on-balance sheet' and this means that the Trust treats the asset as if it were an asset of the Trust and the substance of the contract is that the Trust has a finance lease and payments comprise two elements, an imputed finance lease charge and service charges.

| | As at 31 March 2015 £'000 | As at 31 March 2014 £'000 |
|---|---|---|
| Gross  PFI Liabilities | 153,650 | 158,513 |
| of which liabilities are due | | |
| - not later than one year; | 16,578 | 16,444 |
| - later than one year and not later than five years; | 21,384 | 21,376 |
| - later than five years. | 115,688 | 120,693 |
| Finance charges allocated to future periods | (11,232) | (11,100) |
| **Net PFI liabilities** | **142,418** | **147,413** |
| | | |
| - not later than one year; | 5,346 | 5,344 |
| - later than one year and not later than five years; | 21,384 | 21,376 |
| - later than five years. | 115,688 | 120,693 |

The Trust is committed to make the following payments for on-SoFP PFIs obligations of the service element during the next year in which the commitment expires:

| | 31 March 2015 £'000 | 31 March 2014 £'000 |
|---|---|---|
| Within one year | 22,179 | 21,696 |
| 2nd to 5th years (inclusive) | 88,714 | 86,782 |
| Later than 5 Years | 465,750 | 477,305 |
| **Total** | **576,643** | **585,783** |

| | |
|---|---|
| Total length of the project (years) | 40 |
| Number of years to the end of the project | 26 |

### 28.2 PFI schemes off the Statement of Financial Position
The Trust does not have any PFI schemes which are deemed to be off-statement of financial position.

# 29 Financial Instruments and Related Disclosures

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. The nature of the Trust's activities means that exposure to risk, although not eliminated, is substantially reduced.

The key risks that the Trust has identified are as follows:

### 29.1 Financial Risk
Because of the continuing service provider relationship that the Trust has with Clinical Commissioning Groups (CCG's) and the way those CCG's are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the Board of Directors. Trust treasury activity is subject to review by the Finance and Performance Committee.

### 29.2 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.

### 29.3 Market (Interest Rate) Risk
All of the Trust financial assets and all of its financial liabilities carry nil or fixed rates of interest. The Trust is not therefore, exposed to significant interest rate risk.

### 29.4 Credit Risk
The majority of the Trust's income comes from contracts with other public sector bodies, resulting in low exposure to credit risk. The maximum exposures as at 31 March 2015 are in receivables from customers, as disclosed in note 14 to the accounts. The Trust mitigates its exposure to credit risk through regular review of debtor balances and by calculating a bad debt provision at the end of the period.

### 29.5 Liquidity Risk
Liquidity risk is the possibility that the Trust might not have funds available to meet its commitments to make payments. Prudent liquidity risk management includes maintaining sufficient cash and the availability to draw funding from the Trusts £10,000,000 working capital facility minimises such risk. The working capital facility level has been derived by taking into consideration the forecast month end cash balances for the coming two years.
The Trust is therefore not exposed to significant liquidity risk.

### 29.6 Fair Values
All of the financial assets and all of the financial liabilities of the Trust are measured at fair value on recognition and subsequently amortised cost.

**29.7 Financial Assets and Liabilities By Category**

The following tables show by category the financial assets and financial liabilities at 31 March 2015 and 31 March 2014.  The values are shown at fair value which is representative of the carrying value.

| | Group | | | | Foundation Trust | | | |
|---|---|---|---|---|---|---|---|---|
| Financial Assets | As at 31 March 2015 | | As at 31 March 2014 | | As at 31 March 2015 | | As at 31 March 2014 | |
| | Total | Loans and Receivables | Total | Loans and Receivables | Total | Loans and Receivables | Total | Loans and Receivables |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Trade and other receivables excluding non financial assets | 8,895 | 8,895 | 15,472 | 15,472 | 8,715 | 8,715 | 15,472 | 15,472 |
| Cash and cash equivalents (at bank and in hand) | 26,412 | 26,412 | 26,410 | 26,410 | 26,061 | 26,061 | 26,165 | 26,165 |
| NHS Charitable funds financial assets | 1,405 | 1,405 | 1,626 | 1,626 | 0 | 0 | 0 | 0 |
| | 36,712 | 36,712 | 43,508 | 43,508 | 34,776 | 34,776 | 41,637 | 41,637 |

*Other Financial Assets are fixed term cash investments with UK Bank Institutions

| | Group | | | | Foundation Trust | | | |
|---|---|---|---|---|---|---|---|---|
| Financial Liabilities | As at 31 March 2015 | | As at 31 March 2014 | | As at 31 March 2015 | | As at 31 March 2014 | |
| | Total | Other financial Assets | Total | Other financial Assets | Total | Other financial Assets | Total | Other financial Assets |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Obligations under Private Finance Initiative contracts | 142,418 | 142,418 | 147,413 | 147,413 | 142,418 | 142,418 | 147,413 | 147,413 |
| Trade and other payables excluding non financial liabilities | 19,788 | 19,788 | 15,305 | 15,305 | 19,489 | 19,489 | 15,305 | 15,305 |
| Provisions under contract | 251 | 251 | 2,945 | 2,945 | 251 | 251 | 2,945 | 2,945 |
| NHS Charitable Funds financial liabilities | 49 | 49 | 85 | 85 | 0 | 0 | 0 | 0 |
| | 162,506 | 162,506 | 165,748 | 165,748 | 162,158 | 162,158 | 165,663 | 165,663 |

| | Group | | Foundation Trust | |
|---|---|---|---|---|
| 29.8 Maturity of Financial Liabilities | As at 31 March 2015 | As at 31 March 2014 | As at 31 March 2015 | As at 31 March 2014 |
| | £'000 | £'000 | £'000 | £'000 |
| In One Year or Less | 25,434 | 23,679 | 25,385 | 23,594 |
| In more than one year but not more than two years | 5,346 | 5,344 | 5,346 | 5,344 |
| In more than two years but not more than five years | 16,038 | 16,032 | 16,038 | 16,032 |
| In more than five years | 115,688 | 120,693 | 115,688 | 120,693 |
| Total | 162,506 | 165,748 | 162,457 | 165,663 |

## 30 Third Party Assets

The Trust held £1,000 as cash at bank or in hand at 31 March 2015 (31 March 2014 £5,000) which related to monies held by the Trust on behalf of patients.  These balances are excluded from cash at bank and in hand figures reported in the accounts.

## 31 Losses and Special Payments

NHS Foundation Trusts are required to record payments and other adjustments that arise as a result of losses and special payments on an accruals basis, excluding provisions for future losses.

|  | 2014/15 | | 2013/14 | |
|---|---|---|---|---|
|  | Number | Value | Number | Value |
|  |  | £000 |  | £000 |
| Loss of Cash | 6 | 25 | 1 | 0 |
| Fruitless payments | 3 | 60 | 0 | 0 |
| Bad debts and claims abandoned | 140 | 28 | 78 | 15 |
| Stores losses | 8 | 10 | 1 | 10 |
| **Total Losses** | 157 | 123 | 80 | 25 |
|  |  |  |  |  |
| Ex gratia payments | 11 | 48 | 24 | 51 |
| **Total Special Payments** | 11 | 48 | 24 | 51 |
|  |  |  |  |  |
| **Total Losses and Special Payments** | **168** | **171** | **104** | **76** |

There were no clinical negligence, fraud, personal injury, compensation under legal obligations or fruitless payment cases where the net payment for the individual case exceeded £300,000.

## 32 Auditors' Liability

In accordance with the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008, the liability of the Trust Auditor, Deloitte LLP is restricted to £1,000,000 in respect of liability to pay damages for losses arising as a direct result of breach of contract or negligence in respect of services provided in connection with or arising from their letter of engagement dated  23 February 2015

# The Dudley Group NHS

## NHS Foundation Trust

# Quality Report 2014/15



dgnhs

WHERE PEOPLE MATTER

FOUNDATION TRUST

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# Contents

## Annex

Throughout this document, there are a number of quotes taken from reviews that patients themselves have posted online on NHS Choices and Patient Opinion.

## Part 1: Chief Executive's statement

I am again pleased to introduce the annual Quality Report and Account, where we give a detailed picture of the quality of care provided by our hospital, outpatient centres and adult community services. This report covers the year from April 2014 to the end of March 2015.

Our primary focus is to provide high quality treatment and care for all of our patients. By this, we mean we strive to provide:

• A good patient experience

• Safe care and treatment

• A good and effective standard of care

As in previous years, this report uses these three elements to describe the quality of care at the Trust over the year, providing an overall picture of what the organisation is achieving and where it still needs to improve.

Following on from this introduction, in Part 2 we have outlined our priority quality measures and charted their progress throughout the year. A summary of current and previous priorities can be seen in the table on page 8 as can more details on each priority on the page numbers listed in that table. These details include progress made to date, as well as our new targets for 2015/16. This part of the report also includes sections required by law on such topics as clinical audit, research and development and data quality.

In Part 3 we have included other key quality initiatives and measures, and specific examples of good practice on all of the three elements of quality which hopefully give a rounded view of what is occurring across the Trust as a whole. As we provide both acute and community care, you will see some parts of the report are divided into hospital and community sections for ease of reference.

In terms of independent reviews of the quality of care at the Trust, the key event this year was a visit from the Care Quality Commission (CQC). A CQC inspection team of 40 people assessed the Trust, visiting many wards and departments and talking with a wide variety of staff and patients. This report contains a section (Section 2.2.5) providing the details of that review but, in summary, we were pleased to note that the Trust was rated 'Good' in 30 out of the 38 core services inspected. The majority of the group categories (five out of eight) also received an overall rating of 'Good'. Despite this, the overall rating for the Trust was 'Requires Improvement', which was a disappointment. The Chief Inspector of Hospitals, Professor Sir Mike Richards, believes we are not far off achieving an overall 'Good' rating and he has confidence that we are addressing the issues highlighted by the inspection. It is a credit to all of the staff that the inspection team found much evidence of excellent practice and that patients see them as highly caring with many examples of staff going the extra mile.

As well as the CQC, we are monitored by a variety of other external organisations and agencies (see Section 2.1.1) and, as this report indicates, we are constantly monitoring ourselves in many ways on the quality of our care. This allows us to assure both patients and ourselves of what we are doing well and learn where we need to change practice and improve our services.

Although there is much debate about the usefulness of mortality indicators, I am pleased to be able to report that the Trust has now been consistently within the expected range for the Summary Hospital-level Mortality Indicator (SHMI) the whole of this year and, in fact, constantly from the period commencing October 2012.

**Our quality priorities**

You will see in Part 2 that we have made excellent progress with the majority of our 2014/15 priorities. I am pleased to report reductions in both healthcare associated infections and pressure ulcers. We have met both our C. difficile and MRSA targets, with this being the first year we have had none of the latter. Whilst we unfortunately had a single stage 4 avoidable pressure ulcer in the hospital, stage 3 avoidable pressure ulcers were reduced by more than 50 per cent from last year. The community had no stage 4 avoidable ulcers, whilst stage 3 avoidable ulcers remained at a low number throughout the year.

Our mortality tracking process includes clinical coding, validation, multidisciplinary specialist audit and, where necessary, senior medical and nursing review led by our Deputy Medical Director. This process is to ensure that each death occurring in hospital is understood and we are responsive to the information we gather from this process. We have met our new target in this regard.

In addition, the assessments that nurses undertake mean that we have met two out of three nutrition and hydration targets. The survey results for patient experience indicate we have also met the connected target regarding patients' perceptions of receiving enough help to eat at meal times. As part of the same survey, we had a target that at least 90 per cent of patients would indicate that their call bells are always answered in a reasonable time but we were unable to reach this target and so further work is required in this area.

Finally, the results of our local annual survey of community patients show that, unfortunately, we have not met the targets we set ourselves. In 2014/15 we introduced the national Friends and Family Test (FFT) into the community. We have included this, along with the inpatient FFT, as a quality priority for 2015/16 in order to allow us to compare ourselves with other providers, both locally and nationally.

With regards to 2015/16, we have retained all of the topics from 2014/15 due to their importance from both a patient and organisational perspective, and to build on the good work already undertaken.

**Measuring quality**

This report includes a wide range of objective indicators of quality, and we have also included a few specific examples of the many quality initiatives from around the Trust and what patients have said about us. We could not include them all but hopefully the examples, together with awards, innovation and initiatives that Trust staff have achieved and implemented in the year, give a flavour of our quality of care.

A fundamental part of improving quality at the Trust is listening to our patients' experiences. I am especially pleased to report that the Trust is receiving positive and better than national average scores and feedback from our inpatients, mothers on our Maternity Unit and patients being seen in the Emergency Department in the national Friends and Family Test (Section 3.2.2). Our nurses continue to improve the

quality of care they provide as measured by our detailed monthly Nursing Care Indicator assessments (Section 3.3.4). I am also particularly pleased to report that a number of our nurses and midwives from both the hospital and community have won some prestigious national awards, ranging across a number of specialties (Section 3.4.2).

I hope you will find it helpful to see some of the information we use to monitor our quality of care, creating a picture of quality across the Trust.

We would appreciate any feedback you would like to give us on both the format and content of the report but also the priorities we have chosen. You can either telephone the communications team on (01384) 244403 or email communications@dgh.nhs.uk

In addition, we summarise this lengthy report in our annual summary, 'Your Trust', and publish quarterly updates on the progress of our quality priorities on our website www.dudleygroup.nhs.uk

The Trust and its Board of Directors have sought to take all reasonable steps and exercise appropriate due diligence to ensure the accuracy of the data reported. Following these steps, to the best of my knowledge, the information in this document is accurate.

Finally, 2015/16 will be challenging for the Trust as we enter the second year of austerity measures. We will continue to work with patients, commissioners and other stakeholders to deliver further improvements to quality in the context of growing demand for services and developments in healthcare provision generally.

**Signed**                    **Date: 21st of May 2015**

**Paula Clark**
**Chief Executive**

# Part 2: Priorities for improvement and statements of assurance from the Board of Directors

## 2.1 Quality improvement priorities

### 2.1.1 Quality priorities summary

The table below gives a summary of the history of our quality priorities and also those we will be working towards in 2015/16.

| Priority | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Notes |
|---|---|---|---|---|---|---|---|---|
| **Patient experience** Increase in the number of patients who report positively on their experience on a number of measures. | ☺ Achieved | We improved on one measure but had a slight decrease in another | Hospital: ☺ Partially achieved Community: ☺ Achieved | Hospital: ☺ Achieved Community: ☺ Partially achieved | Hospital: ☺ Partially achieved Community: ☹ Not achieved | Hospital: ☺ Partially achieved Community: ☺ Partially achieved | Priority 1 | See page 10 for more information |
| **Pressure ulcers** Improve systems of reporting and reduce the occurrence of avoidable pressure ulcers. | N/A | N/A | Hospital: ☺ Achieved Community: ☺ Partially achieved | Hospital: ☺ Achieved Community: ☺ Achieved | Hospital: ☺ Partially achieved Community: ☺ Achieved | Hospital: ☺ Partially achieved Community: ☺ Partially achieved | Priority 2 | New in 2011/12 See page 14 for more information |
| **Infection control** Reduce our MRSA rate in line with national and local priorities. | ☺ Achieved | ☺ Achieved | ☺ Achieved | ☺ Achieved | ☹ Not achieved | ☺ Achieved | Priority 3 | See page 19 for more information |
| Reduce our Clostridium difficile rate in line with local and national priorities. | | | ☹ Not achieved | ☺ Achieved | ☹ Not achieved | ☺ Achieved | | |
| **Nutrition** Increase the number of patients who have a risk assessment regarding their nutritional status. | N/A | N/A | N/A | ☺ Achieved | ☺ Partially achieved | ☺ Partially achieved | Priority 4 | New in 2012/13 See page 22 for more information |
| **Hydration** Increase the number of patients who have their fluid balance charts monitored. | N/A | N/A | N/A | ☺ Achieved | ☺ Achieved | ☺ Achieved | | New in 2012/13 See page 22 for more information |
| **Mortality** Improve reviews of hospital deaths. | N/A | N/A | N/A | N/A | N/A | ☺ Achieved | Priority 5 | New in 2014/15 See page 26 for more information |
| **Hip operations** Increase the number of patients who undergo surgery for hip fracture within 36 hours from admission (where clinically appropriate to do so). | N/A | ☺ Achieved | ☺ Achieved | N/A | N/A | N/A | N/A | As the target was achieved for two consecutive years this priority was replaced in 2012/13 |
| **Cardiac arrests** Reduce the numbers of cardiac arrests. | ☺ Achieved | ☺ Achieved | N/A | N/A | N/A | N/A | N/A | With a decrease from 32 per month in 2008 to 13 per month by 2011 this no longer remained a challenge |

## 2.1.2 Choosing our priorities for 2015/16

The Quality Priorities for 2014/15 covered the following six topics:

| | |
|---|---|
| Patient Experience | Infection Control |
| Pressure Ulcers | Nutrition |
| Hydration | Mortality |

These topics were agreed by the Board of Directors due to their importance both from a local perspective (e.g. based on key issues from patient feedback, results from our Nursing Care Indicators, see Section 3.3.4) and a national perspective (e.g. reports from national bodies such as Age UK, CQC etc.). The first five topics (ie. excluding mortality) were initially endorsed by a Listening into Action event on the Quality Report, hosted by the Chief Executive and Director of Nursing, attended by staff, governors, Foundation Trust members and others from the following organisations: Dudley LINK, Dudley Primary Care Trust, Dudley MBC, Dudley Stroke Association and Dudley Action for Disabled People and Carers (ADC). The sixth topic, mortality, was added from the recommendation of an external review of the Trust.

Following consultation with governors, those who attended the Annual Members Meeting, the public generally via an online questionnaire and suggestions from our main commissioner, it has been agreed that the same priority topics will be retained in 2015/16.

All of the topics have a fundamental role in providing good quality patient care. Good patient experience of our services is a core purpose of the Trust. The Trust is committed to minimising healthcare associated infection rates which is a key commissioner and patient expectation. There are national campaigns of zero tolerance to avoidable pressure ulcers and the need to focus on patients' nutrition and hydration.  Monitoring mortality indicators is seen as a useful device as they can act as a 'warning sign' or 'smoke-alarm' for potential quality issues.

All of our priorities have named leads who have the responsibility of coordinating the actions aimed at achieving the targets. Every quarter our progress on all the targets is reported to the Clinical Quality, Safety and Patient Experience Committee, the Board of Directors and the Council of Governors. In addition, a summary of the progress is placed on the Trust website.

Outstanding doesn't come close to describing the level of care the midwives give... it was obvious it's more than just a job and they are more than willing to go above and beyond to ensure that mom and baby are happy and safe.

## 2.1.3 Our priorities

### Priority 1 for 2014/15: Patient experience

| Patient experience | |
|---|---|
| **Hospital** | **Community** |
| a) Maintain an average score of 8.5* or above throughout the year for patients who report receiving enough assistance to eat their meals. | a) Equal or improve the score of patients who state they were informed who to contact if they were worried about their condition after treatment. (2013/14 was 8.8 out of 10) |
| b) By the end of the year, at least 90 per cent of patients will report that their call bells are always answered in a reasonable time. | b) Equal or improve the score of patients who state they know how to raise a concern about their care and treatment if they so wished. (2013/14 was 8.3 out of 10) |

*Change of scoring system to be consistent with the national surveys. Now out of 10 rather than 100

### How the Trust measures and records this priority

**Hospital**

This priority has been measured using our real-time survey system. A random sample of inpatients is asked to share their experiences by participating in the survey about their stay before they leave hospital. Responses to the surveys are entered directly into a hand-held computer and downloaded straight into our database to provide timely feedback. During 2014/15, 1479 patients participated in the surveys. All surveys are anonymous and results are shared with individual wards enabling them to take action in response to patient comments.

**Community**

The community priority has been measured using an annual survey. A paper questionnaire was distributed to community patients who were also provided with a freepost envelope to ensure an anonymous response; 571 responses to the survey were received, with question (a) answered by 541 respondents and (b) answered by 532.

## Developments that occurred in 2014/15

- Changing and improving the food and drink for our inpatients has been a focus this year with numerous interventions including: new water jugs which are easier to handle, fresh fruit available every day, daily mealtime observations, refreshed training for housekeepers, and increased availability of chips and jacket potatoes. There was also a complete new menu trial conducted on four wards which included tasting sessions and feedback from patients, staff and governors resulting in a new *Chosen by Patients* menu which will be rolled out during 2015.
- Dedicated lead nurse on all wards for mealtimes to ensure enough nursing support during mealtimes.
- New Wellbeing Worker role developed and recruited across the Trust to provide one-to-one care for our most vulnerable patients and, in particular, those living with dementia.
- Dementia Friends campaign and training launched across the Trust, with almost 400 members of staff now signed up.
- Three wards initially trialled a 30 second response time to answering call bells, including information posters displayed to advise patients of what can be expected. This was then rolled out across the Trust.
- Improved highway signage on main roads leading to the Guest Outpatient Centre site.
- Card payment system introduced on parking machines.
- Environmental improvements to the admissions lounge and day case area, including daily newspapers, better signage and a review of seating arrangements.
- Establishment of the Patient Experience Group incorporating representatives from the Clinical Commissioning Group, Healthwatch Dudley and the Council of Governors. The group is chaired by the Chief Executive and reports into the Clinical Quality, Safety and Patient Experience Committee.
- Development and agreement of new reporting style on patient experience to our commissioners.
- Development of a patient experience mobile phone app to be launched in 2015 to provide another platform for patients and the public to share their views.
- Business cards developed to advise patients of how to raise a concern, compliment or complaint and posters refreshed across all sites.
- Regular patient videos or letters presented to Board of Directors each month.

I received a warm welcome from the accompanying nurse and the consultant himself. The consultation left me feeling reassured and comforted, and we even exchanged a few laughs which helped to ease the worry.

## Current status: Hospital

| Quality priority hospital (a) | Q1 | Q2 | Q3 | Q4 | 2014/15 |
|---|---|---|---|---|---|
| a) Maintain an average score of 8.5 or above throughout the year for patients who report receiving enough assistance to eat their meals. | 8.5 | 9.6 | 9.2 | 7.04 | 8.72 |
| Number of patients who felt they sometimes or never got the help they needed | 5<br>(out of 400 surveyed) | 2<br>(out of 440 surveyed) | 3<br>(out of 300 surveyed) | 8<br>(out of 339 surveyed) | 18<br>(out of 1479 surveyed) |
| **Quality priority hospital (b)** | **Q1** | **Q2** | **Q3** | **Q4** | **2014/15** |
| b) By the end of the year at least 90 per cent of patients will report that their call bells were always answered in a reasonable time | 85.5% | 86% | 89% | 78.1% | 86.75% |

We are pleased the Trust has met the target relating to patients' perceptions of receiving enough assistance to eat their meals (target 8.5 with actual score of 8.72). It is disappointing that there was a small number of patients who felt they did not receive enough assistance to eat. When a patient indicates this, the independent person undertaking the survey immediately contacts the nurse in charge who resolves the issue with the patient.

With regards to the call bell target, it is disappointing to see that this has not been met (in 2013/14 the target of 80 per cent was achieved and so the target was made more difficult this year). A system is being implemented to monitor and improve this next year.

## Current status: Community

| Quality priority community (a) | 2013/14 | 2014/15 |
|---|---|---|
| a) Equal or improve the score of patients who state they were informed who to contact if they were worried about their condition after treatment. | 8.8 | 8.9 ▲ |

| Quality priority community (b) | 2013/14 | 2014/15 |
|---|---|---|
| b) Equal or improve the score of patients who state they know how to raise a concern about their care and treatment if they so wished. | 8.3 | 8.1 ▼ |

The Trust has achieved part (a) of the community priority achieving a higher score to the previous year for the number of people who felt they knew who to contact if they were worried about their condition after treatment in community services. However, priority (b) has seen a slight decrease from 8.3 in 2013/14 to 8.1 in 2014/15 for patients who knew how to raise a concern about their care or treatment.

| Patient experience | |
|---|---|
| **Hospital** | **Community** |
| a) Achieve monthly scores in the inpatients Friends and Family Test (FFT) that are equal to or better than the national average.<br><br>b) Achieve monthly scores in the outpatients Friends and Family Test that are equal to or better than the national average.<br>*(First planned publication during 2015/16).* | a) Achieve monthly scores in the community Friends and Family Test that are equal to or better than the national average.<br>*(First planned publication May 2015)* |

**Rationale for inclusion**

The hospital and community targets have changed this year to focus on the Friends and Family Test. This is a national measure of patient experience and allows the Trust to benchmark itself against other trusts, both regionally and nationally, on a monthly basis. The Friends and Family Test aims to provide a simple headline metric to drive continuous improvements. It makes sure staff providing the service and the Board of Directors obtain regular feedback from patients on how the services are being received, what is working well and where improvements are needed. The simple survey asks patients if they would recommend the service to a friend or relative and to rate this recommendation from extremely likely to extremely unlikely.

We consistently achieved the hospital priority (a) target set in 2014/15 throughout the year and so chose to identify a different priority where the target can be benchmarked against both local and national results, ultimately aspiring to be in the top 20 per cent of trusts nationwide.

**Developments planned for 2015/16**

Actions being undertaken to achieve the Trust target include:
- Continue the patient catering developments including the roll out of new *Chosen by Patients* menus.
- Refresh volunteer recruitment to target volunteers into the areas of greatest patient need, including mealtime volunteers.
- Review patient gowns.
- Complete implementation of soft close bins to help make ward areas quieter for patients during the night.
- Review appointment and discharge letters to ensure patients receive information on who to contact if they are worried after treatment and how to raise a concern.
- Launch patient feedback mobile phone app.
- Provide patient and public Wi-Fi access across the three hospital and outpatient centre sites.

**Board sponsor:** Paula Clark, Chief Executive
**Operational lead:** Liz Abbiss, Head of Communications and Patient Experience

## Priority 2 for 2014/15: Pressure ulcers

| Pressure ulcers | |
| --- | --- |
| **Hospital** | **Community** |
| Ensure that there are no avoidable stage 4 hospital acquired pressure ulcers throughout the year.<br><br>Ensure that the number of avoidable stage 3 hospital acquired pressure ulcers in 2014/15 does not increase from the number in 2013/14. | Ensure that there are no avoidable stage 4 pressure ulcers acquired throughout the year on the district nurse caseload.<br><br>Ensure that the number of avoidable stage 3 acquired pressure ulcers on the district nurse caseload in 2014/15 does not increase from the number in 2013/14. |

### How we measure and record this priority

Pressure ulcers, also called pressure sores or bed sores, are staged one to four with four being the most serious and one being the least. When a patient is identified as having a pressure ulcer, the details are entered into the Trust's incident reporting system to be reviewed by the tissue viability team prior to reporting externally.

If pressure damage is noted within 72 hours of admission to the hospital, and the patient has not been under the care of the community teams or on the district nurse caseload, this is not considered to have developed whilst under the care of the Trust. This time frame is agreed regionally as it is recognised that pressure damage can occur but not be visible immediately.

### Developments that occurred in 2014/15

The Trust has updated the pressure ulcer prevention guidelines, taking into account all recent research developments.

Standardised pressure ulcer prevention and management documents are now being used across the hospital and community. The prevention document includes a standardised assessment and treatment record known as a bundle. The SKIN (Surface Keep moving Incontinence Nutrition) bundle is completed by all staff across the Dudley health economy to ensure every aspect of pressure ulcer prevention is addressed at each patient care episode.

The Trust has recognised the importance of continually updating community and social care carers in pressure ulcer prevention and completion of the SKIN bundle document.  Training sessions continue for this group of staff across the year on a rolling programme and all sessions are well attended.

In the hospital, each ward has tissue viability co-ordinating link nurses who complete ongoing audits of the SKIN bundle documents to ensure they are completed correctly. There has been an additional audit completed as part of a study programme that revealed some changes were required to these documents to

ensure a standard approach across the Trust. The tissue viability team have started work to ensure these changes are carried out.

The Trust also introduced new static air mattresses to all inpatient beds (excluding maternity and children areas) during 2014/15. This type of mattress is known as a hybrid mattress and combines foam and air cells which makes them suitable for patients who are at a very high risk of developing pressure ulcers.  Plug-in specialist mattresses may still be required for a small number of patients; however, because this need has been reduced, we are able to provide patients with this specialist high risk equipment without delay. As a result of the switch, the Trust has made significant cost savings and there was no increase in the number of patients developing stage 3 or 4 pressure ulcers.

The tissue viability team and other senior nurses now see and assess all patients that have been reported to have developed stage 3 or 4 pressure ulcers. This assessment not only helps to verify that the correct type of wound has been identified, but also ensures that a specialist who can make sure the appropriate care is in place has seen the patient.

The Trust has employed community tissue viability nurses to focus on the correct use of pressure-relieving equipment in the community. This has, again, involved education and training for community teams and our social care colleagues. These nurses have implemented a new equipment selection flow chart which gives staff more guidance than was available previously. This process involved roadshows to which all staff were invited to collect their guidance and receive a short education session on all equipment available to them.

The team has also developed a good relationship with Dudley MBC's equipment service that supplies different types of pressure reduction equipment to patients at home and in care homes. We have been working with this service to ensure all equipment is tested correctly and fit for purpose and now hold regular meetings to ensure delivery and collection time frames are maintained.

The Trust also has a representative at the national tissue viability group which works closely with NHS England to ensure standards are in place locally. This year the group has worked together to develop a poster which helps nurses with the identification of skin damage.

## Current status: Hospital
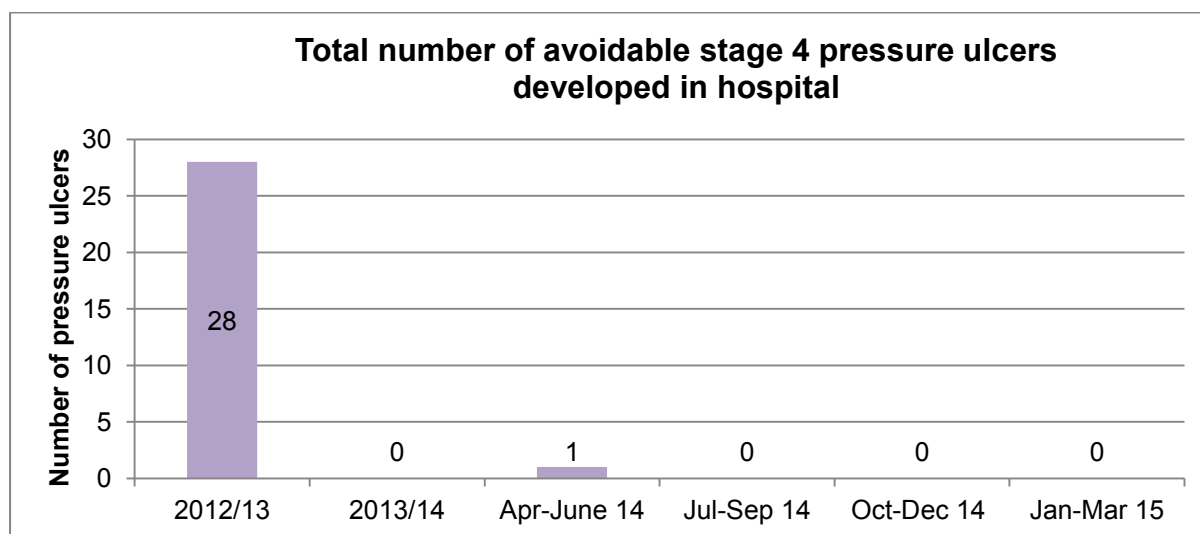
The graph below shows the total number of avoidable stage 3 and 4 pressure ulcers that have developed in the hospital from 2011/12 to the present. It gives an indication of the dramatic fall in numbers due to the hard work of all staff involved. While there were 41 stage 3 and 4 ulcers in 2013/14 these have been reduced to 33 this year.
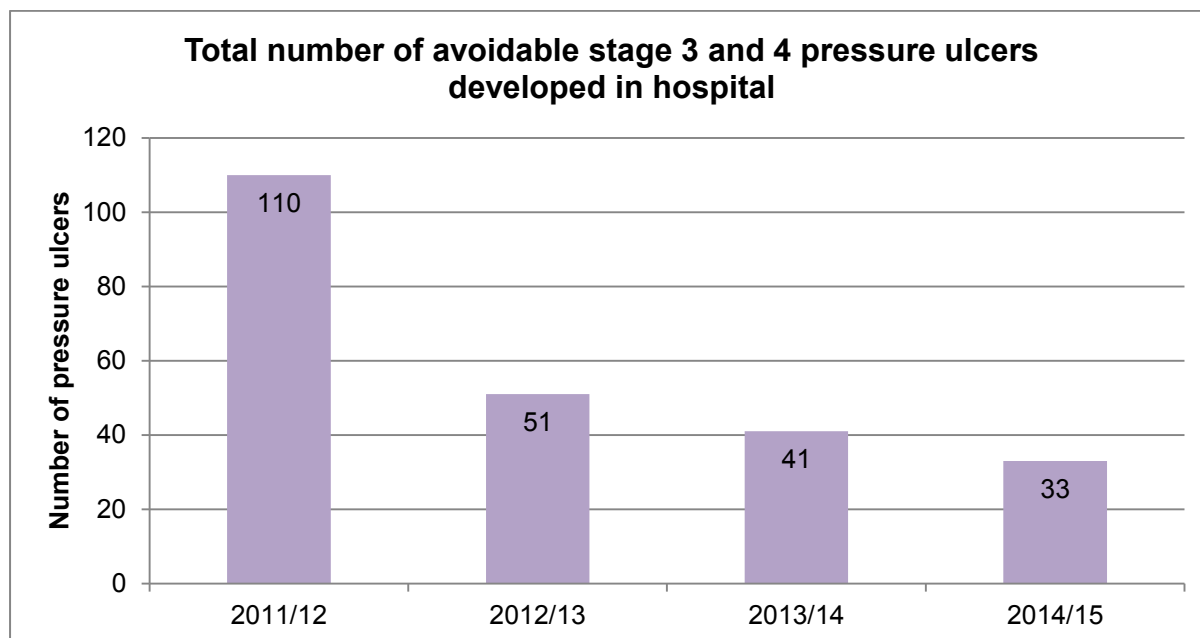
**Total number of avoidable stage 3 and 4 pressure ulcers developed in hospital**

| Year | Number of pressure ulcers |
|------|---------------------------|
| 2011/12 | 110 |
| 2012/13 | 51 |
| 2013/14 | 41 |
| 2014/15 | 33 |

*(In the 2013/14 Quality Report we reported a lower number of avoidable stage 3 pressure ulcers (36). Investigations that continued after the year end later found a further five avoidable ulcers)*

Specifically for avoidable stage 4 hospital acquired pressure ulcers, the target set was that there would not be any. This year there has unfortunately been a single avoidable stage 4 ulcer and so this target has not been achieved.

**Total number of avoidable stage 4 pressure ulcers developed in hospital**

| Period | Number of pressure ulcers |
|--------|---------------------------|
| 2012/13 | 28 |
| 2013/14 | 0 |
| Apr-June 14 | 1 |
| Jul-Sep 14 | 0 |
| Oct-Dec 14 | 0 |
| Jan-Mar 15 | 0 |

With regards to avoidable stage 3 hospital acquired pressure ulcers, the target set was that the number in 2014/15 would not increase from the number in 2013/14. In 2013/14 there were 41 avoidable stage 3 ulcers. It can be seen that this year there have been 32 and so this target was achieved.

**Number of avoidable stage 3 pressures ulcers developed in hospital**

| Year | Number of pressure ulcers |
|------|---------------------------|
| 2013/14 | 41 |
| Apr-June 14 | 4 |
| Jul-Sep 14 | 9 |
| Oct-Dec 14 | 7 |
| Jan-Mar 15 | 12 |

## Current status: Community

**Total number of avoidable stage 3 pressure ulcers developed on district nursing caseload**

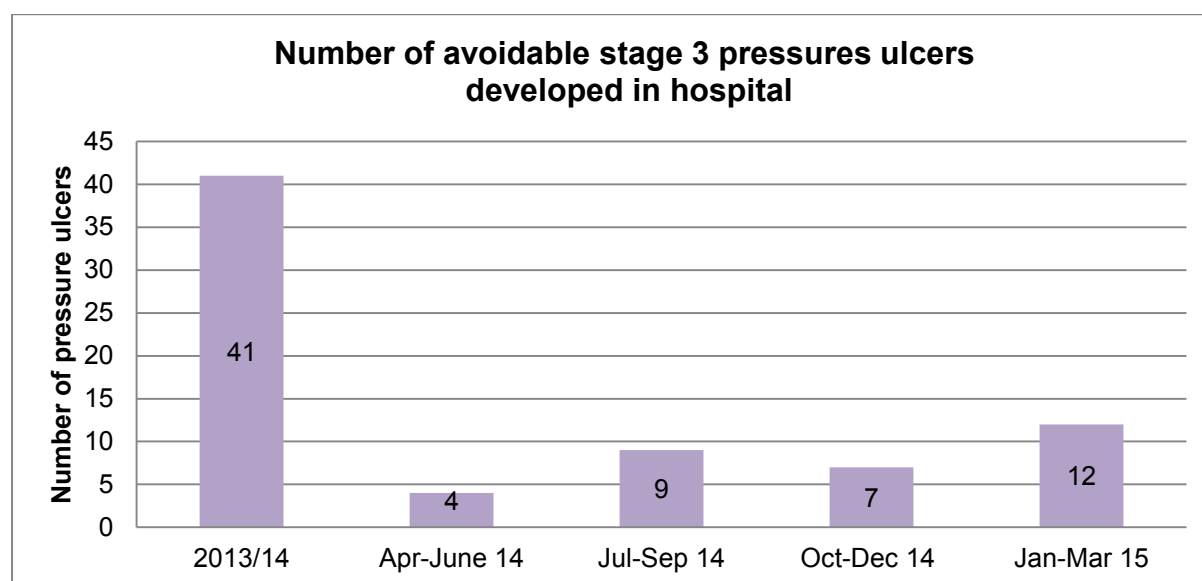| Year | Number of pressure ulcers |
|------|---------------------------|
| 2011/12 | 69 |
| 2012/13 | 18 |
| 2013/14 | 4 |
| Q1 14/15 | 0 |
| Q2 14/15 | 4 |
| Q3 14/15 | 0 |
| Q4 14/15 | 3 |

*(In the 2013/14 Quality Report we reported a lower number of avoidable stage 3 pressure ulcers (3). Investigations that continued after the year end later found a further one avoidable ulcer)*
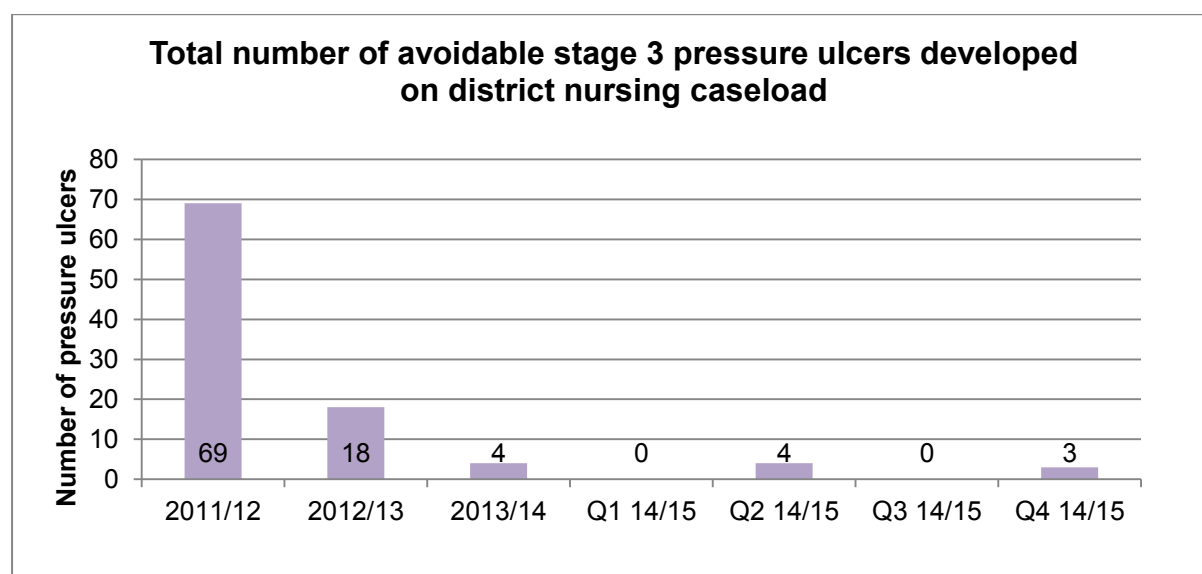
The target of there being no avoidable stage 4 pressure ulcers acquired throughout the year on the district nurse caseload has been achieved. With regard to the avoidable stage 3 acquired pressure ulcer numbers not increasing from the number in 2013/14, this was a difficult target to achieve as there were only four in 2013/14, a dramatic drop from the previous two years.

| Pressure ulcers | |
|---|---|
| **Hospital** | **Community** |
| a) Ensure that there are no avoidable stage 4 hospital acquired pressure ulcers throughout the year. | a) Ensure that there are no avoidable stage 4 pressure ulcers acquired on the district nurse caseload throughout the year. |
| b) Ensure that the number of avoidable stage 3 hospital acquired pressure ulcers in 2015/16 reduces from the number in 2014/15. | b) Ensure that the number of avoidable stage 3 pressure ulcers acquired on the district nurse caseload in 2015/16 reduces from the number in 2014/15. |

**Rationale for inclusion**
- Pressure ulcers are difficult to treat and slow to heal, and prevention is therefore a priority.
- Although the Trust has continued to reduce the overall number of pressure ulcers, it realises there is still much to do and moving to a zero tolerance approach should be the aim.
- Feedback from our patients, staff, community groups and governors indicates this should remain a target.

**Developments planned for 2015/16**

Actions being undertaken to achieve the new Trust target include:

- Audits of all pressure relief equipment within residential home care settings to ensure it is maintained and used as per the Trust guidance
- Amend education programmes to include short one hour sessions with a specific focus each month
- Continue to provide regular educational sessions for community and social care staff
- Continue weekly joint (community/hospital) pressure ulcer group meetings to ensure Trust-wide learning
- Update the pressure ulcer prevention document and ensure teams have the required education and support for its continued use
- Agree process for lead nurses to support tissue viability nurses in the verification of stage 3 and 4 pressure ulcers
- Once the verification process has been agreed, the tissue viability team will support specific wards with prevention work through structured ward walks and audits
- Develop a 'refusal of care' pathway to ensure patients have a clear understanding of the risks associated with refusing equipment or positioning
- Investigate the use of a new device that can detect possible pressure damage before any redness occurs on the skin
- Continue to work with the regional group to assist the national-level work such as updating and maintaining the national *Stop the Pressure* website.

**Board Sponsor:** Denise McMahon, Director of Nursing
**Operational Lead:** Lisa Turley, Tissue Viability Lead Nurse

## Priority 3 for 2014/15: Infection control

| Infection control |
|---|
| Reduce our MRSA bacteraemia and Clostridium difficile (C. diff) rates in line with national and local priorities. |

| MRSA | Clostridium difficile |
|---|---|
| Have 0 post 48 hour cases of MRSA bacteraemia (blood stream infections). | Have no more than 48 post 48 hour cases of Clostridium difficile. |

### How we measure and record this priority

Infections are monitored internally, along with other key quality indicators, on the Trust's electronic dashboard (see page 29). In addition, these infections are monitored by our commissioners at quality review meetings

Positive MRSA bacteraemia and C. diff results are also reported onto the national Healthcare Associated Infections data capture system
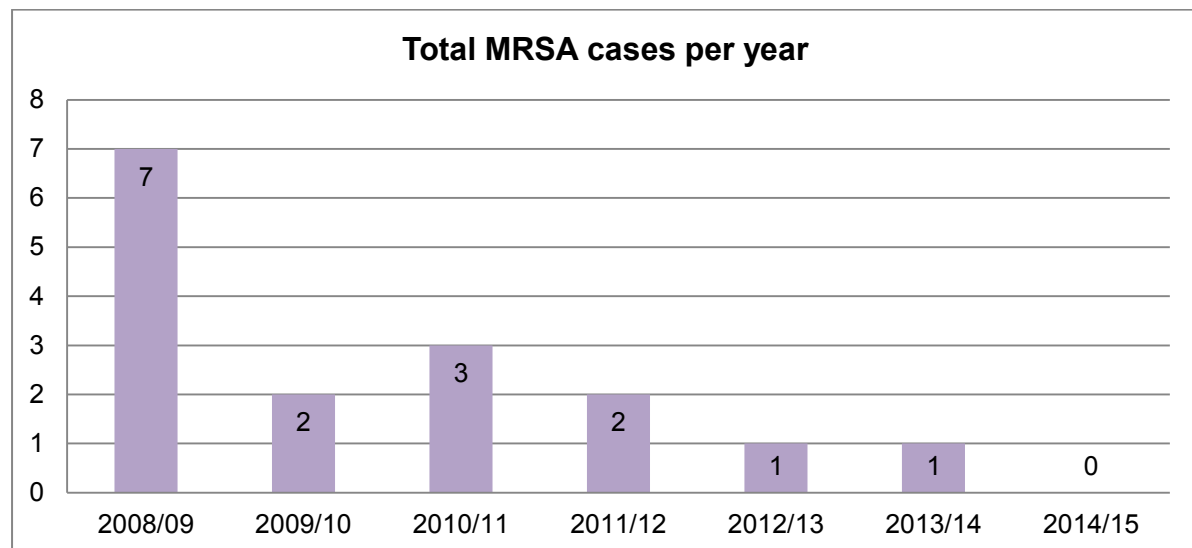
### Developments that occurred in 2014/15

- We worked with our hydrogen peroxide vapour fogging contractor to agree a rolling programme of decontamination across all inpatient areas to assist in the prevention of infection
- We provided additional training for staff around the correct procedures for collecting specimens
- We developed education programmes and competencies for infection control that can be utilised across the Trust
- We have worked with our community teams to enhance their knowledge around infection prevention and auditing of practice
- We have worked with our commissioners to agree a process for determining whether or not C. diff cases are avoidable

The community is fortunate to have such a dedicated and expert medical staff working with terminally ill patients in the Georgina Ward.
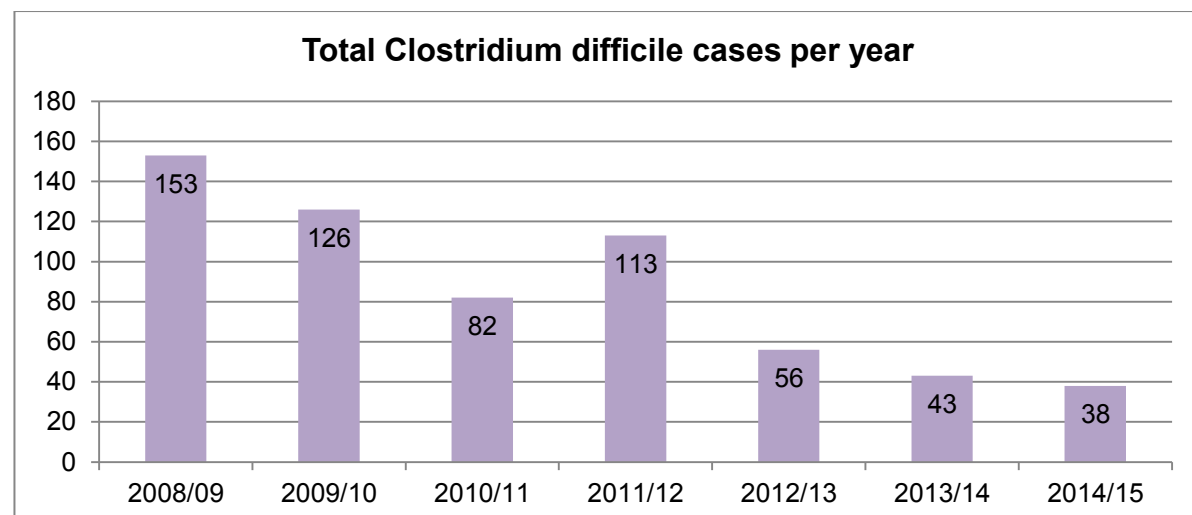
## Current status: MRSA

NHS England has set a zero tolerance approach to MRSA bacteraemia. We have successfully reported zero MRSA bacteraemia for 2014/15.

**Total MRSA cases per year**

| Year | Cases |
|------|-------|
| 2008/09 | 7 |
| 2009/10 | 2 |
| 2010/11 | 3 |
| 2011/12 | 2 |
| 2012/13 | 1 |
| 2013/14 | 1 |
| 2014/15 | 0 |

## Current status: Clostridium difficile

We have reported a total of 38 cases of C. diff for 2014/15. This rate is well below the threshold set of no more than 48 cases and shows a significant reduction on the previous year. We have achieved this through a continued focus on the clinical management of patients with identified or suspected infection.

**Total Clostridium difficile cases per year**

| Year | Cases |
|------|-------|
| 2008/09 | 153 |
| 2009/10 | 126 |
| 2010/11 | 82 |
| 2011/12 | 113 |
| 2012/13 | 56 |
| 2013/14 | 43 |
| 2014/15 | 38 |

| Infection control |
|---|
| Maintain or reduce our MRSA and Clostridium difficile (C. diff) rates in line with national and local priorities.  All cases will undergo a root cause analysis, the results of which will be discussed jointly by the Trust and Dudley Clinical Commissioning Group to agree on any avoidability/lapses in care. |

| MRSA | Clostridium difficile |
|---|---|
| Have 0 post 48 hour cases of MRSA bacteraemia (blood stream infections). | Have no more than 29 post 48 hour cases of Clostridium difficile. |

**Rationale for inclusion**

- The Trust and the Council of Governors have indicated that the prevention and control of infections remains a Trust priority.
- NHS England has a zero tolerance of MRSA bacteraemia.
- The Trust has a challenging target set national of 29 C. diff cases for the coming year.

**Developments planned for 2015/16**

Actions planned to achieve the above aims include:

- Review the current documentation used to monitor intravenous cannulae
- Develop an information leaflet for patients who are identified as C. diff carriers
- Develop protocols for the implementation of faecal transplant for patients who have relapses of C. diff. The purpose of faecal transplant is to provide appropriate bowel flora in the gut after infection with C. diff
- Review and redesign the isolation cards displayed on the rooms of patients with an infection to indicate specific precautions are required
- Plan a focus day – C the Difference – to highlight the importance of  all aspects of management for C. diff

**Board sponsor:** Denise McMahon, Director of Nursing
**Operational lead:** Dr. E Rees, Director of Infection Prevention and Control

I would like to thank all who attended to me from cleaners to consultant surgeons. The nursing staff on B2 were exceptional and the care I received was second to none.

## Priorities 4 and 5 for 2014/15: Nutrition and Hydration

| Nutrition |
|---|
| Increase the number of patients who have a weekly risk re-assessment regarding their nutritional status. Throughout the year on average at least 90 per cent of patients will have their weekly risk assessment completed and this will rise to at least 93 per cent by the end of the year (March 2015). |

| Hydration |
|---|
| Ensure that, on average throughout the year, 93 per cent of patients' fluid balance charts are fully completed and accumulated at lunchtime. |

### How we measure and record these priorities

Every month 10 observation charts are checked at random on every ward as part of the wider Nursing Care Indicators (NCI) monitoring (see Section 3.3.4). This process includes checking the Malnutrition Universal Screening Tool (MUST) assessment which is a rapid, simple procedure commenced on first contact with the patient and weekly thereafter so that clear guidelines for action can be implemented and appropriate nutritional advice provided.

MUST has been designed to help identify adults who are underweight and at risk of malnutrition, as well as those who are obese. The tool has been in use at the Trust for a number of years. The NCI monitoring also includes checking that recorded fluid input and output of patients is added up both at lunchtime and at the end of the day. The completion rates of each ward are fed back to matrons and lead nurses for action where necessary.

Each ward and the whole Trust is RAG (Red/Amber/Green) rated. Up until 2013/14 'Green' was given for a 90 per cent or greater score, 'Amber/Yellow' for 89-70 per cent scores and 'Red' for scores of 69 per cent or less. Due to the overall improvement in scores across the Trust, from 2013/14 onwards 'Green' is given for a 93 per cent or greater score, 'Amber/Yellow' for 92-75 per cent scores and 'Red' for scores of 74 per cent or less.
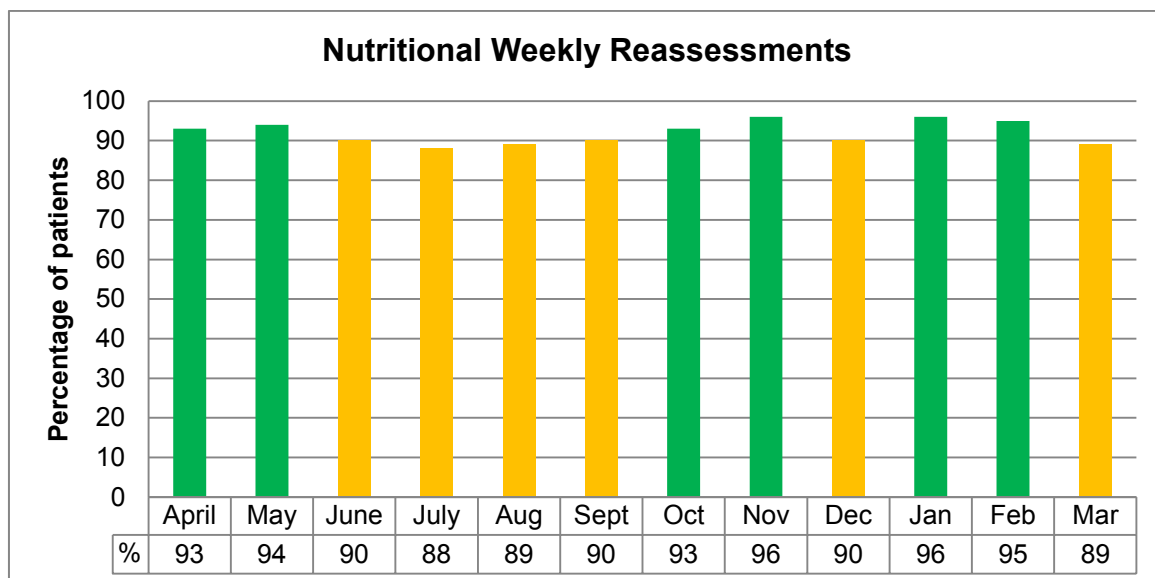
### Developments that occurred in 2014/15
- An escalation process has been developed for tracking areas of concern from the mealtime audits
- An electronic based learning package has been identified and we are awaiting verification of compatibility with current Trust IT systems
- Freestanding notices at the entrance of each ward area to denote that Protected Mealtime is taking place have been introduced
- New national descriptors for speech and language therapy in relation to food consistency grading have been rolled out
- New *Chosen by Patients* menus, which have been tried and tested by patients and staff, have been trialled on three wards for future roll out across the Trust
- We participated in International Nutrition and Hydration Week when the importance of a good diet was publicised in a variety of ways across the Trust
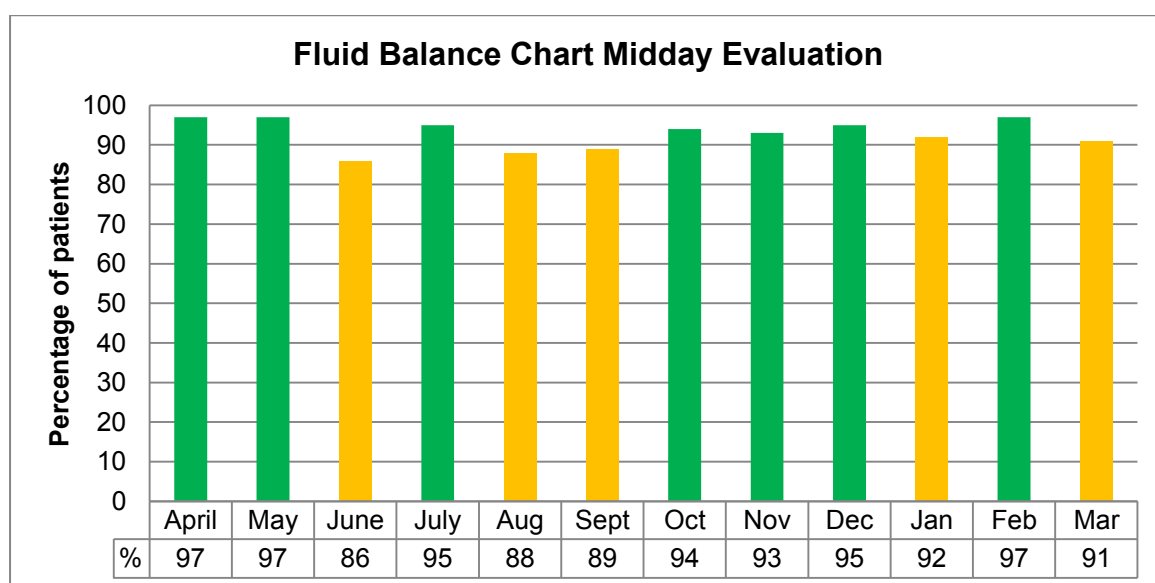
## Current status: Nutrition

The results of monitoring weekly reassessments indicate that for the whole year the 90 per cent average score was exceeded with 92 per cent being the average (compared to 89 per cent last year) and so the first target was met.

Although scores of 93 per cent or more were achieved in six months during the year, a dip in March meant that the target of 93 per cent or above by the year end was not met.

**Nutritional Weekly Reassessments**

| | April | May | June | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| % | 93 | 94 | 90 | 88 | 89 | 90 | 93 | 96 | 90 | 96 | 95 | 89 |

## Current status: Hydration

The results of monitoring fluid balance charts completion at midday show that, for the year as a whole, the 93 per cent target has just been met.

**Fluid Balance Chart Midday Evaluation**

| | April | May | June | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| % | 97 | 97 | 86 | 95 | 88 | 89 | 94 | 93 | 95 | 92 | 97 | 91 |

## Nutrition and Hydration

Ensure that the overall score of the monthly nutrition and hydration audit (made up of 24 items):

a) is 90 per cent or above in each of the first three quarters for the Trust as a whole
b) has a 'Green' rating (93 per cent or above) in the final quarter for every ward in the hospital

**Rationale for inclusion**
- To retain the emphasis on nutrition and hydration.
- Two of the specific targets for 2014/15 were met.
- The new target covers all of the 24 items of the nutrition and hydration audit, rather than focusing on just two or three specific issues, and so is more comprehensive.
- The new target also covers every ward separately as well as an overall Trust score. By publishing the results for each ward in the final quarter the situation on each ward will be clear.
- Poor nutrition and hydration leads to poor health, increased and prolonged hospital admissions and increased costs to the NHS. The consequences of poor nutrition and hydration are well documented and include increased risk of infection, poor skin integrity and delayed wound healing, decreased muscle strength, depression and, sadly, premature death. Put simply, poor nutrition and hydration causes harm.

From October 2014, as part of the monitoring of care relating to nutrition and hydration, a more comprehensive audit tool was introduced. This follows the NCI model looking at what is recorded in the nursing notes but also asks patients for their experiences of being offered drinks and choice of food. It also includes observations of the environment, for instance, whether patients have drinks within reach and whether they are placed in an optimal position for eating.

In total, there are 24 elements to the audit and it is undertaken on ten patients on every ward each month. The results up to the end of December 2014 can be seen over the page. It can be seen that there is scope for improvement, particularly in terms of achieving the target we have set ourselves. During late 2014 there have been 13 occasions where wards have scored below the 93 per cent standard required for quarter 4.

I recovered on Ward C6, with very attentive nurses and doctors, well fed and hydrated! A big thanks to all involved in my stay from the consultant to the porters and cleaners

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Table of overall results of the nutrition and hydration audits for each ward starting October 2014

| Area | Oct 2014 | Nov 2014 | Dec 2014 | Average score |
|---|---|---|---|---|
| A1 (Discharge Lounge, OPAT, Hot Clinic) | * | * | 92 | 92 |
| A2 (Short Stay Unit) | 92 | 96 | 94 | 94 |
| A3 (Frail and Elderly Short stay Unit and Elderly Care) | 92 | 99 | 98 | 96 |
| A4 (Acute Stroke ) | 98 | 99 | 98 | 98 |
| B1 (Orthopaedics) | 99 | 88 | 99 | 95 |
| B2 (Hip and Trauma) | 97 | 91 | 99 | 96 |
| B3 (Vascular Surgery) | 99 | 97 | 79 | 92 |
| B4 (Mixed Colorectal and General Surgery) | 99 | 96 | 97 | 97 |
| B5 (Surgical Assessment Unit, Gynaecology Surgery/Admissions and General Surgery) | 100 | 99 | 100 | 100 |
| B6 (Ear Nose and Throat, Maxillofacial and Male Plastics | 100 | 97 | 100 | 99 |
| C1 (Renal and Endocrinology) | 96 | 91 | 94 | 94 |
| C3 (Elderly Care) | 100 | 100 | 100 | 100 |
| C4 (Georgina Unit/Oncology) | 99 | 99 | 100 | 99 |
| C5 (Respiratory) | 99 | 95 | 93 | 96 |
| C6 (Respiratory and GI overflow) | 99 | 94 | 100 | 98 |
| C7 (Gastrointestinal Medicine) | 92 | 94 | 90 | 92 |
| C8 (Elective Medical Unit, Rheumatology Outpatients, Stroke Rehabilitation and General Rehabilitation) | 97 | 100 | 98 | 98 |
| Medical High Dependency Unit | 92 | 89 | 100 | 94 |
| Coronary Care Unit | 100 | 100 | 100 | 100 |
| Critical Care Unit | + | 94 | 99 | 97 |
| Emergency Assessment Unit | 99 | 97 | 96 | 97 |
| Clinical Decision Unit | 92 | 94 | 85 | 90 |

*Ward A1 was reconfigured in November and so the results from that month and October are not comparable.
+The Critical Care Unit commenced auditing in November 2014

**Developments planned for 2015/16**
- New visual display boards will be introduced which comply with national descriptors in relation to food consistency grading to ensure patients get the right consistency of food and therefore correct nutritional input.
- Development of a Nutrition and Hydration Care Bundle, incorporating a flow chart for escalation when intake is poor.
- Monthly multi-agency meal time audits to ensure patients and staff views are heard and real time actions are taken if required.
- Development of Trust standards for nutrition and hydration for inpatients.
- Training for volunteers and non ward-based staff to support meal times.

**Board Sponsor:** Denise McMahon, Director of Nursing
**Operational Leads:** Kaye Sheppard, Head of Nursing-Medicine, Jenny Davies, Matron for GI and Renal Services, Rachel Tomkins, Matron for Elderly

## Priority 6 for 2014/15: Mortality

| Mortality |
|---|
| Ensure that 85 per cent of in-hospital deaths undergo specialist multidisciplinary review within 12 weeks by March 2015. |

### How we measure and record this priority

The Trust's Mortality Tracking System (MTS) was developed by our Information Team and launched in January 2012. Every patient death is recorded on the MTS and tracked through the following processes: coding, consultant validation, mortality audit and review. Monthly reports will be provided to the Mortality Review Panel and quarterly to the Clinical Quality Safety and Patient Experience Board Committee.

### Rationale for inclusion

- Feedback from the Keogh Review in May 2013 indicated that the Trust should consider including mortality as a Quality Priority.
- The Keogh Review highlighted the importance of detailed and systematic case note review as the way forward in learning from hospital deaths and, therefore, the Trust needs to ensure that this is undertaken regularly in all specialities.

### Developments that occurred in 2014/15

The Trust has remained within the expected range for the most widely used risk adjusted mortality indicators Hospital Standardised Mortality Ratio (HSMR) and Summary Hospital-level Mortality Indicator (SHMI). It is, therefore, even more important the Trust develops its use of mortality ratios as an indicator to investigate specific areas and respond appropriately where care has not met our high standards. This year data from the Mortality Tracking System has been used to provide information for external assurance to Dudley Clinical Commissioning Group and the Care Quality Commission (CQC). Timely review of deaths is particularly important if the Trust receives mortality outlier alerts from external bodies. We have been able to demonstrate this year that we have current, peer reviewed, quantitative, as well as qualitative, data on all deaths in hospital.

The Mortality Tracking System used to capture and record this data, and on which the target is based was placed in the finals of the prestigious E- Health Insider Awards in October 2014.

> I would like to thank the surgeon and his team and all the wonderful nurses on ward B1... Thanks to the staff for all their helpfulness and cheerfulness each time I have had to contact them.

## Current status

The Trust achieved an average of 85.6 per cent of in-hospital deaths undergoing specialist multi-disciplinary review within 12 weeks for 2014/2015, meeting our target and greatly improving upon our position at the end of last year in which we only achieved 70.6 per cent. The details by speciality are below:

**Meeting 85% target**  **50% or above but below 85% target**  **Below 50%**

| Trust Overall | Quality Report 2013/14 | Year to Date |
|---|---|---|
| | 70.6% | 85.6% |

| | % audited within 12 weeks | | | | | % audited within 12 weeks | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | YTD* | | Q1 | Q2 | Q3 | YTD* |
| **Cardiology** | 88.9 | 93.3 | 73.3 | 88.7 | **Renal** | 69.2 | 88.2 | 61.5 | 88.2 |
| **Gastroenterology** | 0 | 68.4 | 88.9 | 74.6 | **Haematology** | 0 | 80 | 62.5 | 43.3 |
| **General Medicine** | 80.6 | 79.5 | 78.8 | 83.4 | **Oncology** | 33.3 | 0 | 0 | 29.7 |
| **Medical Assessment** | 91.7 | 96.7 | 87 | 92.3 | **Care of the Elderly** | 98.6 | 93.7 | 97.9 | 97.8 |
| **Orthogeriatrics** | 100 | N/A | 97.9 | 100 | **ENT** | 50 | N/A | .100 | 66.7 |
| **Rehabilitation** | 100 | 80 | 100 | 94.1 | **General Surgery** | 90.3 | 43.7 | 57.1 | 69.2 |
| **Respiratory** | 98.2 | 91.9 | 84.4 | 92.9 | **Urology** | 100 | 0 | 40 | 54.5 |
| **Stroke Medicine/Stroke Rehab** | 91.3 | 40 | 79.4 | 79.3 | **Vascular Surgery** | 58.3 | 81.8 | 81.8 | 82.7 |
| **Diabetes** | 100 | 100 | 100 | 100 | **T&O Rehabilitation** | 100 | 83.3 | 100 | 96.2 |
| **Endocrinology** | 100 | 100 | 50 | 88.2 | **Trauma and Orthopaedics** | 83.3 | 100 | 100 | 96 |
| **Neonate** | 50 | 100 | 50 | 77.8 | **Gynaecology** | N/A | 100 | 0 | 50 |
| **Plastic Surgery** | N/A | 100 | N/A | 100 | **Rheumatology** | N/A | N/A | 100 | 100 |

*Due to the 12 week target for completion of each audit, the full year position will not be available until 12 weeks after the end of the final quarter which will be 30/06/2015. The year to date calculation shows all audits of deaths in hospital completed within 12 weeks between 01/04/2014 and 31/03/2015 as available.*

## Mortality

Ensure that 90 per cent of in-hospital deaths available for review undergo specialist multidisciplinary review within 12 weeks by March 2016.

## Rationale for inclusion

- We believe that all specialities are able to improve beyond the current target of 85 per cent if those audits delayed as a result of issues beyond our control, such as cases referred to the coroner, are taken into account.
- The Trust maintains that timely case note review of deaths provides us with the best source of information regarding patients who died in hospital and the quality of care they received.
- The Trust will be able to respond more effectively internally to make appropriate changes where care falls below the standards we expect and externally to give assurance if as many in hospital deaths as possible are reviewed within 12 weeks.

**Developments planned for 2015/16**

- Escalated exception reports by specialty to divisional management through to directors
- Development of the Mortality Tracking System with other Trusts
- Additional End of Life Care Audit to be completed where appropriate as part of mortality audits

**Board sponsor:** Paul Harrison, Medical Director
**Operational lead:** Teekai Beach, Directorate Manager to Medical Director

## 2.2 Statements of assurance from the Board of Directors

## 2.2.1 Review of services

During 2014/15, The Dudley Group NHS Foundation Trust provided and/or sub-contracted 59 relevant health services. The Trust has reviewed all the data available to them on the quality of care in all of these relevant health services. The income generated by the relevant health services reviewed in 2014/15 represents 99.4 per cent of the total income generated from the provision of relevant health services by The Dudley Group NHS Foundation Trust for 2014/15.

The above reviews were undertaken in a number of ways. With regards to patient experience and safety, the Trust executive and non-executive directors continue to undertake Patient Safety Leadership Walkrounds (see section 3.3.2). Morbidity and mortality reviews are undertaken by the Chairman, Chief Executive and Medical Director. External input is provided by Dudley Clinical Commissioning Group (CCG). These occur on an 18-month rolling programme, covering all services. Each service presents information from a variety of sources including: internal audits, national audits, peer review visits, as well as activity and outcome data such as standardised mortality indicator figures.

We also monitor safety, clinical effectiveness and patient experience through a variety of other methods:

- Nursing Care Indicators; monthly audits of key nursing interventions and their documentation. The results are published, monitored and reported to the Board of Directors every other month (see section 3.3.4).

- Ongoing patient surveys that give a 'feel' for our patients' experiences in real time allow us to quickly identify any problems and correct them (see section 3.2.2).

- Every other month, senior medical staff attend the Board of Directors meeting to provide a report and presentation on performance and quality issues within their speciality areas.

- Every other month, a matron attends the Board of Directors meeting to provide a report and presentation on nursing and quality issues across the whole Trust.

- The Trust has an electronic dashboard of indicators for directors, senior managers and clinicians to monitor performance. The dashboard is essentially an online centre of vital information for staff.

- The Trust works with its local commissioners, scrutinising the Trust's quality of care at joint monthly Clinical Quality Review Meetings.

- External assessments, which included the following key ones this year:

  - In February 2015, Dudley Clinical Commissioning Group undertook an unannounced visit to the Trust's frail elderly services. The Trust has received a positive report and no actions are required.

- o In February 2015, an expert review of the Trust's radiological services was led by the ex-vice president of the Royal College of Radiologists. The conclusion of the review was that the Trust has an excellent department.

- o The Clinical Pathology Accreditation (CPA) (UK) Ltd, which was the longstanding body which approved laboratories, visited Haematology in October 2014 and Biochemistry in November 2014. Both maintained accredited status. Cellular Pathology and the Mortuary Services also had a very good inspection in March 2015 and maintained CPA accredited status. They will also be offered accreditation to ISO 15189:2012 Medical Laboratories – Requirements for Quality and Competence once some improvement actions are completed.

- o The Human Tissue Authority (HTA) inspected the Trust Mortuary Services in June 2014 and there was a successful outcome.

- o In January 2015, the Trust had a JACIE assessment (The Joint Accreditation Committee-ISCT [Europe] & EBMT) and was re-accredited for haematopoietic stem cell (HSC) transplantation. The re-accreditation panel highlighted a well-established quality management system.

- o In June 2014, NHS Quality Control North West visited the Trust's aseptic pharmacy unit and concluded that the unit continues to operate to a very high standard, with a well maintained and well documented quality system. The overall risk rating for the unit remains 'Low'.

- o The West Midlands Quality Review Service (WMQRS) visited the Trust on three occasions. In April 2014, the service reviewed our Frail Elderly Services from which no major issues of note were found and a number of improvements were implemented. In February 2015, a team reviewed Day Case Surgery and in the following month our services relating to Transfer of Care from Acute Hospital and Intermediate Care were reviewed. At the time of publishing we are still awaiting the final reports from these reviews.

- o With regards to education and training, the West Midlands Deanery undertakes a variety of checks on the education of doctors at the Trust. This year the Emergency Medicine services were visited in both May and September 2014. Following some initial concerns in May, the latest visit resulted in a commendation for the improvements made.

**Thank you to the doctor who showed me empathy and also the anaesthetist who took time out to discuss everything. Thank you for all information you gave in a professional manner.**

## 2.2.2 Participation in national clinical audits and confidential enquiries

During 2014/15, 32 national clinical audits and four national confidential enquiries covered relevant health services that the Trust provides. During that period, the Trust participated in 100 per cent of the national clinical audits and 100 per cent of the national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that the Trust was eligible to participate in, actually participated in, and for which data collection was completed during 2014/15, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

### Table 1

**National clinical audits that the Trust was eligible to participate in, actually participated in during 2014/15 and the percentage of the number of registered cases submitted by the terms of the audit**

| Name of Audit | Type of Care | Participation | Submitted % |
|---|---|---|---|
| ICNARC Case Mix Programme Database | Acute Care | Yes | 100% |
| Adult Community Acquired Pneumonia | Acute Care | Yes | 100% |
| National Emergency Laparotomy Audit | Acute Care | Yes | 100% |
| National Joint Registry | Acute Care | Yes | 96% |
| Pleural Procedures Audit | Acute Care | Yes | 100% |
| TARN Severe Trauma Audit | Acute Care | Yes | 51.1% |
| National Comparative Audit of Blood Transfusion: 2014 Survey of Red Cell Use | Blood & Transplant | Yes | 100% |
| National Comparative Audit of Blood Transfusion: 2014 Blood Use in Sickle Cell Anaemia | Blood & Transplant | Yes | 100% |
| National Bowel Cancer Audit Project | Cancer | Yes | 100% |
| Data for Head and Neck Oncology | Cancer | Yes | 100% |
| National Lung Cancer Audit | Cancer | Yes | 100% |
| National Oesophago-gastric Cancer Audit | Cancer | Yes | 100% |
| National Prostate Cancer Audit | Cancer | Yes | 100% |
| MINAP Acute Coronary Syndrome/Acute Myocardial Infarction Audit | Heart | Yes | 100% |

| Name of Audit | Type of Care | Participation | Submitted % |
|---|---|---|---|
| Cardiac Rhythm Management | Heart | Yes | 100% |
| National Cardiac Arrest Audit | Heart | Yes | 100% |
| National Heart Failure Audit | Heart | Yes | 76% to end Jan 2015 |
| National Vascular Registry | Heart | Yes | 96% |
| National Diabetes Foot Care Audit (NDFA) | Long-term Conditions | Yes | 100% |
| National Pregnancy in Diabetes Audit | Long-term Conditions | Yes | 100% |
| National Paediatric Diabetes Audit | Long-term Conditions | Yes | 100% |
| Inflammatory Bowel Disease Audit | Long-term Conditions | Yes | 100% |
| National Chronic Obstructive Pulmonary Disease Audit programme | Long-term Conditions | Yes | 100% |
| Renal Replacement Therapy (Renal Registry) | Long-term Conditions | Yes | 100% |
| Rheumatoid and Early Inflammatory Arthritis | Long-term Conditions | Yes | 100% |
| Mental Health (care in emergency departments) | Mental Health | Yes | 100% |
| Falls and Fragility Fractures Audit Programme | Older People | Yes | 100% |
| Sentinel Stroke National Audit Programme | Older People | Yes | 100% |
| Older people (care in emergency departments) | Older People | Yes | 100% |
| Elective Surgery (National PROMs Programme) | Other | Yes | 99% |
| Epilepsy 12 Audit (Childhood Epilepsy) | Women & Children's Health | Yes | 100% |
| Maternal, Newborn and Infant Clinical Outcome Review Programme | Women & Children's Health | Yes | 100% |
| National Neonatal Audit Programme | Women & Children's Health | Yes | 100% |
| Fitting Child (care in emergency departments) | Women & Children's Health | Yes | 100% |

## Table 2

**National confidential enquiries that the Trust was eligible to participate in and actually participated in during 2014/15 and the percentage of the number of registered cases required by the terms of the enquiry**

| Name of Audit | Type of Care | Participation | Submitted % |
|---|---|---|---|
| Tracheostomy Care | NCEPOD | Yes | 100% |
| Lower Limb Amputations | NCEPOD | Yes | 100% |
| Gastrointestinal Haemorrhage | NCEPOD | Yes | 100% |
| Sepsis | NCEPOD | Yes | Still in progress |

*NCEPOD: National Confidential Enquiry into Patient Outcome and Death*

As well as the national clinical audits in Table 1, from the officially recognised Healthcare Quality Partnership (HQIP) list, the Trust has also taken part in these further national audits:

## Table 3

**Additional National Clinical Audits that the Trust participated in during 2014/15**

| Name of Audit | Type of Care | Participation | Submitted % |
|---|---|---|---|
| National Postpartum Haemorrhage Audit | Obstetrics | Yes | 100% |
| First Sprint National Anaesthesia Project (SNAP-1) | Anaesthesia | Yes | 100% |
| BAUS National Nephrectomy Audit Database | Urology | Yes | 100% |

**In the Day Case Unit I was put at ease by the nurses. A further visit from the anaesthetist and the surgeon laid any further worries to rest. Following my surgery the aftercare throughout the rest of the day was excellent and reassuring.**

**The reports of the following 18 national clinical audits were reviewed in 2014/15:**

Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)
College of Emergency Medicine (CEM) Asthma in Children Audit
CEM Paracetamol Overdose Audit
CEM Severe Sepsis Audit
National Anaesthesia Sprint Audit Project (ASAP)
National Audit of Dementia
National Audit of Seizure management in Hospitals (NASH2)
National Bowel Cancer Audit
National Care of the Dying Audit for Hospitals (NCDAH)
National Chronic Obstructive Pulmonary Disease Audit Programme
National Diabetes Inpatient Audit (NaDIA)
National Emergency Laparotomy Audit (NELA)
National Joint Registry
National Lung Cancer Audit
National Oesophago-Gastric Cancer Audit
NCEPOD Lower Limb Amputation: working together
Sentinel Stroke National Audit Programme (SSNAP)
Trauma Audit Research Network (TARN)

From the above reviews, the Trust has taken or intends to take the following actions to improve the quality of healthcare provided:

**CEM Severe Sepsis Audit**
Audit outcome and recommendations identified for improved management of patients discussed and disseminated to all Emergency Department (ED) staff through the ED Governance Newsletter.

**National Care of the Dying Audit for Hospitals (NCDAH)**
Planned introduction of a Trust-wide local audit of care of the dying to be included on the annual mandatory audit programme. VOICES bereavement survey has been introduced with results reported to the Patient Experience Group. The End of Life (EOL) workstream is currently reviewing End of Life Care Guidelines working with community, primary care and hospice teams. The Trust's Chaplaincy Service is currently writing a strategy to identify adequate resource for the spiritual needs of the dying patient.

**National Audit of Seizure Management (NASH2)**
Subsequent recommendations for a sustained improvement include: the development of local guidelines, education of doctors in the assessment and management of epilepsy and introduction of regular departmental audits against NICE guidelines and NASH2 recommendations.

**National Anaesthesia Sprint Audit Project (ASAP)**
Pathway to be developed in conjunction with the trauma and orthopaedic speciality for provision of pre-operative femoral nerve blockade to all fracture neck of femur patients.

## Local clinical audit

The reports of 30 completed local clinical audits were reviewed in 2014/15 and the Trust has taken, or intends to take, the following actions to improve the quality of healthcare provided:

**Microbiology**
Review and further elaborate the section explaining notification in the meningitis element of the Trust's antimicrobial guidelines. The same is to be included in the meningitis section of the antimicrobial mobile phone app.

**Acute Medicine**
A senior review of patients in the afternoon with the junior doctor and/or nurse in charge is now routine practice, with a designated specialist registrar on the rota for the afternoon ward round. The Trust is holding a series of training sessions to raise awareness of encephalitis and its management and posters are now displayed in the relevant clinical areas. We will be re-auditing our performance in the future.

With regards to the Sepsis Six, re-audit has shown improved compliance to achieving this within one hour compared to the previous 2010 audit. We will continue education on the Sepsis Six pathway by including it in induction for all new junior doctors rotating to the Trust and encourage the use of the proforma. We will also set up a Trust-wide coordinating group to improve the identification and treatment of sepsis.

**Gastrointestinal Medicine**
A flow chart showing appropriate management and education on sigmoid volvulus will be rolled out to junior doctors in surgical teaching sessions.

A simple flowchart will be introduced, and available on the The Hub, the Trust's staff intranet, to highlight the indication of a proton-pump inhibitor (PPI) and the appropriate duration of treatment.

The department will introduce rectal administration of Nonsteroidal Anti-inflammatory Drug (NSAID) for all patients undergoing Endoscopic Retrograde Cholangiopancreatography (ERCP).

**Stroke Medicine**
It was recommended that all patients presenting with atrial fibrillation (AF) should be assessed for stroke risk using CHADS2/CHADVASC score and should be considered for anticoagulation if the bleeding risk is low using the HAS-BLED score, taking into account patients' preferences.

There is now a pathway to identify patients with acute ischaemic stroke undergoing intravenous thrombolysis at Russells Hall Hospital that may potentially benefit from thrombectomy which is performed at the Queen Elizabeth Hospital.

**Rheumatology**
A database has been created of patients receiving denosumab in hospital on which a serum calcium is recorded both before and after the injection.  A patient information

leaflet is now given at the time of injection on which the importance of monitoring serum calcium is highlighted. New Trust guidelines for Acute Hot Joint are currently awaiting ratification.

**Anaesthetics**
The Trust is now using the West Midlands palliative care document as our guidance on opioid conversion. A Standard Operating Procedure for anaesthetic pre-op clinic/CPET (Cardio Pulmonary Exercise Testing) clinic has been introduces and letters now go to all patients' GPs when anaemia is identified.

**Dietetics**
A new dysphagia menu has been devised and introduced to the Trust, giving patients a better variety of meals and texture to suit their needs.

**District Nursing**
For patients requiring IV therapy in the community, 8cm midlines will now be used for IV antibiotics of more than five days.

**Intensive Care Medicine**
A maximum dose has been added to the electronic prescription for propofol. This ensures that doses greater than 4mg/kg/hr cannot be prescribed and, therefore, given. An advisory has also been developed to prompt clinicians to look for features of propofol infusion syndrome and to consider alternative strategies for sedation.

**Paediatrics/Neonates Audit**
A simpler flow chart for therapeutic hypothermia has been introduced on the Neonatal Unit. We are ensuring strict adherence to the new therapeutic cooling and referral pathway to help better identify suitable patients for therapeutic hypothermia.

A new Paediatric Assessment Unit proforma with sections to record the date and time is now within the medical notes. Staff have also been reminded of the importance of documenting the time the patient is seen. A re-audit over a longer period of time will take place in the next audit year and will include a wider range of staff.



All staff very friendly and helpful. The procedure was carried out by my consultant who explained the procedure and put me at ease. Her and her staff were very reassuring and helped me relax.

**Obstetrics and Gynaecology**
Abdominal sacrocolpopexy patients are now pre-assessed to review appropriateness for laparoscopic surgery.

A programme for updated training sessions on infant feeding is now in place. The Specialist Midwife will now be contacted via bleep when required to attend the Children's Ward and a process is also now in place for staff on the Children's Ward to contact a Maternity Infant Feeding Assistant (MIFA) to provide support when required.

Midwifery staffing figures are submitted monthly and shortfalls are now monitored at the monthly manager meetings. A monthly report is presented at the manager meeting to outline the number of incidents in relation to staffing shortfalls and escalation within the Maternity Unit.

Lead midwives now complete a DATIX incident report if a community midwife is unable to support a home birth. Work will be done to further recruit and establish competence for four whole time equivalent support workers.

**Ophthalmology**
All new prescribers to the department now have a training meeting with a non-medical prescriber regarding prescription form completion and an annual presentation of findings at the doctors' audit meeting will take place.

**Pharmacy**
Access to all antimicrobial guidelines has been significantly improved with the introduction of the new mobile phone app. Both sets of guidelines are now constantly being updated, with memos sent out to highlight any significant changes.

Handy hints card have also been made for healthcare professionals, these include the sepsis criteria, signs of organ dysfunction, the Sepsis Six and the antibiotic guidelines for treating sepsis.

**Podiatric Surgery**
Bleeding risk and contraindications to compression stockings and dalteparin have all been incorporated into one deep vein thrombosis (DVT) assessment tool. This includes the blood test requirements as a tick list and the discussion of stopping hormone replacement therapy or the combined oral contraceptive pill as part of the DVT assessment process.

**Trauma & Orthopaedics**
A new proforma will now be used by the on-call post-take team and put in the notes or inpatient referral.

A proforma will be developed for patients needing an MRI scan for suspected Cauda Equina Syndrome.

## 2.2.3 Research and development

The number of patients receiving health services provided or sub-contracted by the Trust in 2014/15, that were recruited during that period to participate in research approved by a research ethics committee, was 1913.

Our performance data is reported nationally and a copy can be found on the Trust's website under Research and Development: www.dudleygroup.nhs.uk/research

In last year's Quality Report we predicted that dermatology and endocrinology would grow in importance in terms of research. In autumn 2014, the dermatology research team won a national prize for the success of their commercial work, recruiting to time and target and delivering high quality research data. Dermatology's commercial research income now provides sufficient funding for the Trust to have recruited a senior dermatology research nurse in May 2014. During the same period, more diabetes studies have started, with an equivalent increase in research nurse time.

This year's success story is the opening of several academic studies in the Stroke, Anaesthetics and Critical Care Departments. This has been made possible by successfully bidding for Clinical Research Network: West Midlands funding for additional research nurse time. The Trust is also participating in an important regional vascular surgery trial. Musculoskeletal clinical disciplines and cardiology continue to recruit well to commercial trials. The reorganisation of cancer services and increasing number of very selective, targeted treatment has reduced participation in oncology studies; commercial cancer studies are still undertaken.

The Trust continues to host several research fellows and PhD students from local universities. Two researchers based in rheumatology are currently writing up their doctoral theses.

Trust publications for the calendar year 2014, including conference posters, stand at 202, an increase of approximately 100 per cent on 2013, possibly due to improved methods of collecting and recording these publications.

In the field of haematology, the interim results of a recently closed multicentre Hodgkin's disease study have shown that the introduction of centrally funded PET (Positron Emission Tomography) scans for younger patients is an effective prognostic tool. Scan results indicate to clinicians when to escalate treatment, after which 75 per cent of the patients have improved, progression free survival.

Dudley dermatology patients' participation in clinical trials has helped to secure the UK marketing authorisation and NICE approval for the use of existing drugs to treat psoriasis.

## 2.2.4 Commissioning for Quality and Innovation (CQUIN) payment framework

**What are CQUINs and what do they mean for the Trust?**

The CQUIN payment framework was introduced in 2009 to make a proportion of providers' income conditional on demonstrating improvements in quality and innovation in specified areas of care. Whether the Trust receives its CQUIN payments is dependent on achieving certain quality measures.

This means that some of the Trust's income is conditional on achieving certain targets that are agreed between the Trust and our commissioners (Dudley Clinical Commissioning Group and NHS England).

A proportion of the Trust's income in 2014/15 was conditional upon achieving quality improvement and innovation goals agreed between the Trust and any person or body it entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation (CQUIN) payment framework. Further details of the agreed goals for 2014/15 and for the following 12 month period are available online at:

http://www.england.nhs.uk/nhs-standard-contract/

CQUIN is a quality increment that applies over and above the standard contract. The sum is variable based on 2.5 per cent of our activity outturn and conditional on achieving quality improvement and innovation goals.

The value of CQUIN in 2014/15 is £6.14m forming part of our contracts with clinical commissioning groups and specialised services commissioners. Each CQUIN scheme consists of one or more goals for achievement by agreed milestones. A total of 11 CQUIN schemes were agreed for 2014/15 with a combination of locally agreed goals and two schemes, Dementia and Friends and Family Test, which are nationally determined.

At the end of the financial year we have achieved, or it is forecasted that we will achieve, the majority of the indicators. Validation of data for pressure ulcer prevalence for Quarter 4 is still in progress but the indication given is that the target has been achieved. Similarly, Patient Safety Culture is anticipated to be achieved but the final quarter report still requires sign off by the commissioners.

Mitigating actions have been put in place to ensure the quality of care is improved in those areas where goals are partially achieved.

The 'Letters returned to the referring clinician' CQUIN scheme was reviewed in February 2015 as it was identified as unachievable for reasons outside the control of both the Trust and Dudley CCG.  A decision was reached to allocate the financial value associated with the this CQUIN proportionally across all remaining schemes.

The final settlement figure for 2014/15 has not yet been agreed as some targets, as indicated above, are contingent upon outstanding information and actions. However, for the purpose of the year-end accounts, we are assuming this will equate to an estimated 85 per cent, which is approximately £5.22m, based on secured and

expected income. In the previous financial year 2013/14, the final settlement figure based on achievement of CQUIN schemes was £5.1m.

The CQUINs for 2014/15 have been rated on a RAG (red/amber/green) basis dependent on achievement to date as detailed in the tables below:

## CQUINs 2014/15

### Acute and community 2014/15

| Goal No. | CQUIN targets and topics | Quality domains and RAG rating |
|---|---|---|
| 1 | Friends and Family Test (6 parts) | Patient experience |
| 2 | Dementia and Delirium (3 parts) | Patient experience<br>Safety/Effectiveness |
| 3 | NHS Safety Thermometer – Pressure Ulcers (Acute and Community) | Safety/Effectiveness<br>Patient experience |
| 4 | Culture of Learning | Safety/Effectiveness<br>Patient experience |
| 5 | Safeguarding | Safety |
| 6 | Patient Experience for Learning Disability Patients | Patient experience |
| 7 | Letters returning to the referring clinician* | Effectiveness |
| 8 | Patient Safety Culture | Safety/Effectiveness |

*See explanation in text above

### Specialised services 2014/15

| Goal No. | CQUIN targets and topics | Quality domains and RAG rating |
|---|---|---|
| 1 | Friends and Family Test (6 parts) | Patient Experience |
| 2 | Dementia and Delirium (3 parts) | Patient Experience<br>Safety/Effectiveness |
| 3 | Quality Dashboards | Safety/Effectiveness |
| 4 | Renal Dialysis – Shared Haemodialysis Care | Patient Experience<br>Effectiveness |
| 5 | Neonatal Intensive Care – Total Parenteral Nutrition | Safety/Effectiveness |

**Key**    Achieved = [green]    Partially Achieved = [amber]

**Throughout my trips to visit the Ophthalmology Department I was always treated with the utmost care and dignity by all of the nurses and staff, who always had a smile and a kind word for you no matter how busy they were.**

## CQUINs 2015/16

In 2015/16, the amount the Trust is able to earn is 2.5 per cent on top of the actual outturn value. The estimated value of this is approximately £6.3m.

### Acute and community 2015/16

| Goal No. | CQUIN targets and topics | Quality domains |
|---|---|---|
| 1 | Physical Health: Acute Kidney Injury | Safety Effectiveness |
| 2 | Physical Health: Sepsis | Safety Effectiveness |
| 3 | Mental Health: Dementia | Patient Experience Effectiveness |
| 4 | Urgent and Emergency Care - Improving recording of diagnosis in A&E | Safety Effectiveness |
| 5 | Wellbeing of frequent service users | Effectiveness |
| 6 | Cancer Survivorship | Patient Experience Effectiveness |
| 7 | Discharge summary letters | Effectiveness |
| 8 | Advanced Nurse Practitioner development | Safety Effectiveness |

### Specialised services 2015/16

| Goal No. | CQUIN targets and topics | Quality domains |
|---|---|---|
| 1 | HIV: Reducing unnecessary CD4 monitoring | Safety Effectiveness |
| 2 | Renal: EGFR monitoring system | Effectiveness |
| 3 | Right Care Right Place: improved outpatient new to follow-up rates | Effectiveness |

## 2.2.5 Care Quality Commission (CQC) registration and reviews

The Dudley Group NHS Foundation Trust is required to register with the Care Quality Commission (CQC) and its current registration status is registered without conditions.

The Care Quality Commission has not taken enforcement action against the Trust during 2014/15. The Trust has not participated in any special reviews or investigations by the Care Quality Commission during the reporting period. On the 26th and 27th March 2014 a team from the CQC inspected the Trust and also returned on a number of unannounced visits in the following two weeks. Both a summary and full report of that inspection has been published and is available from www.cqc.org.uk/provider/RNA

The Trust was rated 'Good' in 30 out of the 38 core services inspected. The majority of the group categories (five out of eight) received an overall rating of 'Good'. Despite this, the overall rating for the Trust was 'Requires Improvement' (see below):

### Our ratings for Russells Hall Hospital (including Corbett and Dudley Guest)

| | Safe | Effective | Caring | Responsive | Well-led | Overall |
|---|---|---|---|---|---|---|
| Accident and emergency | Good | Not rated | Good | Requires improvement | Requires improvement | Requires improvement |
| Medical care | Good | Good | Good | Good | Good | Good |
| Surgery | Good | Good | Good | Good | Good | Good |
| Critical care | Requires improvement | Good | Good | Requires improvement | Good | Requires improvement |
| Maternity & family planning | Requires improvement | Good | Good | Good | Requires improvement | Requires improvement |
| Children & young people | Good | Good | Good | Good | Good | Good |
| End of life care | Requires improvement | Good | Good | Good | Good | Good |
| Outpatients | Good | Not rated | Good | Requires improvement | Good | Good |
| Overall | Requires improvement | Good | Good | Requires improvement | Requires improvement | Requires improvement |

### Our ratings for Dudley Group NHS Foundation Trust

| | Safe | Effective | Caring | Responsive | Well-led | Overall |
|---|---|---|---|---|---|---|
| Overall trust | Requires improvement | Good | Good | Requires improvement | Good | Requires improvement |

#### Notes

1. We are currently not confident that we are collecting sufficient evidence to rate effectiveness for both Accident & Emergency and Outpatients.

2. The rating for overall trust for the well-led key question is different for the rating for well-led for the location. This reflects the inspection team's view of strong leadership from the executive team, trust board and the chief executive.

Chief Inspector of Hospitals, Professor Sir Mike Richards, believes we are not far off achieving an overall 'Good' rating and has confidence that we are addressing the issues highlighted by the inspection.

He noted the following key findings:

- The Trust's staff are seen as highly caring by many of the patients spoken to and staff were praised for 'going the extra mile'.
- The Trust's leadership team is seen as highly effective by staff; and is recognised to be clearly in touch with the experience of patients and the work of the staff.
- Staff value The Dudley Group as a place to work and a team spirit is clearly evident.
- The Trust has responded well to the Keogh Review in 2013.
- There are a number of areas of good practice in the Trust, which should be encouraged. Staff feel able to develop their own ideas and have confidence that the Trust will support them.
- The Emergency Department (A&E) is busy and overstretched. There remains challenges in the flow of patients, but much of this relates to flow across the rest of the hospital. Only a small proportion relates to the Emergency Department itself.
- The Trust does not always follow its own policy in relation to DNACPR (do not attempt resuscitation) notices.
- The ophthalmology clinics require review to ensure that all patients are followed up as required and that there is capacity for these clinics.
- The Trust must review its capacity in phlebotomy clinics as this is seen as insufficient.

The Trust has already taken action to improve many areas of concern, including:

- Phlebotomy (blood testing) provision has been expanded to offer more choice about where and when patients can have a blood test. Patients can now have a blood test at one of our hospital or outpatient sites Monday to Friday, 8am until 7.30pm, as well 8am until 10am on Saturday morning.
- Awareness raising across all staff regarding the correct process for DNACPR. A recent audit of documentation shows that the recording of such decisions has improved.

## 2.2.6 Quality of data

The Trust submitted records during 2014/15 to the Secondary Uses Service (SUS) for inclusion in the Hospital Episode Statistics (HES) which are included in the latest published data.

**The percentage of records in the published data which included the patient's valid NHS number**

|  | The Dudley Group | National average |
|---|---|---|
| **Admitted patient care** | 99.8% | 99.1% |
| **Outpatient care** | 99.8% | 99.3% |
| **Accident and Emergency care** | 99.0% | 95.1% |

**The percentage of records in the published data which included the patient's valid General Practitioner Registration Code**

|  | The Dudley Group | National average |
|---|---|---|
| **Admitted patient care** | 100% | 99.9% |
| **Outpatient care** | 100% | 99.9% |
| **Accident and Emergency care** | 100% | 99.2% |

*All above Trust figures are for April 2014 to Feb 2015 with national figures to Dec 2014*

The Trust's Information Governance Assessment Report overall score for 2014/15 was 78 per cent and was graded 'Green'.

The Trust was not subject to the Payment by Results clinical coding audit during 2014/15 by the Audit Commission.

During 2014/15, the Trust has been required to report one data protection incident to the Information Commissioner's Office, when a letter sent out to a patient had further letters attached to it in error.

The Trust will be taking the following actions to improve data quality:

To continually emphasise the importance of information governance, the Trust's mandatory eLearning training programme on the topic has been further supported by face-to-face training sessions which are more accessible to a wider Trust audience.

To reinforce the training the Trust's Caldicott Guardian who leads on confidentiality and safeguarding is championing an Information Governance Lesson of the Week bulletin on the Trust's intranet – the Hub – which will inform staff of best practice and lessons learnt.

## 2.2.7 Core set of mandatory indicators

All trusts are required to include comparative information and data on a core set of nationally-used indicators. The tables include the two most recent sets of nationally-published comparative data as well as, where available, more up-to-date Trust figures. It should be appreciated that some of the 'Highest' and 'Lowest' performing trusts may not be directly comparable to an acute general hospital, for example, specialist eye or orthopaedic hospitals have very specific patient groups and so generally do not include emergency patients or those with multiple long-term conditions.

| Mortality | | | |
|---|---|---|---|
| **Topic and detailed indicators** | **Immediate reporting period: Jul 2013 – June 2014** | **Previous reporting period: Apr 2013 – March 2014** | **Statements** |
| **Summary Hospital-level Mortality Indicator (SHMI) value and banding** | **Value** Trust 1.04 National average 1 Highest 1.20 Lowest 0.54 **Banding** Trust 2 National average 2 Highest 1 Lowest 3 | **Value** Trust 1.07 National average 1 Highest 1.20 Lowest 0.54 **Banding** Trust 2 National average 2 Highest 1 Lowest 3 | The Trust considers that this data is as described for the following reasons: • The Trust is pleased to note that the Trust's SHMI values are within the expected range The Trust has taken the following action to improve this indicator and so the quality of its services by: • Continuing to improve reviews of all mortality (see new Quality Priority). There is evidence that the Trust's SHMI is reducing |
| **Percentage of patient deaths with palliative care coded at either diagnosis or specialty level (Context indicator)** | Trust 27.1% National average 24.95% Highest 49% Lowest 7.4% | Trust 26.2% National Average 23.94% Highest 48.5% Lowest 6.4% | The Trust considers that this data is as described for the following reasons: • There is a very robust system in place to check accuracy of palliative care coding The Trust has taken the following actions to improve this percentage, and so the quality of its services by: • Ensuring this percentage will always be accurate and reflect actual palliative care. |

| Patient Reported Outcome Measures (PROMS) | | | | |
| --- | --- | --- | --- | --- |
| **Topic and detailed indicators** | **Immediate reporting period: 2013/14 Provisional** | | **Previous reporting period: 2012/13 Final** | **Statements** |
| **Groin Hernia Surgery** | Trust | 0.04 | Trust | 0.07 | The Trust considers that this data is as described for the following reasons: |
| | National average | 0.09 | National average | 0.09 | |
| | Highest | 0.14 | Highest | 0.15 | |
| | Lowest | 0.01 | Lowest | 0.01 | |
| **Varicose Vein Surgery** | Trust | 0.03 | Trust | 0.05 | |
| | National average | 0.09 | National average | 0.09 | |
| | Highest | 0.15 | Highest | 0.18 | |
| | Lowest | 0.02 | Lowest | 0.01 | |
| **Hip Replacement Surgery** | Trust | 0.41 | Trust | 0.44 | |
| | National average | 0.44 | National average | 0.44 | |
| | Highest | 0.55 | Highest | 0.54 | |
| | Lowest | 0.34 | Lowest | 0.32 | |
| **Knee Replacement Surgery** | Trust | 0.31 | Trust | 0.32 | |
| | National average | 0.32 | National average | 0.32 | |
| | Highest | 0.42 | Highest | 0.42 | |
| | Lowest | 0.22 | Lowest | 0.21 | |

Statements column content:

The Trust considers that this data is as described for the following reasons:

- using feedback data (from HSCIC) we are very pleased with the outcomes that patient report. Patients who said that their problems are better now when compared to before their operation:
- Groin hernia: 95% *(national = 94%),*
- Hip replacement: 98% *(national = 95%),*
- Knee replacement: 88% *(national = 89%),*
- Varicose veins: 93% *(national = 89%)*

The Trust has taken the following actions to improve these scores, and so the quality of its services by:

- ensuring the Trust regularly monitors and audits the pre and postoperative healthcare of all patients. Surgical operative outcomes are consistently of high quality and safety, with excellent patient satisfaction for these procedures.

*In the above table the higher the score, the higher the average patient health gain*

| Readmissions | | | | |
|---|---|---|---|---|
| **Topic and detailed indicators** | **Immediate reporting period: 2011/12** | | **Previous reporting period: 2010/11** | **Statements** |
| **% readmitted within 28 days**<br><br>**Aged 0-15** | Trust | 9.09 | Trust | 9.34 | The Trust considers that this data is as described for the following reasons:<br><br>• since the national published figures (see across) are historical, we have looked at our latest locally available (pre-published) data. This indicates recent improvements (Aged 16 and over: 2012/13 10.2%, 2013/14 9.9%) (Age 0-15: 2012/13 10.3%, 2013/14 9.7%)<br><br>The Trust intends to take the following actions to improve this percentage, and so the quality of its services by:<br><br>• undertaking a review of the model of care that supports seven day services<br>• further improving discharge processes<br>• investing into community teams to support the concept of care closer to home<br>• supporting the development of a discharge to assess model with community partners |
| | National average | 10.15 | National average | 10.15 | |
| | Highest | NA* | Highest | NA* | |
| | Lowest | NA* | Lowest | NA* | |
| **% readmitted within 28 days**<br><br>**Aged 16 and over** | Trust | 11.62 | Trust | 11.55 | |
| | National average | 11.45 | National average | 11.42 | |
| | Highest | NA* | Highest | NA* | |
| | Lowest | NA* | Lowest | NA* | |

*comparative figures not available*

| Responsiveness to inpatients' personal needs | | | | |
|---|---|---|---|---|
| **Topic and detailed indicators** | **Immediate reporting period: 2013/14** | | **Previous reporting period: 2012/13** | **Statements** |
| **Average score from a selection of questions from the National Inpatient Survey measuring patient experience**<br><br>**(Score out of 100)** | Trust | 66.5 | Trust | 64.9 | The Trust considers that this data is as described for the following reasons:<br><br>• the Trust notes that it is only slightly lower than the national average and is making year on year improvements,<br><br>The Trust intends to take the following actions to improve this score, and so the quality of its services by:<br><br>• ensuring the Trust continues to ask these questions as part of the real-time surveys, and ensure actions are taken through the 'You said we did' plans and monitor performance and seek assurance on progress through the Patient Experience Group |
| | National average | 68.7 | National average | 68.1 | |
| | Highest | 84.2 | Highest | 84.2 | |
| | Lowest | 54.4 | Lowest | 57.4 | |

| Staff views | | | |
|---|---|---|---|
| **Topic and detailed indicators** | **Immediate reporting period: 2014** | **Previous reporting period: 2013** | **Statements** |
| **Percentage of staff who would recommend the Trust to friends or family needing care** | Trust 72% | Trust 66% | The Trust considers that this data is as described for the following reasons:<br><br>• the Trust is pleased to see an increase in the percentage of staff who would recommend the Trust as a place to receive treatment.<br><br>The Trust intends to take/has taken the following actions to improve this percentage, and so the quality of its services by: |
| | National average 67% | National average 64% | |
| | Highest 89% | Highest 89% | • multidisciplinary groups focusing on action planning for improvements.<br>• communicating with and supporting managers to understand their data broken down by division and area and take actions where necessary.<br>• involving and communicating with staff though adopting the Listening in Action programme. This has covered a wide range of topics and new areas are being agreed for 2015/16. |
| | Lowest 38% | Lowest 40% | |

| Venous Thromboembolism (VTE) | | | |
|---|---|---|---|
| **Topic and detailed indicators** | **Immediate reporting period:<br>Q3 Oct – Dec 2014** | **Previous reporting period:<br>Q2 Jul - Sep 2014** | **Statements** |
| **Percentage of admitted patients risk-assessed for Venous Thromboembolism** | Trust 95% | Trust 95.2% | The Trust considers that this data is as described for the following reasons:<br><br>• the Trust is pleased to note that it is similar to the national average in undertaking these risk assessments.<br><br>The Trust intends to take the following actions to improve this percentage, and so the quality of its services by: |
| | National average 96% | National average 96% | |
| | Highest 100% | Highest 100% | • continuing the educational sessions with each junior doctor intake<br>• continuing with a variety of promotional activities to staff and patients |
| | Lowest 81% | Lowest 86.4% | |

## Infection control

| Topic and detailed indicators | Immediate reporting period: 2013/14 | | Previous reporting period: 2012/13 | | Statements |
|---|---|---|---|---|---|
| **Rate of Clostridium difficile per 100,000 bed days amongst patients aged 2 or over** | Trust | 19.3 | Trust | 23.9 | The Trust considers that this data is as described for the following reasons:<br><br>• the Trust acknowledges it needs to improve its rate and has done so in 2014/12 having had 38 cases, compared to 43 the previous year (see page 19), making the most recent (pre-published) rate 17.3<br><br>The Trust intends to take/has taken the following actions to improve this rate, and so the quality of its services by: |
| | National average | 14.7 | National average | 17.3 | • the process for reviewing individual C. diff cases is continuing and has developed further to enable particular themes to be identified |
| | Highest | 37.1 | Highest | 30.6 | • The antimicrobial guidelines are functioning well on the smart phone app and this has enabled guidelines to be updated easily. Recently the CCG has undertaken to adopt this method of publication for their primary care prescribing guidelines |
| | Lowest | 0 | Lowest | 0 | • Treatment protocols for c. diff continue to be updated to ensure they reflect current evidence-based practice. |

## Clinical incidents

| Topic and detailed indicators | Immediate reporting period: Apr 2014 – Sept 2014 | | Previous reporting period: Oct 2013 – Mar 2014 | | Statements |
|---|---|---|---|---|---|
| **Rate of patient safety incidents**<br><br>**(incidents reported per 1000 bed days)**<br><br>**(Comparison is with 140 acute Trusts)** | Trust | 41.93 (number 5022) | Trust | 44.6 (number 5495) | The Trust considers that this data is as described for the following reasons:<br><br>• as organisations that report more incidents usually have a better and more effective safety culture, the Trust is pleased to note it has higher than average reporting rates and its severe incidents are less than the national average. |
| | Average | 35.9 | Average | 33.3 | |
| | Highest | 74.96 | Highest | 74.9 | |
| | Lowest | 0.24 | Lowest | 5.8 | The Trust has taken the following actions to improve this rate and the numbers and percentages, and so the quality of its services by: |
| **Percentage of patient safety incidents resulting in severe harm or death** | Trust | 0% (number 0) | Trust | <0.1% (number 3) | • continual raising of awareness of what constitutes as an incident and how to report and continual improvement of quality investigations and learning using improved report templates. |
| | National average | 0.5% | National average | 0.7% | |

# Part 3: Other quality information

## 3.1 Introduction

The Trust has a number Key Performance Indicator (KPI) reports which are available and used by a variety of staff groups to monitor quality on a day-to-day basis. The main repository for the reporting of the Trust's key performance measures is a web based dashboard, which is available to all senior managers and clinicians and currently contains over 130 measures, grouped under the headings of Quality, Performance, Workforce and Finance.

In addition, constant monitoring of a variety of aspects of quality of care include weekly reports sent to senior managers and clinicians which include the Emergency Department, Referral to Treatment and stroke and cancer targets. Monthly reports which include a breakdown of performance by ward based on Nursing Care Indicators, ward utilisation, adverse incidents, governance and workforce indicators, and patient experience scores are also sent to all wards. In becoming more transparent, each ward now displays its quality comparative data on a large information board (Patient Safety Huddle Boards) for staff, patients and their visitors.

To compare ourselves against other trusts, we use Healthcare Evaluation Data (HED) – a leading UK provider of comparative healthcare information – as a business intelligence monitoring tool.

The following three sections of this report provide an overview, with both statistics and examples, of the quality of care at the Trust, using the three elements of quality as outlined in the initial Chief Executive's statement:

### Patient Experience
Does the Trust provide a clean, friendly environment in which patients are satisfied with the personal care and treatment they receive?

### Patient Safety
Are patients safe in our hands?

### Clinical Effectiveness
Do patients receive a good standard of clinical care?

The fourth section includes general quality measures which have remained the same for 2014/15 as the Board of Directors and our stakeholders believe these take into consideration both national and local targets which will be important to patients and give a further perspective of the Trust's quality of care.

> A1 ward is exceptional on all levels... All of the staff and I mean every single one of them are brilliant! Caring, kind, considerate I could go on and on. No one wants to be in hospital but this ward and team make it so much better. Thank you so much all of you.

# Patient Experience

## 3.2 Does the Trust provide a clean, friendly environment in which patients are satisfied with the personal care and treatment they receive?

### 3.2.1 Introduction

The Trust values and welcomes all feedback to help us ensure we meet the needs and expectations of our patients, their families and carers, our staff and our stakeholders. As a Foundation Trust we are also legally obliged to take into consideration the views of our members as expressed through our Council of Governors.

### 3.2.2 Trust-wide initiatives

We gather feedback in a number of ways, including:

- The Friends and Family Test (FFT)
- Real-time surveys (face-to-face surveys)
- NHS Choices/Patient Opinion (online)
- National surveys
- Comment cards
- Complaints, concerns and compliments
- Patient Safety Leadership Walkrounds
- Targeted surveys on specific topics such as food and bereavement

Below are some examples of the quantity of feedback we received during the year (2014/15) and more detailed information about some of the methods. These methods alone highlight more than 21,000 opportunities for us to listen to our patients' views.

| Method | Total |
|---|---|
| FFT – Inpatient | 7,179 |
| FFT – Emergency Department | 10,096 |
| FFT – Maternity | 3,500 |
| FFT – Community | 594* |
| FFT – Day Case | 1,277* |
| FFT – Outpatients | 1,672* |
| Mystery patient programme | 87 |

| Method | Total |
|---|---|
| Real-time surveys – inpatient | 1,479 |
| NHS Choices/Patient Opinion | 278 |
| Community Services surveys | 1,103 |
| Surveys of carers of people with dementia | 141 |
| Discharge surveys | 212 |
| Bereavement Surveys | 154 |
| National surveys | 748 |

*To qualify for CQUIN payment (see page 39) we chose to implement the FFT in outpatients, community and day case early. The total responses for these areas will therefore differ from those reported to NHS England.*

## a) Real-time surveys

During 2014/15, 1,479 patients participated in our real-time surveys. Real-time surveys work well alongside the Friends and Family Test and the results of these surveys are reported in a combined report to wards and specialties, allowing them to use important feedback from patients in a timely manner. The data from these surveys also allows us to react quickly to any issues and to use patient views in our service improvement planning.

## b) Patient stories

The continued use of patient stories at Board of Directors meetings during 2014/15 enables the patient voice to be heard at the highest level. Stories have been heard at Board of Directors meetings and used for service development planning and training purposes.

## c) Friends and Family Test (FFT)

All inpatient and Emergency Department providers in the UK were required to participate in the Friends and Family Test from 1st April 2013 (the Trust introduced inpatient FFT in April 2012) with maternity services starting in October 2013, and further roll out into community, day case and outpatient areas during 2014/15. Results are published on NHS Choices as: normal, better or worse than others. Friends and Family Test scores are also displayed in our wards/departments and updated monthly for patients to see on 'huddle boards'.

- The test asks patients to answer a simple question "How likely are you to recommend (the particular service or department) to friends and family if they needed similar care or treatment?" with answers ranging from extremely likely to extremely unlikely.

- This is followed up with a question asking "Was there anything that could be improved?"

Thank you for caring enough to think about what I would need after my appointment with you, finding information that I could use to seek further support, to get me through a very difficult time.
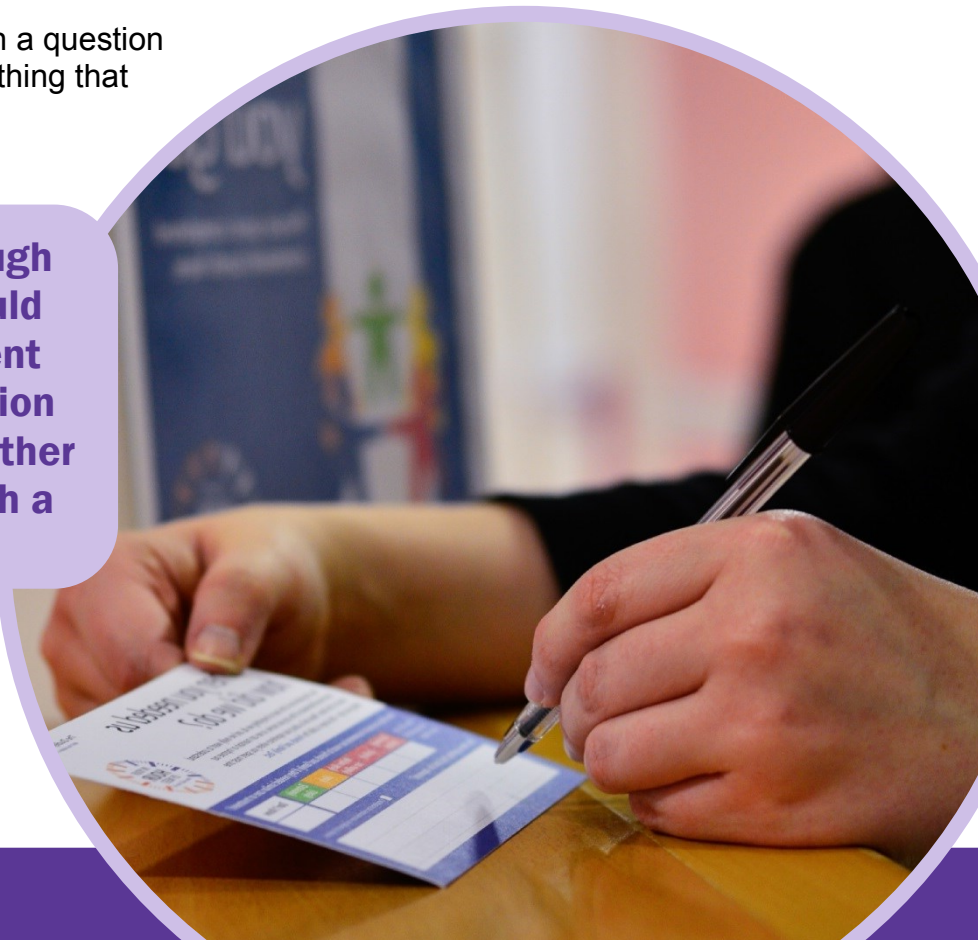
This table shows our FFT scores for 2014/15 which indicates, for the majority of months, the Trust was above the national average and a high scorer in the Black Country region. For inpatients and maternity postnatal (community) we are proud to be above the national average for the whole year:

| Inpatients | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Jan-15 | Jan-15 | Feb-15 | Mar-15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sandwell & West Birmingham | 74 | 74 | 70 | 73 | 76 | 95 | 96 | 96 | 94 | 94 | 95 | 96 |
| Dudley Group | 82 | 86 | 85 | 81 | 82 | 96 | 96 | 97 | 97 | 97 | 98 | 98 |
| Royal Wolverhampton | 74 | 75 | 80 | 74 | 72 | 89 | 93 | 92 | 94 | 94 | 90 | 86 |
| Walsall | 68 | 68 | 72 | 71 | 70 | 87 | 92 | 94 | 96 | 96 | 93 | 95 |
| National average | 74 | 74 | 74 | 74 | 74 | 93 | 94 | 95 | 94 | 94 | 95 | 95 |

| Accident & Emergency | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 | Jan-15 | Feb-15 | Mar-15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sandwell & West Birmingham | 32 | 49 | 48 | 47 | 49 | 78 | 79 | 79 | 79 | 78 | 78 | 82 |
| Dudley Group | 64 | 53 | 57 | 70 | 71 | 84 | 85 | 88 | 75 | 94 | 91 | 92 |
| Royal Wolverhampton | 74 | 52 | 52 | 47 | 52 | 80 | 82 | 83 | 81 | 85 | 85 | 83 |
| Walsall | 52 | 49 | 54 | 45 | 46 | 92 | 90 | 94 | 92 | 90 | 86 | 86 |
| National average | 55 | 54 | 53 | 53 | 57 | 86 | 87 | 87 | 86 | 88 | 88 | 87 |

| Maternity Antenatal | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 | Jan-15 | Feb-15 | Mar-15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sandwell & West Birmingham | | 67 | 55 | 45 | | 90 | 78 | 63 | 83 | | | |
| Dudley Group | 64 | 80 | 78 | 79 | 66 | 97 | 98 | 97 | 100 | 98 | 99 | 100 |
| Royal Wolverhampton | 71 | 82 | 60 | 75 | 40 | 100 | | | | | 80 | |
| Walsall | 31 | 40 | 40 | 39 | 50 | 70 | 92 | 90 | 93 | | 86 | 96 |
| National average | 65 | 67 | 67 | 62 | 66 | 95 | 95 | 96 | 96 | 95 | 95 | 95 |

| Maternity Birth | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 | Jan-15 | Feb-15 | Mar-15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sandwell & West Birmingham | 60 | 33 | 64 | 100 | | | | | | | | |
| Dudley Group | 62 | 85 | 83 | 90 | 94 | 100 | 98 | 100 | 99 | 99 | 97 | 99 |
| Royal Wolverhampton | 72 | 91 | 98 | 100 | 97 | 100 | 100 | 100 | 100 | 100 | 100 | 99 |
| Walsall | 79 | 76 | 90 | 85 | 88 | 97 | 87 | 96 | 100 | 98 | 100 | 100 |
| National average | 76 | 77 | 77 | 77 | 77 | 95 | 95 | 97 | 97 | 97 | 97 | 97 |

| Maternity Postnatal Ward | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 | Jan-15 | Feb-15 | Mar-15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sandwell & West Birmingham | 57 | 62 | 61 | 68 | 58 | 94 | 94 | 97 | 96 | 95 | 98 | 92 |
| Dudley Group | 57 | 85 | 79 | 87 | 94 | 100 | 98 | 100 | 98 | 99 | 99 | 99 |
| Royal Wolverhampton | 66 | 95 | 75 | 55 | 81 | 100 | 96 | 91 | 91 | 88 | 88 | 81 |
| Walsall | 63 | 74 | 73 | 74 | 68 | 90 | 95 | 94 | 98 | 98 | 97 | 98 |
| National average | 64 | 65 | 67 | 65 | 65 | 91 | 91 | 93 | 93 | 93 | 93 | 98 |

| Maternity Postnatal Community | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 | Jan-15 | Feb-15 | Mar-15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sandwell & West Birmingham | | | 70 | 71 | | 100 | 99 | 92 | 98 | 84 | 96 | 97 |
| Dudley Group | 86 | 90 | 85 | 85 | 85 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Royal Wolverhampton | 67 | 70 | 100 | | | | 100 | 98 | | 94 | 92 | 100 |
| Walsall | 90 | 76 | 91 | 67 | 74 | 95 | 97 | 100 | 97 | 100 | 97 | 100 |
| National average | 77 | 77 | 77 | 75 | 76 | 96 | 96 | 97 | 98 | 97 | 98 | 98 |

*The national scoring for FFT changed in September 2014 to be a percentage instead of a net promoter score.*

*Any gaps in data are a result of not enough responses - less than 5 and the data is not displayed.*

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## 3.2.3 National survey results

In 2014/15, the results of three national patient surveys were published: inpatients, cancer and emergency department.

Participants for all national surveys are selected against the sampling guidance issued. For the national surveys, 850 patients were selected to receive a survey from the sample months indicated in the table below:

| Survey name | Survey sample month | Trust response rate | National Average response rate |
|---|---|---|---|
| 2014 Cancer Patient Experience | Sept – Nov 2013 | 62% | 64% |
| 2014 A&E | Jan - Mar 2014 | 33% | 34% |
| 2014 Adult inpatient | June - Aug 2014 | 47% | 47% |
| *2014 Children's and Young Peoples Inpatient* | *July – Aug 2014* | *Not yet available\** | *Not yet available\** |
| 2014 Neonatal: wave two | Apr – Sept 2014 | 37.4% | 37.6% |

*Response rate and national comparators published by the CQC not available at time of publication.

## What the results of the surveys told us

**2014 Cancer Patient Experience**
We were delighted by the news that we were the most improved trust in England for cancer patient experience in the National Cancer Patient Experience Survey out of 153 trusts that took part.

We always strive to offer our patients the best possible experience whilst in our care, and this fantastic achievement is testament to the hard work of our specialist cancer teams over the past year. Our teams have been working hard with Macmillan Cancer Support over the past few years to make improvements to patient experience and it is rewarding to see this work recognised.

Compared to 2013 results:
- 53 questions out of 62 show an improved score from previous year
- four questions score same as previous year
- five questions show a slightly worse score

Areas where improvements could be made:
- Provision of information on getting financial help and the impact cancer can have on work and education
- Patients being given a choice of treatments and being more involved in decision making
- Patients being advised of the Cancer Clinical Nurse Specialist (CNS) in charge of their care

**2014 A&E survey**

The survey asks questions covering 34 different sections including: arrival at emergency department, doctors, nurses, care and treatment, tests and overall experience. In six out of the 34 sections the Trust was worse than other trusts nationally with all other sections being about the same as other emergency departments.

Areas where improvements could be made:
- Waiting times
- Access to food and drink in the department
- Being told what warning signals to look out for once returned home

**2014 Adult inpatient survey**

The national survey results are published in comparison with all trusts nationally and uses an analysis technique called the 'expected range' to determine whether the Trust has performed 'about the same', 'better' or 'worse' than others.

The 2014 survey told us that we are 'about the same' in all eleven section scores:
- the Emergency Department
- waiting list and planned admissions
- waiting to get to a bed on a ward
- the hospital and ward
- doctors
- nurses
- care and treatment
- operations and procedures
- leaving hospital
- overall views and experiences
- overall experience

Areas where improvements could be made:
- Inpatient meals
- Communication of what to expect during an operation or procedure

**2014 Neonatal survey**

The Trust chose to take part in the national neonatal survey which asked 43 questions covering the seven following areas:
- Before your baby was born
- Your baby's admission to neonatal care
- Staff on the neonatal unit
- Your involvement in your baby's care
- Environment and facilities
- Information and support for parents
- Leaving the neonatal unit

For the majority of questions, the Trust was on a par with the national average.

Areas where improvements could be made:
- Better written information for parents
- Better communication between staff and parents
- More support for breastfeeding mothers

> I wanted to write and say a huge thank you to all the staff on ward C5 at Russells Hall Hospital, my nan was here for the last three weeks of her life and we wouldn't have gotten better treatment if she had been in a private hospital.

We use feedback from national and local surveys to improve patient experience. Below are some examples of actions taken as a result of patient feedback:

| Inpatients | |
|---|---|
| **You Said** | **We Did / Doing** |
| More information about ward routines in needed | Welcome to the ward booklets are given to all new patients. A new system has also been put in place to ensure all transferred patients receive a copy of the ward booklet. |
| Better information about discharge processes is needed | All discharge information is being updated and ward clerks have received training on how to access this information. Additional training of ward staff has taken place and a new patient information leaflet has been launched to support the launch of *Home for Lunch*. |
| Improved information about waiting for surgery is needed | Letters to patients have been reviewed to now include advice that even though they may be called to their appointment early in the day, they may not be seen in order of arrival. The day room on ward B2 has been comfortably furnished. Patients now receive a phone call the day before their planned surgery when they are advised to bring in reading materials or a hobby activity to undertake should they need to wait. |

| Cancer | |
|---|---|
| **You Said** | **We Did / Doing** |
| More information is needed around getting financial help | We are working with the Dudley Citizens Advice Bureau and Macmillan Cancer Support, to help patients to identify and claim benefits they are entitled to. |
| More information about treatments and options is needed | We are reviewing and improving our information. We have also purchased some information stands to improve the availability of cancer information. |
| I do not know who my Cancer Clinical Nurse Specialist (CNS) is | Additional information will be produced and made available for all patients explaining the CNS/key worker role |

| Emergency Department | |
|---|---|
| **You Said** | **We Did / Doing** |
| Reduce ambulance handover times | To help reduce the length of time taken to hand over patients to ED from ambulances, we have had a staff nurse and clinical support worker on the ambulance triage team since June 2014. Their work is supported by a Hospital Ambulance Liaison Officer (HALO) from WMAS to ensure timely hand over of care even at times of high demand. |
| Ensure effective communication between patients, their families and GPs | We aim to ensure all staff involved in an patient's care communicate with one another to avoid contradictions. We have regular patient review meetings with all staff involved in the care of a patient and have introduced a more robust handover procedure. All staff are now aware of safe discharge procedures including assessing the home/family situation. Any patient with issues in these areas are referred to our welfare nurse or the IMPACT team. Advice leaflets containing information about who to contact after discharge are given to patients, as well as a discharge letter to give to their GP. |

# 3.2.4 Examples of specific patient experience initiatives

## a) Meeting the needs of patients with learning disabilities

The Trust launched its Learning Disability Strategy in March 2014. The key principle behind the strategy is to ensure that all staff listen to and provide care and treatment appropriately and effectively to people with learning disabilities. One of the practical ways this is demonstrated is by holding patient meetings where people with learning disabilities and their carers are invited to attend. They are an opportunity for this group of patients and their carers to express their hospital experiences and have an input into our patient experience surveys such as the Friends and Family Test, enabling their views to be included in any improvements that need to be made and the future planning of hospital services. The meetings have been well attended, with people talking about what did and didn't work when they used the hospital.

A health toolkit, developed by Keele University, has also been launched at the Trust to support communication with and gain feedback from patients when they and their carers use our services. Whilst the toolkit is designed for patients with a learning disability, it is also hugely beneficial to use with patients living with dementia, and with those for whom English is not their first language.

**All staff were extremely responsive to all of the learning disability nurse's suggestions ensuring our time at Russells Hall was stress free. Please continue this wonderful and very necessary service.**

## b) Macmillan Link Nurse

In November 2014 the Trust's Macmillan Palliative Care Educator won a prestigious Macmillan Excellence Award for her inspirational work supporting healthcare professionals to deliver high quality palliative care for people affected by cancer in Dudley. The award was for improving the coordination and integration of services across the borough which has improved the experiences and outcomes of people affected by cancer.

The Palliative Care Educator has trained and educated more than 70 healthcare professionals across Dudley to become Palliative Care Champions, who then share their new skills and expertise with their colleagues to ensure a high standard of care for patients.

The post has made a huge difference to patients as the support given has helped to give existing staff more confidence. Staff now feel more comfortable having difficult, but important, conversations with patients and carers and are better skilled to support their colleagues, both clinical and non-clinical, to understand how to give the best possible care at the end of life.

## c) Food Improvements

As part of our commitment to improve nutrition and hydration, we are introducing a new *Chosen by Patients* menu. We asked patients which dishes they enjoyed on our current menu and what they would like to see offered in the future. Using this information, our dietitians created a new menu that we are now trialling on four of our wards.

Patients on our Medical High Dependency Unit (MHDU) and general surgery, respiratory and children's wards are given a choice of meals from our new menu at lunch and dinner and, during an initial trial period, were asked to give us their feedback.

The feedback we received on the new menu from patients, staff and governors has helped us develop a new menu which we hope will improve patients' experiences of food. Since trialling the new menus, we have received overwhelmingly positive feedback from patients. Just a few of the comments we have received so far include:

- "I was absolutely grateful for the amount and how fabulous the meals have been. Perfect – five star!"
- "Quite a varied menu – a definite improvement on my last visit to hospital."
- "Excellent to have a menu choice, especially same day prior to serving."

We also recruited 73 Nutrition Support Volunteers in September 2014 to help patients with their nutrition and hydration needs. The volunteers provide mealtime assistance by making drinks, helping with feeding, assisting with menu selection, encouraging eating and drinking and changing drinking water for patients. To make sure our patients receive the very best care and support during their stay, Nutrition Support Volunteers receive in-depth training provided by our nursing staff, dietitians and speech and language therapists.
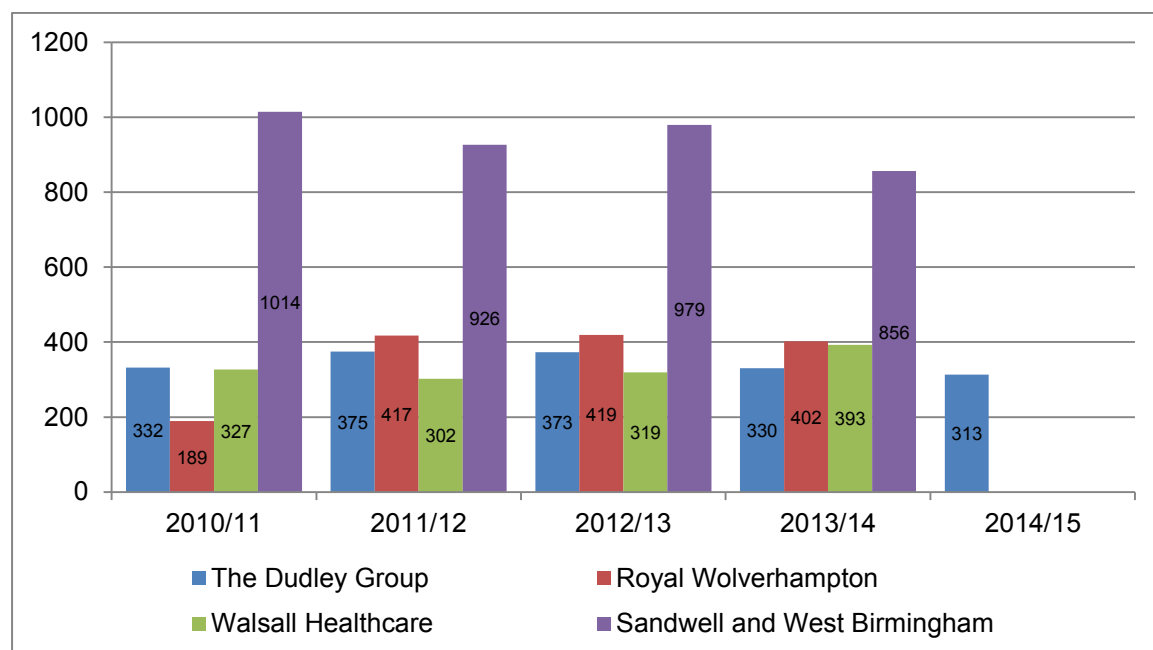
# 3.2.5 Complaints, concerns and compliments

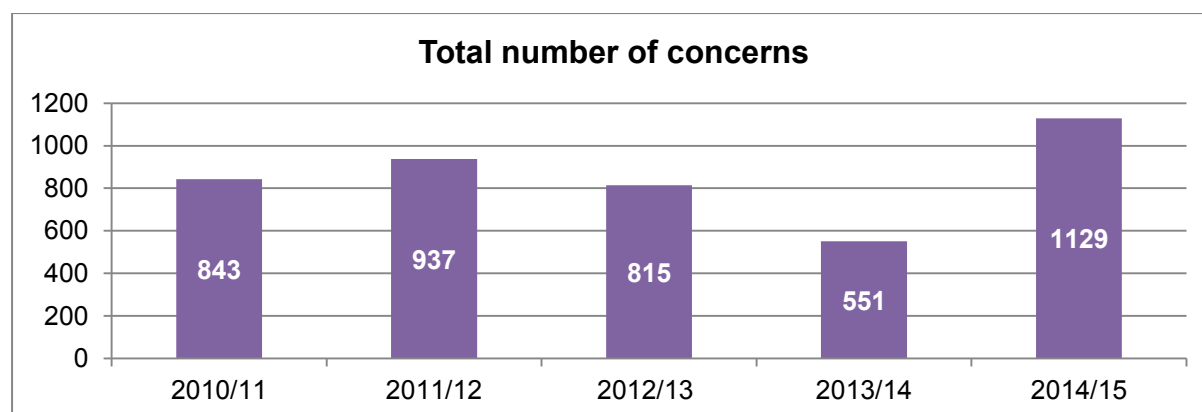## a) Total number of complaints, PALS concerns and compliments

**Complaints**
The graph below shows the total number of complaints received by the Trust over a number a years, alongside how we compare to neighbouring trusts. It can be seen that the number of complaints at the Trust has been reducing for the past four years.



Legend:
- ■ The Dudley Group
- ■ Royal Wolverhampton
- ■ Walsall Healthcare
- ■ Sandwell and West Birmingham

**Concerns**
The graph below shows the total number of concerns raised with the Patient Advice and Liaison Service (PALS). The number of PALS concerns has increased since last year; however, over the last five years, the number of concerns has fluctuated.

During 2014/15, the PALS team was re-established as a separate team to the Complaints Department, although it still retains strong links to ensure patients receive a seamless service. This change explains the difference in PALS figures from last year with 2013/14 seeing a decrease due to a different method of recording concerns during that period.



Total number of concerns

**Compliments**
The graph below shows the total number of compliments received during the year compared with previous years.

The Trust introduced an improved system of recording the number of compliments received in 2013/14 and so this will account for some of the large increase this year. It is very pleasing to see how many patients take the time to tell us of their good experiences, with 7,555 compliments in 2014/15.
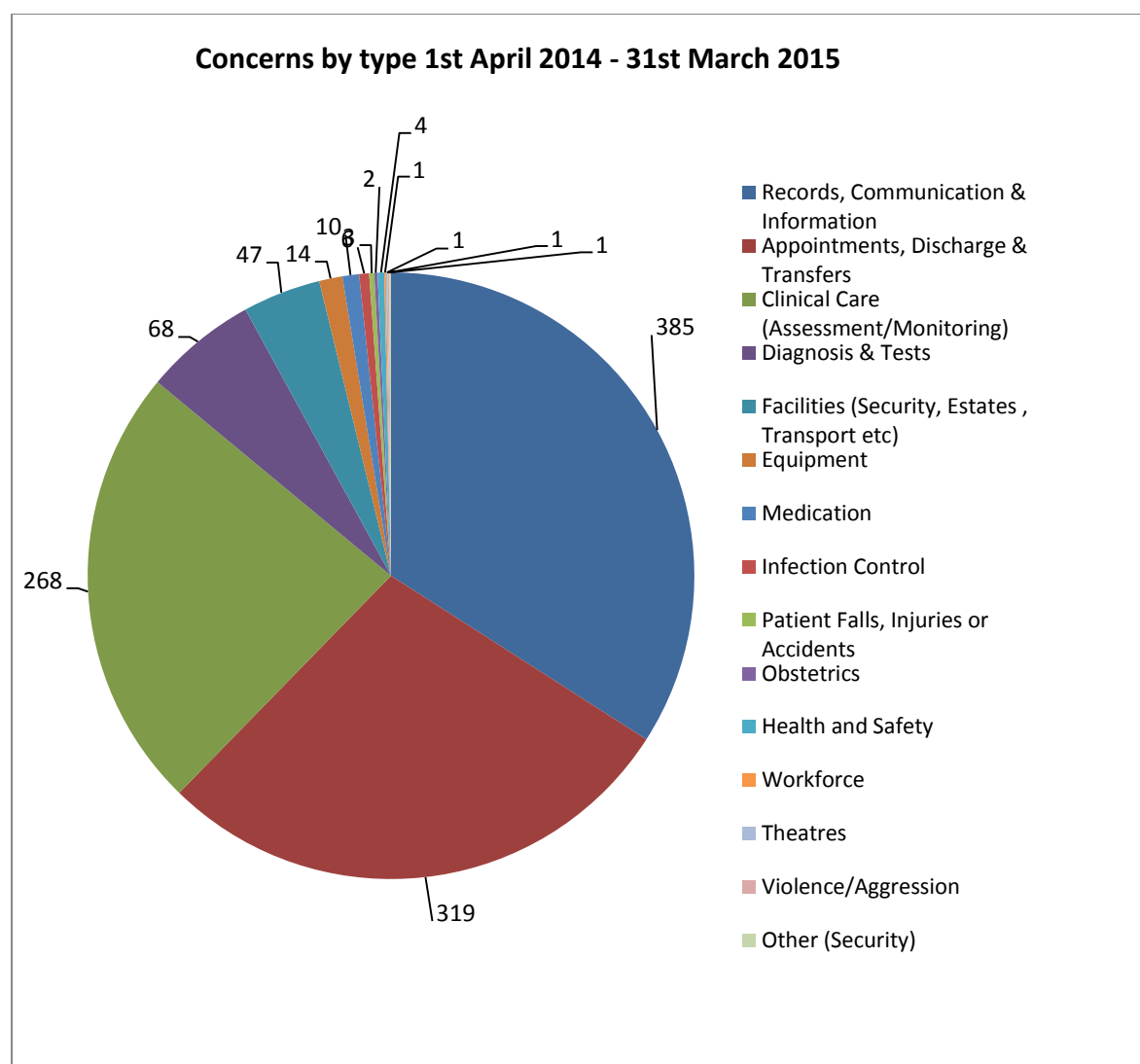
**Total number of compliments**

| Year | Compliments |
|---|---|
| 2010/11 | 757 |
| 2011/12 | 544 |
| 2012/13 | 1111 |
| 2013/14 | 2108 |
| 2014/15 | 7555 |
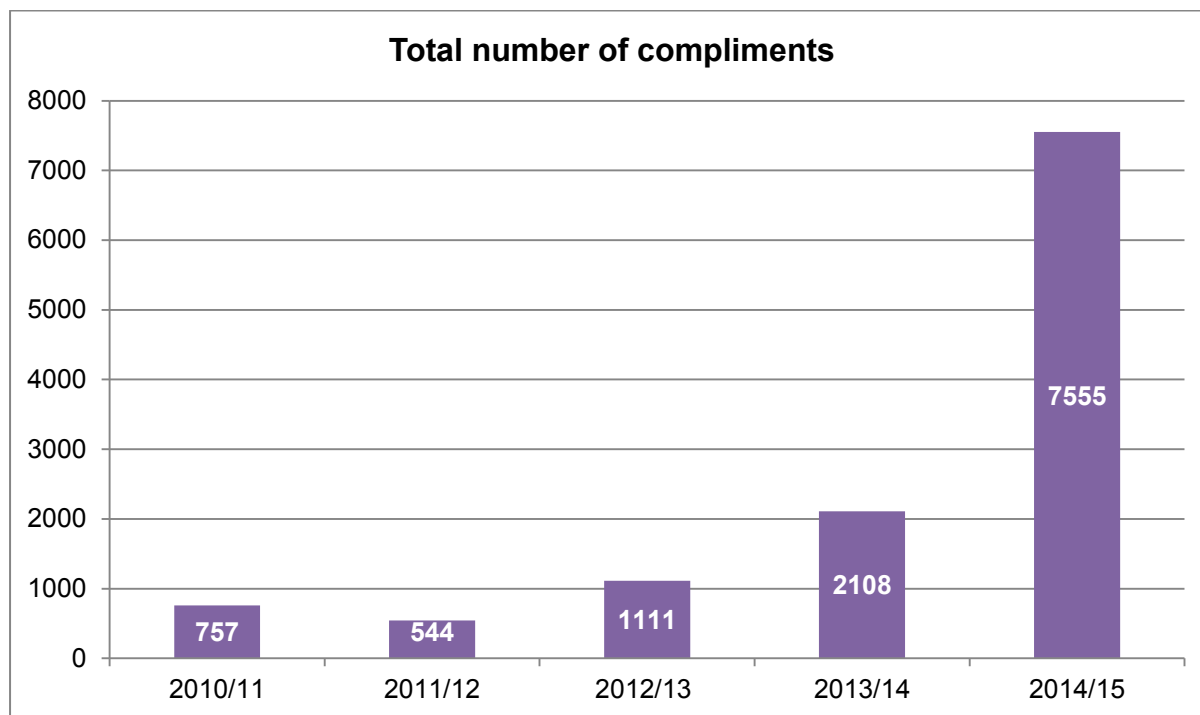
## b) Types of complaints and PALS concerns throughout the year

The pie charts below show the types of complaints and concerns received during the year

Although there has been a fall in the overall number of complaints, the types of complaints we receive remain similar from year to year, reflecting the importance that patients place on effective and timely treatment from caring staff, with good communication skills. Some examples of actions taken and changes in practice following complaints and concerns are listed in section d).



**Complaints by type 1st April 2014 - 31st March 2015**

Legend:
- Clinical Care (Assessment/Monitoring)
- Diagnosis & Tests
- Appointments, Discharge & Transfers
- Staff Attitude
- Records, Communication & Information
- Medication
- Obstetrics
- Privacy and Dignity
- Patient Falls, Injuries or Accidents
- Theatres
- Equipment
- District Nursing Care
- Other (Workforce, Facilities, H & S etc
- Pressure Sores
- Violence and Aggression
- Safeguarding

Values shown on chart: 134, 56, 33, 20, 17, 13, 12, 6, 5, 4, 4, 2, 2, 2, 1, 2

Like complaint categories, the types of concerns raised remain similar year on year, reflecting the importance patients place on records, communication and information, closely followed by appointments, discharge and transfers. These top concerns are consistent with the types of comments made through other patient feedback methods.

**Concerns by type 1st April 2014 - 31st March 2015**



Legend:
- Records, Communication & Information
- Appointments, Discharge & Transfers
- Clinical Care (Assessment/Monitoring)
- Diagnosis & Tests
- Facilities (Security, Estates , Transport etc)
- Equipment
- Medication
- Infection Control
- Patient Falls, Injuries or Accidents
- Obstetrics
- Health and Safety
- Workforce
- Theatres
- Violence/Aggression
- Other (Security)

## c) Percentage of complaints against activity

The table below shows the percentage of complaints against total patient activity for each quarter in 2014/15 and for the year as a whole. As can be seen from the table, the percentage of complaints against activity has remained low and the same as 2013/14.

| Activity | Total for 2013/14 | Total Q1 ending 30/6/14 | Total Q2 ending 30/9/14 | Total Q3 ending 31/12/14 | Total Q4 ending 31/3/15 | Total for 2014/15 |
|---|---|---|---|---|---|---|
| Total patient activity | 734,239 | 181,132 | 187,117 | 184,687 | 183,574 | **736,510** |
| Complaints against activity | 0.04% | 0.03% | 0.05% | 0.03% | 0.05% | **0.04%** |

**d) Examples of actions taken and changes in practice made in response to complaints and concerns**

| Type of complaint or concern | Example of actions taken | Examples of changes in practice |
|---|---|---|
| Clinical Care, Diagnosis and Tests | • Initial X-ray examination performed was reviewed by a senior radiologist and even with the benefit of hindsight a stress fracture diagnosed some weeks later was not visible on the X-ray. A delay in diagnosing the fracture was acknowledged but explanation provided regarding difficulty diagnosing such fractures on initial X-rays.<br><br>•Consultant met with patient and explained results of tests in some detail, which patient was happy with.<br><br>• Consultants discussed question of use of compression stockings after aortic aneurysm surgery with team to ensure they are aware why compression stockings are not used after this type of surgery.<br><br>• Staff reminded to inform parents when tests are sent to specialist hospitals, which might delay results being received.<br><br>• Staff encouraged to use calculators to calculate drug dosages rather than mobile telephones as using these can give a poor impression.<br><br>• Deputy matron recruited to older people's mental health team to implement and train new patient support team. | • A business case to increase urology medical staffing establishment was approved and an additional consultant, registrar grade and Senior House Officer grade doctors were appointed.<br><br>• Mattress use paperwork reviewed and updated to include instruction to users to treat the chart as a guide only and use it in conjunction with other decision making processes.<br><br>• All patients with a moisture lesion or red area on their skin are now placed on a two hourly skin assessment.<br><br>• Wellbeing Workers introduced.<br><br>• Mattresses on trolleys upgraded to provide pressure relief.<br><br>• Electronic handovers introduced to ensure all information is available for both day and night staff.<br><br>• Senior nurses now available during visiting hours to meet with relatives.<br><br>• Two care workers released from night duties to act as 'floating' staff to ensure buzzers are answered within 30-second target.<br><br>• Paediatric leaflets reviewed to highlight clinic structure.<br><br>• Experienced care workers allocated to work with qualified staff at front triage and in ambulance triage area.<br><br>• Patient flow co-ordinator introduced to aid qualified staff in monitoring patient waiting times. |

| Type of complaint | Example of actions taken | Examples of changes in practice |
|---|---|---|
| Records and Communication | • Advised patient he needed to be seen in clinic before going to theatre for procedure.<br><br>• Staff asked to ensure patients understand what they have been told and to use non-clinical terminology.<br><br>• Trust's newsletter contains information for GPs, particularly relating to ED attendances<br><br>• A number of senior nursing staff have visited Mary Stevens Hospice to discuss care for the terminal patient. More nursing staff will go in future and this will be rolled out to other wards, including elderly care wards. | • Huddle boards introduced to improve staff communication.<br><br>• Communication folder introduced to enable patients and families to raise questions and request meetings if staff not immediately available.<br><br>• Letter of attendance formulated and available at reception for patients who require proof of attendance.<br><br>• Patients with rapid access clinic appointments now receive a telephone call as well as a letter to confirm receipt of appointment.<br><br>• Leaflet provided by reception staff when patients present following GP referral. |
| Obstetrics | • Telephone operators given emergency numbers for all local areas and these are readily available for pregnant women who contact the hospital.<br><br>• Matron met with midwife concerned and asked her to reflect on contents of complaint letter, her behaviour towards her patient during her admission and to consider how improvements to her practice and approach can be made to prevent a recurrence.<br><br>• Consultant reiterated to junior medical staff during meetings and teaching sessions the importance of good communication and of ensuring all patients are provided with full and easily understood explanations during consultations.<br><br>• Reinforced with staff they should continue to emphasise all risks associated with procedure and continue to give written information. | • Reviewed information leaflet and statistics, post advice leaflet, service guideline (which is based on best national recommendations and practice.<br><br>• Developed a letter that parents can give to doctors when attending ED departments.<br><br>• Implemented access to the appropriate member of staff for advice for a number of hours following the clinic session ending.<br><br>• Parents given information on SANDS (a stillbirth and neonatal death charity) who offer emotional support for parents who have suffered the loss of a baby.<br><br>• Patients now provided with a comfort pack, blankets and pillows following admission from the day assessment unit. |

## 3.2.6 Patient-led Assessments of the Care Environment (PLACE)

Patient-led Assessments of the Care Environment (PLACE) is the new system for assessing the quality of the hospital inpatient environment which replaced Patient Environment Action Team (PEAT) inspections from April 2013.

All trusts are required to undertake these inspections annually to a prescribed timescale. Patient assessors make up at least 50 per cent of the assessment team with the remainder being Trust and Summit Healthcare Staff.

The inspection covers ward and non-ward areas to assess:
- Cleanliness
- The condition of the buildings and fixtures (inside and out)
- How well the building meets the needs of those who use it, e.g. signage
- The quality and availability of food and drinks
- How well the environment protects people's privacy and dignity

|  | Cleanliness | Food & Hydration | Privacy, Dignity & Wellbeing | Condition, Appearance & Maintenance |
|---|---|---|---|---|
| **2014 scores** | **99.69%** | **84.28%*** | **90.96%*** | **97.04%** |
| **2014 national average** | 97.25% | 89.79% | 87.73% | 91.97% |
| **2013 scores** | 97.87% | 78.36%* | 90.92%* | 90.46% |
| **Variance from national average** | ▲ +2.44% | ▼ -5.51% | ▲ +3.23% | ▲ +5.07% |
| **Variance from 2013 scores** | ▲ +1.82% | ▲ +5.92% | ▲ +0.04% | ▲ +6.58% |

*Due to changes in the assessment methodology and scoring, the 2014 results for Food and Hydration and Privacy, Dignity and Wellbeing are not directly comparable to the 2013 results.*

We were delighted that we scored higher than the national average in three of the four above topics and all of our scores have improved on our own 2013/14 scores.

> Big thumbs up to everyone one on ward C8. Thank you so much for your kindness, expertise and for going above and beyond the call of duty.

## 3.2.7 Single-sex accommodation

We are compliant with the government's requirement to eliminate mixed-sex accommodation. Sharing with members of the opposite sex only occurs when clinically necessary (for example where patients need specialist equipment such as in the Critical Care Unit), or when patients actively choose to share (for instance in the Renal Dialysis Unit).  During the year the Trust has not reported any breaches of same-sex accommodation.

As part of our real-time survey programme, patient perception is also measured by asking patients whether they shared a room or bay with members of the opposite sex when they were admitted to hospital. Of the 1,211 patients who responded to this question, 59 (less than five per cent) had the perception that they shared a room/bay with members of the opposite sex was. This excludes emergency areas.

## 3.2.8 Patient experience measures

| | Actual 2008/09 | Actual 2009/10 | Actual 2010/11 | Actual 2011/12 | Actual 2012/13 | Actual 2013/14 | Actual 2014/15 | Comparison with other trusts 2014 |
|---|---|---|---|---|---|---|---|---|
| Patients who agreed that the hospital room or ward was clean | 87% | 87% | 88% | 8.7 | 8.8 | 9.0 | **8.9** | **7.9-9.7*** |
| Patients who would rate their overall care highly** | 79% | 76% | 74% | 7.4 | | | | **7.2-9.2*** |
| Rating of overall experience of care (on a scale of 1-10)** | | | | | 7.6 | 7.7 | **7.8** | |
| Patients who felt they were treated with dignity and respect | 89% | 86% | 86% | 8.6 | 8.7 | 8.6 | **8.7** | **8.2-9.8*** |

*The above data is from national inpatient surveys conducted for CQC.*

*Scores were initially expressed as percentages but from 2011 scores are reported out of 10 (previously this table was compiled from raw data scores).*

*\* National range lowest to highest score.*

*\*\*The way this question was asked changed in 2011/12 and so figures are not directly comparable.*

# Patient Safety

## 3.3 Are patients safe in our hands?

## 3.3.1 Introduction

The Trust ensures the safety of its patients is a main priority in a number of ways, from the quality of the training staff receive, to the standard of equipment purchased. This section includes some examples of the preventative action the Trust takes to help keep patients safe and what is done on those occasions when things do not go to plan.

## 3.3.2 Patient Safety Leadership Walrounds

All wards, therapy and community departments are visited throughout the year by a team consisting of, as a minimum, an executive director, a non-executive director, a governor and a scribe from the governance team.

The team observes practice by being shown around the ward or department by a member of staff who also provides a verbal summary of the ward activity, specialty and ways of working. The team then meets informally with staff to discuss any issues of concern related to patient safety, while governors talk to patients about their experiences of the care they are receiving. A report and action plan is produced to address areas of concern identified. Some actions taken from these visits include:

- New seating has been purchased for Genitourinary medicine (GUM) outpatient area.
- A new intercom system has been fitted for patients attending the Renal Dialysis Unit out of hours. The reception desk is not manned and ward staff were unaware patients were waiting outside trying to gain access. The system allows ward staff to open doors remotely. The Renal Dialysis Unit has extended its service hours to include late evening sessions.
- Coaxial TV aerials have been pinned back to the walls to reduce the risk of trips.
- Following a service review, regular meetings were scheduled with the Trust's non-emergency patient transport providers Ambuline. The service provides transport for patients attending clinics, outpatients or those being discharged. Previously reported delays and extended patient waits for transport have improved following the introduction of these meetings. From 1st April 2015 the Trust's non-emergency patient transport is to be provided by NSL. We hope to continue these meetings with our new provider in the coming year.
- Repairs were made to seating in the Cardiology Unit.
- A dedicated triage area has been developed on our oncology ward, C4.
- A rehabilitation chair has been introduced into critical care. This will enable ventilated patients to be sat out of bed. In addition, new dignity screens have been fitted in our Surgical High Dependency Unit to allow for greater privacy and dignity.
- A new central console monitoring unit has been purchased for the Coronary Care Unit which is currently waiting installation. It will provide the latest high specification monitoring of cardiac patients within the department.
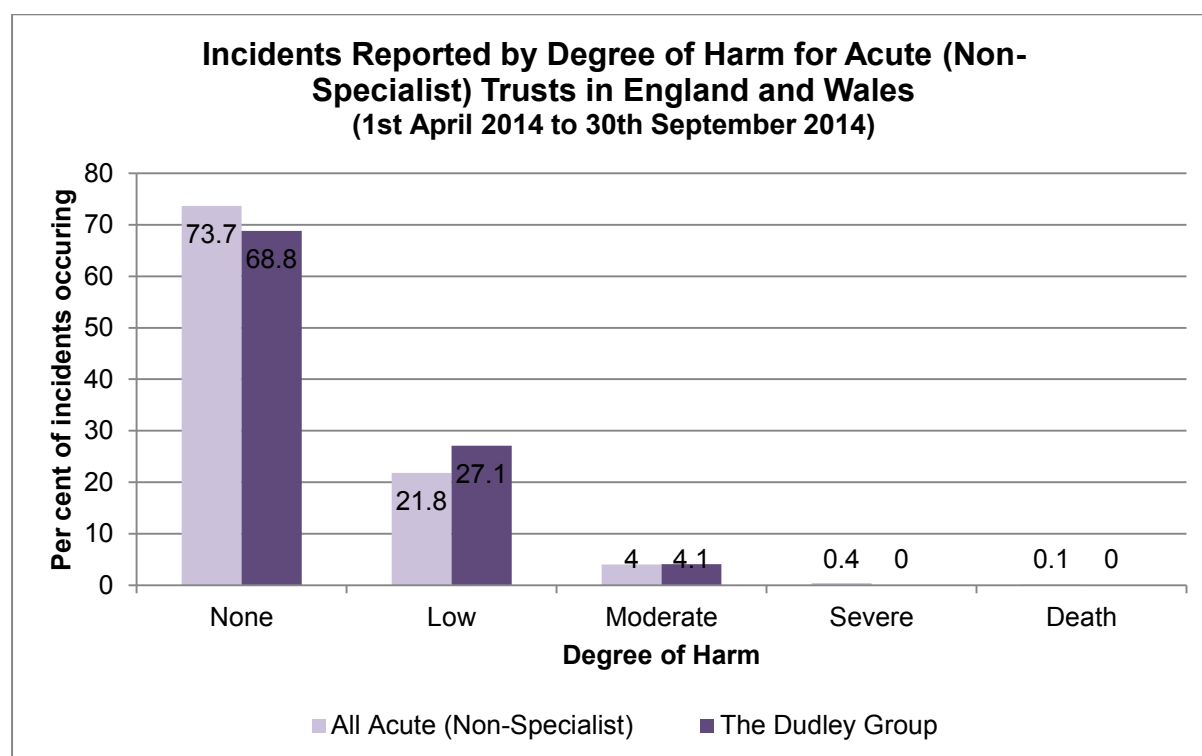
## 3.3.3 Incident management

The Trust actively encourages its staff to report incidents believing that, to improve safety, it first needs to know what problems exist. This reflects the National Patient Safety Organisation which has stated:

*"Organisations that report more incidents usually have a better and more effective safety culture. You can't learn and improve if you don't know what the problems are."*

The latest national comparative figures available are for the period 1st April 2014 to 30th September 2014. Organisations are compared against other acute (non-specialist) trusts. The Trust is the 28th highest reporter of all incidents of the 140 acute (non-specialist) trusts.

With regards to the impact of the reported incidents, it can be seen from the graph below (for the same period stated above) that the Trust reports a similar proportion of incidents to comparable trusts. Nationally, across all medium-sized acute trusts, 73.7 per cent of incidents are reported as no harm (the Trust reported 68.8 per cent) and 0.5 per cent as severe harm or death (the Trust reported 0 per cent).

**Incidents Reported by Degree of Harm for Acute (Non-Specialist) Trusts in England and Wales**
**(1st April 2014 to 30th September 2014)**

| Degree of Harm | All Acute (Non-Specialist) | The Dudley Group |
|---|---|---|
| None | 73.7 | 68.8 |
| Low | 21.8 | 27.1 |
| Moderate | 4 | 4.1 |
| Severe | 0.4 | 0 |
| Death | 0.1 | 0 |

During the 2014/15 financial year, the Trust has had one Never Event (a special class of serious incident that are generally preventable) which resulted in no patient harm. It had 268 serious incidents*, all of which underwent an internal investigation and, when relevant, action plans were initiated and changes made to practice

*Serious incidents are a nationally-agreed set of incidents which may not necessarily have resulted from error but need investigating to check the circumstances of their occurrence*

Some examples of changes made to practice in response to the above incidents have been:

- Introduction of the Sign and Stamp initiative which requires all medication prescribers to stamp/print their name as well as sign so that the identity of the prescriber is clear
- Review and re-launch of the Think Glucose training programme to ensure staff on wards that do not commonly look after patients with diabetes are aware of their responsibilities when caring for such patients
- Identification of an alternative supplier of bariatric equipment
- Full review of neonatal resuscitation guidelines
- Development of a pre- and post-procedure checklist (adapted WHO Surgical Safety Checklist process) for all invasive procedures, however minor, to be used across the whole organisation to ensure increased patient safety
- Implementation of a double checking system for any procedures when a guide wire is used to have assurance of complete removal of the wire
- Introduction of an additional validation check  before releasing pathology results
- Development and introduction of a clinical skills training and competency assessment for nursing staff for the collection and labelling of blood samples
- Ensuring all district nurse referrals for equipment are now followed up with a telephone call to reduce the risk of delayed equipment

I saw the psychologist, the physiotherapist and the pain specialist and they were all superb. They clearly gel together and combine their specialties to enable them to diagnose the problem and recommend an overall approach to treatment.

## 3.3.4 Nursing Care Indicators

Every month, ten nursing records and the supportive documentation are checked at random in all general inpatient areas and specialist departments at the hospital, and in every nursing team in the community. A total of approximately 430 records are audited each month. The purpose of this audit is to ensure nursing staff are undertaking risk assessments, performing activities that patients require and accurately documenting what has taken place.

Following a review of the audit questions and the results being obtained, the audit template has been changed. From September 2014, the hospital audits were abridged, with the community process due to be changed from April 2015. Within the hospital, the previous themes assessed were: patient observations, pain management, manual handling, tissue viability, medications, documentation, nutrition, infection control, 'Think Glucose', bowels and fluid balance. The Trust decided to concentrate on six criteria: patient observations, manual handling, falls, tissue viability, nutrition and medications. The elements no longer included in the Nursing Care Indicator audits are now managed by the relevant specialist teams in the hospital, for example, Think Glucose is now managed by the diabetes team.

As can be seen in the tables below, the Trust now assesses eight criteria in the community and six in hospital. To allow us to capture practice for specialist areas, there are two variations of the audit tool in the community, and five variations in hospital.

**Community results**

The table below shows the year-end results for each of the criteria assessed by the community teams. During 2014, a review was undertaken and the questions within each of the individual criteria were amended slightly. Community results are very stable with little fluctuation month on month.

| Criterion | Patient Observations | Pain | Manual Handling | Tissue Viability | Medications | Documentation | Privacy and Dignity | Nutrition |
|---|---|---|---|---|---|---|---|---|
| 2011 | 97% | 98% | 94% | 95% | 99% | 98% | 99% | 97% |
| 2012 | 97% | 98% | 97% | 97% | 99% | 98% | 99% | 97% |
| 2013 | 97% | 99% | 97% | 99% | 98% | 98% | 99% | 98% |
| 2014 | 99% | 99% | 97% | 100% | 98% | 97% | 99% | 99% |
| Difference from 2013 to 2014 | ▲2% | = | = | ▲1% | = | ▼1% | = | ▲1% |

**Inpatient results**

During 2014, a slight amendment has been made to the audit questions with a new criterion of 'Falls' added. The questions for this criterion had previously been included within the Manual Handling section. By looking at each of these areas separately, the Trust is able to focus on specific patient safety initiatives. Results continue to show improvements, with the largest in the patient observation theme (an increase of four per cent from the previous year). The largest improvement over the five years reported can be seen in Nutrition (an increase from 68 to 92 per cent).

| Criterion | Patient Observations | Pain | Manual Handling | Tissue Viability | Medications | Documentation | Nutrition | Infection Control | Think Glucose | Bowels | Fluid Balances | Falls |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2010 | 77% | 70% | 71% | 86% | 92% | | 68% | 95% | | | | |
| 2011 | 83% | 80% | 79% | 93% | 94% | 88% | 77% | 97% | 53% | 78% | | |
| 2012 | 86% | 88% | 85% | 95% | 94% | 88% | 82% | 91% | 79% | 81% | 77% | |
| 2013 | 92% | 95% | 91% | 95% | 97% | 90% | 89% | 94% | 90% | 87% | 91% | |
| 2014 | 96% | | 93% | 97% | 99% | | 92% | | | | | 94% |
| Difference from 2013 to 2014 | ▲4% | | ▲2% | ▲2% | ▲2% | | ▲3% | | | | | |



I am so grateful to the attentive care that all the staff gave us at a scary and worrying time.

The nurses were also brilliant including the lovely lady in the plaster clinic who fitted me with my boot and also the staff in the ultra sound department who did my scan.

### 3.3.5 Harm Free Care and NHS Safety Thermometer

The NHS Safety Thermometer has been developed as a 'temperature check' on four key harm events – pressure ulcers, falls that cause harm, urinary tract infections in patients with a catheter and new venous thromboemboli. It is a mechanism to aid progress towards harm free care and has been adopted across the whole of the NHS.

Each month, on a set day, an assessment is undertaken consisting of interviews with patients, accessing the patient's bedside nursing documentation and, when required, examining the main health record. On average, 650 adult inpatients (excluding day case patients and those attending for renal dialysis) and 620 patients being cared for in the community are assessed every month.

There are national trials of a paediatric and young person's safety thermometer and a maternity safety thermometer and the Trust is taking part in these trials.

The Trust regularly monitors its performance and, although direct comparisons need to be made with caution, it is pleasing to note its harm events fall below the national averages.

Some examples of actions being taken as a result of the assessments include:

- An ongoing formal escalation process for less than average results
- A formal review and upgrade of the intentional rounding throughout the Trust (a process of each patient being seen by a member of staff at set times which is documented) has been undertaken as a patient safety measure to improve patient to nurse contact and reduce the prevalence of falls.
- Catheter care bundles have been introduced and are now embedded within the organisation. Monitoring for compliance is undertaken by annual spot check audits.

I was looked after by support workers and nursing staff with care, consideration, dignity and nothing was too much for them to do.

# 3.3.6 Examples of specific patient safety initiatives

## a) Simulation Centre

In December 2014, a new state-of-the-art simulation centre was officially opened by the Vice Dean of Birmingham Medical School, Professor Kate Thomas.

The Ron Grimley Undergraduate Simulation Centre at Russells Hall Hospital has been designed to offer a training environment as close to real life as possible, complete with mannequins, which mimic 'real' patient illnesses and responses to treatment. The area is made up of a fully functional two-bedded ward area which can also be adapted to become an operating theatre, complete with a working anaesthetic machine and piped oxygen, medical air and suction gases. The facility also boasts an echocardiogram simulator and a state of the art virtual fibrescope that allows anaesthetists to practise the skill of fibreoptic intubation.

Controlling the facility from behind the scenes is a team of simulation trainers who can replicate a variety of scenarios from a control room next to the simulation suite. They can control the mannequins' behaviours and replicate any number of medical conditions and clinical observations.  The facility also has full audio and video recording, enabling staff and students to watch their sessions back afterwards and discuss their experience with training staff.

The area is already being used by medical students and foundation year doctors as part of their training programmes, and a training pilot with final year operating department practitioners and anaesthetic trainees also took place earlier during the year. A programme for final year nursing students and student operating department practitioners has just been developed, and the facility will be extended to multidisciplinary staff in the near future.

## b) Mortality Tracking System

One technique we use to ensure patient safety is to systematically review the care and treatment of all patients who have died in the hospital to see if any lessons can be learned for the effective care and treatment of future patients. To allow us to do this in a timely and efficient manner, we have developed a web-based application. The systems, which captures information about deaths as soon as they are recorded,  was shortlisted and placed in the finals of a top national award for the use of Information Technology to improve patient safety.

The Mortality Tracking System (MTS) solution allows all information and documentation surrounding each individual death to be readily accessible from one place so that it is ready for review and audit by clinical staff. The system also automatically sends emails to senior staff informing them of the number of deaths ready for review, completed, or escalated for further investigation.

## c) Hip A.I.D (Assess, Investigate and Diagnose)

This project was launched in February 2015 and aims to enhance our service to all patients with possible hip fractures. Many of these patients are frail or elderly so it is important that the correct specialised treatment and care starts immediately, both for the general wellbeing of the patient, and to ensure that they are fit for surgery (which should occur as soon as possible after admission).

With regards to the latter point, in the last Falls and Fragility Fracture Audit Programme (FFFAP) National Hip Fracture Database Annual Report 2014, 83.2 per cent of patients at the Trust had surgery on the day of or day after admission (in all of the West Midlands hospitals this ranged from 84.7 per cent down to 40.5 per cent with over half of hospitals less than 70 per cent). The Trust realised, however, that it could do better to ensure patients were admitted to the orthopaedic ward as quickly as possible.

This project comprises of ambulance staff phoning ahead to the Emergency Department to inform them that a patient with a possible hip fracture is on the way. The specialist hip fracture practitioner then meets the patient on arrival, allowing the patient to be assessed immediately and, if the patient does not have any comorbidities (e.g. stroke), the patient is transferred immediately to the Radiology Department for an X-ray where a hip fracture is diagnosed. The patient is then taken directly to the orthopaedic ward (Ward B2) where orthopaedic nurses can begin the necessary care, and where specialist medical staff are based to treat the patient. Any delays such as waiting in the Emergency Department are avoided with patient safety being maintained at all times.

## 3.3.7 Patient safety measures

| | Actual 2008/09 | Actual 2009/10 | Actual 2010/11 | Actual 2011/12 | Actual 2012/13 | Actual 2013/14 | Actual 2014/15 |
|---|---|---|---|---|---|---|---|
| Patients with MRSA infection per 1000 bed days* | 0.07 | 0.04 | 0.01 | 0.009 | 0.005 | 0.004 | 0 |
| Never events – events that should not happen whilst in hospital Source: adverse incidents database | 0 | 0 | 0 | 0 | 1 | 1 | 1 |
| Number of cases of deep vein thrombosis presenting within three months of hospital admission | 48 | 48 | 35 | 143** | 117** | 116** | 102** |

*Due to the small rates of MRSA infections, figures are now expressed to three decimal places.*

*\*Data source: Numerator data taken from infection control data system and denominator from the occupied bed statistics in patient administration system.*

*NB: MRSA figure may differ from data available on HPA website due to different calculation methods and Trust calculations using most current Trust bed data.*

 *\*\*Previous data collection of Hospital Acquired Thrombosis (HAT) was identified through clinical codes alone. We found that this information was not always a true reflection for a variety of reasons including the fact that the available clinical codes for thrombosis are confusing and, in practice, misleading. Also, a majority of deep vein thrombosis (DVT) cases do not require readmission to hospital which results in further inaccuracies in data collection. To improve the accuracy of our data collection we now review all diagnostic tests for DVTs and pulmonary embolism (PE), cross referencing positive tests with past admissions. This methodology is only undertaken by relatively few hospitals as it is labour intensive, but is recognised as giving a more accurate figure for HAT. As a further check, we receive notification from the bereavement officer if PE was identified as the primary cause of death. As a result of amending our methods of identifying HAT, 2011/12 saw an increase in figures. As stated, this is down to better identification of cases.*

Everyone had so much patience and took time to answer my somewhat silly questions... They made me feel really relaxed and I went off to sleep feeling really happy to be in such good hands.

# Clinical effectiveness

## 3.4 Do patients receive a good standard of clinical care?

### 3.4.1 Introduction

This section includes the various initiatives occurring at the Trust to ensure patients receive a good standard of care and examples of where we excel compared to other organisations.

### 3.4.2 Examples of awards received related to improving the quality of care

#### a) Frenulotomy service

The Trust's frenulotomy service. which cares for babies with ankyloglossia or tongue-tie, scooped a 'Highly Commended' certificate for its work and came runner up in the All Party Parliamentary Group Maternity (APPGM) Services Awards 2014 in the category of 'Most Effective Multidisciplinary Team'. The team was rewarded for its work in developing and offering the frenulotomy service to improve feeding for babies with tongue-tie and breastfeeding rates.

Head of Midwifery, Steph Mansell, said, "The frenulotomy service we offer at Russells Hall Hospital is unique and I am very proud of all the staff who have worked really hard to provide better maternity services for woman and babies in our community. This recognition is well deserved by everyone in the team."

Members of the team attended the awards ceremony at the House of Commons. The APPGM, which is serviced by the National Childbirth Trust charity, is a cross-party group that aims to highlight maternity issues within Parliament and bring together health professionals, service users and politicians.

#### b) Queen's Nurse

District Nurse Team Leader for OPAT (Outpatient Antimicrobial Therapy) Kate Owen was given the prestigious title of Queen's Nurse by the community nursing charity The Queen's Nursing Institute (QNI). The title is not an award for past service, but indicates a commitment to high standards of patient care, learning and leadership. Kate was presented with a badge and certificate by Jane Cummings, Chief Nursing Officer for England, at a ceremony at the Royal Garden Hotel in London

Crystal Oldman, Chief Executive of the QNI said, "Congratulations are due to Kate for her success. Community nurses operate in an ever more challenging world and our role is to support them as effectively as we can. The Queen's Nurse title is a key part of this and we would encourage other community nurses to apply."

## c) National award for tissue viability

Clinical nurse specialist and lead nurse for tissue viability Lisa Turley received a national award for her presentation on the Trust's move to static air mattresses. She was presented with the only award of The Wounds UK Annual Conference – the Wounds UK Award of Excellence – for her paper on the Trust-wide changeover to the new mattresses. Her paper covered the move to static air mattresses from start to finish, covering the whole process from the initial decision making, training and planning, to the implementation, benefits for patients and cost savings.

Lisa said, "It's really nice to be recognised and to help you realise you've actually done a good job – it's a real confidence boost."

Rob Yates, Publishing Director of the WoundsGroup, said, "The judges felt that the quality of the work undertaken and the clear, positive health economic impact it demonstrated, was worthy of special mention and ultimately marked it out as a clear winner."



# 3.4.3 Examples of innovation

## a) Ensuring radiological expertise is always available

With the national shortage of consultant radiologists and specialist medical staff with the expertise to interpret complex radiological investigations and suggest the appropriate treatment of patients, the Trust has taken the innovative step of obtaining that expertise using recent technological developments.

When emergencies occur, for example in the middle of the night, the tests are undertaken and the results sent electronically to London and onto Australia. The results are then interpreted and reported back in a 'follow the sun' manner. This ensures that the results of the tests are being interpreted and reported by consultants who are awake and alert, and not by on-call staff being woken up who may have worked throughout the previous day and are due to work the next day.

The expert interpretations and suggested treatments are returned electronically in a timely manner. The new system also means that reporting is done by dedicated specialists in that type of test. It also means that our own staff work efficiently as they are well rested and, therefore, more productive (not sleep deprived) and the service is provided in a cost effective manner. The effectiveness of the service is constantly monitored with a guaranteed turnaround time.

## b) New equipment allowing improved assessment of surgical patients

A brand new machine that tests how well the body responds to exercise has been installed at Russells Hall Hospital to help consultants predict how well a patient will cope with surgery. This state-of-the-art Cardio Pulmonary Exercise Testing (CPET) machine evaluates how the heart, lungs and muscle simultaneously respond to exercise, mimicking the physiological stress on the body that surgery causes. The CPET machine tests are performed on a stationary bike and, as the patient cycles, consultants measure how much air they breathe, how much oxygen they require and how fast and efficiently their heart beats.

Adrian Jennings, consultant anaesthetist, said, "We are now able to accurately risk assess patients undergoing surgery. This is useful for clinicians as we can better direct care to each patient's individual needs, for example, the type of anaesthetic and the type of postoperative care. Moreover, it is useful for patients who can better understand their surgical risk and make better informed decisions about their treatment opinions. In some cases, we may be able to optimise patients' fitness further before they embark on surgery."

In addition, the Trust has acquired a thrombelastography machine for theatres. This device allows clinicians to assess the clotting of blood in patients who are bleeding heavily, or have an underlying bleeding propensity. We can detect blood clotting problems more quickly and identify the cause. This allows treatment, usually blood transfusion, to be directed in an individualised way, ensuring patients only receive the minimum amount of blood products necessary. This reduces transfusion risk, allows blood clotting to be optimised and is cost effective.

## c) Outdoor exercise

The Trust, Action Heart and Dudley MBC achieved a UK first when an outdoor gym facility was installed at Russells Hall Hospital in May 2014. The grand opening was attended by an international delegation from Portugal and has generated many enquiries within the UK.

The outdoor gym is to be used as a demonstration site for patients, stepping down from exercise rehabilitation, to be able to maintain their commitment to physical activity via one of the eight outdoor gyms that are strategically located in parks within Dudley Borough.

The Trust also hopes to lead the way in highlighting the importance of physical activity in good health by encouraging staff to use the outdoor gym (and other physical activities on site) and becoming appropriate role models for their patients.

### 3.4.4 Examples of specific clinical effectiveness initiatives

**a) Cardiology One Stop Clinic**

The Trust's Cardiology Department had a long-standing rapid access clinic for patients with chest pain who needed to be seen quickly as well as the usual outpatient (OPD) clinics. With the rising number of referrals and increasing waiting times, and with some patients being referred inappropriately to one of the two types of clinic, the department developed a one-stop clinic which helps to ensure that all patients receive a streamlined personalised effective service appropriate to their individual needs.

In collaboration with our GP colleagues, all patients are now referred into one place. The referral requires certain standard detailed information on the patient's condition, and all patients (except those with chest pain in order to avoid referral delay) to have had a heart trace undertaken (electrocardiogram – ECG). The referral information and the ECG trace allows specialist staff at the hospital to assess the best course of action:

1) Giving advice and guidance to the GP who will continue to see the patient
2) Arrange further open access investigations with specialist advice, with the results reported back to the GP
3) Ask the patient to attend the one stop clinic where a rapid assessment will be made and all necessary, non-invasive investigations will be carried out on the same day so that a plan of care can be put into place straightaway. On this pathway, priority is given to cardiac sounding chest pain, with other urgent referrals seen in two weeks or sooner if necessary
4) If the patient has a known previous or existing condition and there is no immediate concern, then a usual OPD clinic appointment is made.

This new system has resulted in a considerable drop in waiting times, improved access for those patients that need it and a more effective service overall.



I have been in the Children's Ward twice in the last month... The care for both my son and myself was brilliant - nothing too much trouble for him or a timely hug or cup of tea for me.

## b) Emergency Laparotomy Pathway (EmLap)

Patients who develop severe intra-abdominal problems can become very ill quickly; where this is due to a problem which can be corrected by surgery, many of these will need to undergo an emergency laparotomy. An emergency laparotomy is a high-risk surgical procedure that involves making an incision to provide access to the abdominal cavity, allowing the problem to be fully diagnosed and, where possible, corrected.

The longer the time between patients needing such an operation and it being carried out, the worse the outcome for the patient. Research indicates that patients who undergo an emergency laparotomy have more than a 10 per cent risk of dying within 30 days of their operation. For patients over 80 years old, the risk rises to more than 30 per cent. Many other patients will suffer post-operative complications, and have a prolonged hospital stay. However, reports do reveal a wide variation in care and outcomes, with mortality rates of up to 40 per cent. Some of this difference is related to the time between symptoms starting and the operation being performed.

To improve patient outcomes after an emergency laparotomy, an evidence based quality improvement care bundle known as the EmLap Pathway has been developed. The bundle enables prompt identification, assessment, resuscitation and operation. It also identifies how staff can ensure the most effective escalation of care so these high risk patients are cared for by the right people, in the right place at the right time. Other hospitals recently commencing such a scheme have shown a reduction in 30 day mortality by up to 50 per cent.

## 3.4.5 Clinical effectiveness measures

| | Actual 2007/08 | Actual 2008/09 | Actual 2009/10 | Actual 2010/11 | Actual 2011/12 | Actual 2012/13 | Actual 2013/14[#] | Actual 2014/15 |
|---|---|---|---|---|---|---|---|---|
| Trust readmission rate for surgery Vs Peer group West Midlands SHA Source: CHKS Insight | 4.6% Vs 4.1% | 3.9% Vs 4.3% | 4.1% Vs 4.2% | 4.4% Vs 4.7% | 5.6% Vs 5.0% | 6.1% Vs 6.8% | 6.4%* Vs 7.1% | 6.7%^* Vs 7.2% |
| Number of cardiac arrests Source: Logged switchboard calls | 397 | 250 | 170 | 145 | 119 | 126 | 158 | 189 |
| Elective admissions where the planned procedure was not carried out (not patient decision) Vs Peer group West Midlands area Source: CHKS insight | N/A | 2.0% Vs 1.6% | 1.4% Vs 1.6% | 1.4% Vs 1.3% | 0.67% Vs 1.1% | 0.68% Vs 1.2% | 0.75% Vs 0.8% | 0.86%^ Vs 0.9% |

^April 2014 to November 2014. NOTE: DGNHSFT no longer contract to CHKS Ltd for benchmarking information. The date range used is the latest included by CHKS from HES Data. These measures will not be available in the 2015/16 report.

*Specialties included in the surgical directorate changed during 2013/14 which has affected the figures compared to previous years and the peer group.

[#]The percentage rates for 2013/14 are for the full year and so are different to the partial year figures printed in last year's report.

I would like to thank the consultant and his team for the excellent care I received. All his team were kind and respectful. The treatment and care was exceptional.

## 3.5 Our performance against key national priorities across the domains of the NHS outcomes framework

| National targets and regulatory requirements | Trust 2009/10 | Trust 2010/11 | Trust 2011/12 | Trust 2012/13 | Trust 2013/14 | Target 2014/15 | National 2014/15 | Trust 2014/15 | Target Achieved/ Not Achieved |
|---|---|---|---|---|---|---|---|---|---|
| **1. Access** | | | | | | | | | |
| Maximum time of 18 weeks from point of referral to treatment (admitted patients) | 95.8% | 97.03% | 95.7% | 96.1% | 93.95% | **90%** | **88.6%** | **91.59%** | ☺ |
| Maximum time of 18 weeks from point of referral to treatment (non-admitted patients) | 99.1% | 99.2% | 99.2% | 99.5% | 99.18% | **95%** | **95.4%** | **98.71%** | ☺ |
| Maximum time of 18 weeks from point of referral to treatment (incomplete pathways) | N/A | N/A | N/A | 98.1% | 96.74% | **92%** | **93.2%** | **95.43%** | ☺ |
| A&E: Percentage of patients admitted, transferred or discharged within 4 hours of arrival | 98.1% | 98.8% | 97.27% | 95.4% | 93.74% | **95%** | **93.6%** | **94.68%** | ☹ |
| A maximum wait of 62 days from urgent referral to treatment of all cancers | 86.5% | 87% | 88% | 88.7% | 89% | **85%** | **83.4%** | **85.6%** | ☺ |
| All cancers: 62 day wait for first treatment from national screening service | N/A | 99.6% | 96.6% | 99.4% | 99.6% | **90%** | **93.2%** | **97.3%** | ☺ |
| All cancers: 31 day wait for second or subsequent treatment: surgery | N/A | 99.6% | 99.6% | 99.2% | 100% | **94%** | **95.7%** | **99.6%** | ☺ |
| All cancers: 31 day wait for second or subsequent treatment: anti-cancer drug treatments | N/A | 100% | 100% | 100% | 100% | **98%** | **99.6%** | **100%** | ☺ |
| A maximum wait of 31 days from diagnosis to start of treatment for all cancers | 99.3% | 99.8% | 99.7% | 99.5% | 99.9% | **96%** | **97.7%** | **99.7%** | ☺ |
| Two week maximum wait for urgent suspected cancer referrals from GP to first outpatient appointment | 98% | 96.8% | 97.2% | 96.2% | 97.5% | **93%** | **94.2%** | **97.1%** | ☺ |
| Two week maximum wait for symptomatic breast patients | 69% | 98.2% | 99% | 98.1% | 98.2% | **93%** | **93.3%** | **96%** | ☺ |
| **2. Outcomes** | | | | | | | | | |
| Certification against compliance with requirements regarding access to healthcare for people with a learning disability | N/A | N/A | Compliant | Compliant | Compliant | Compliant | - | Compliant | ☺ |
| Data Completeness for community services: Referral to treatment information# | N/A | N/A | N/A | 97.3% | 98.4% | **50%** | **+** | **99.6%** | ☺ |
| Data Completeness for community services: Referral information# | N/A | N/A | N/A | 65.6% | 64.6% | **50%** | **+** | **90.7%** | ☺ |
| Data Completeness for community services: Treatment activity information# | N/A | N/A | N/A | 99.1% | 100% | **50%** | **+** | **100%** | ☺ |

N/A applies to targets not in place at that time
– applies to national figures not being appropriate
+ applies to national figures not available

☺ = Target achieved
☹ = Target not achieved
# Latest monthly figure for March of the financial year

# 3.6 Glossary of terms

| | |
|---|---|
| **A&E** | Accident and Emergency (also known as ED) |
| **AAA** | Abdominal Aortic Aneurysm |
| **ADC** | Action for Disabled People and Carers |
| **BBC CRLN** | Birmingham and Black Country Comprehensive Local Research Network |
| **Bed Days** | Unit used to calculate the availability and use of beds over time |
| **BHF** | British Heart Foundation |
| **C. diff** | Clostridium difficile (C. difficile) |
| **CCG** | Clinical Commissioning Group |
| **CD4** | Glycoprotein found on the service of immune cells |
| **CEM** | College of Emergency Medicine |
| **CHKS Ltd** | A national company that works with trusts and provides healthcare intelligence and quality improvement services |
| **CNS** | Clinical Nurse Specialist |
| **COPD LES** | Chronic Obstructive Pulmonary Disease Local Enhanced Services |
| **CQC** | Care Quality Commission |
| **CQUIN** | Commissioning for Quality and Innovation payment framework |
| **DATIX** | Company name of incident management system |
| **DVD** | Optical disc storage format |
| **DVT** | Deep Vein Thrombosis |
| **EAU** | Emergency Assessment Unit |
| **EBMT** | European Society for Blood and Marrow Transplantation |
| **ED** | Emergency Department (also known as A&E) |
| **EGFR** | Epidermal Growth Factor Receptor |
| **ENT** | Ear, Nose and Throat |
| **ERCP** | Endoscopic Retrograde Cholangio-Pancreatography |
| **FCE** | Full Consultant Episode (measure of a stay in hospital) |
| **GP** | General Practitioner |
| **HASC** | Health and Adult Social Care Scrutiny Committee |
| **HAT** | Healthcare Acquired Thrombosis |
| **HCA** | Healthcare Associated Infections |
| **HDU** | High Dependency Unit |
| **HED** | Healthcare Evaluation Data |
| **HES** | Hospital Episode Statistics |
| **HIV** | Human Immunodeficiency Virus |
| **HQIP** | Healthcare Quality Improvement Partnership |
| **HSCIC** | Health and Social Care Information Centre |
| **HSMR** | Hospital Standardised Mortality Ratio |
| **HTA** | Human Tissue Authority |

| | |
|---|---|
| **IBD** | Irritable Bowel Disease |
| **ICNARC** | Intensive Care National Audit & Research Centre |
| **ISCT** | International Society for Cellular Therapy |
| **LINK** | Local Involvement Network |
| **MBC** | Metropolitan Borough Council |
| **MESS** | Mandatory Enhanced Surveillance System |
| **MINAP** | Myocardial Ischaemia National Audit Project |
| **Monitor** | Independent regulator of NHS Foundation Trusts |
| **MRI** | Magnetic Resonance Imaging |
| **MRSA** | Meticillin-resistant *Staphylococcus aureus* |
| **MUST** | Malnutrition Universal Screening Tool |
| **NCEPOD** | National Confidential Enquiry into Patient Outcome and Death |
| **NCI** | Nursing Care Indicator |
| **NICE** | National Institute for Health and Care Excellence |
| **NIHR** | NHS National Institute for Health Research |
| **NIV** | Non Invasive Ventilation |
| **NNAP** | National Neonatal Audit Programme |
| **NOF** | Neck of Femur |
| **NPSA** | National Patient Safety Agency |
| **NSL** | The Trust's non-emergency patient transport provider from 01/04/2015 |
| **NVQ** | National Vocational Qualification |
| **OSC** | Overview and Scrutiny Committee |
| **PEAT** | Patient Environment Action Teams |
| **PFI** | Private Finance Initiative |
| **PROMs** | Patient Reported Outcome Measures |
| **RAG** | Red/Amber/Green |
| **ROSE** | Rivaroxaban Observational Safety Evaluation |
| **SHMI** | Summary Hospital-level Mortality Indicator |
| *SKIN* | Surface, Keep Moving, Incontinence and Nutrition |
| **SLT** | Speech and Language Therapy |
| **SUS** | Secondary Uses Service |
| **TARN** | Trauma Audit and Research Network |
| **TEAMM** | Tackling Early Morbidity and Mortality in Myeloma |
| **VTE** | Venous Thromboembolism |
| **WHO** | World Health Organisation |
| **WMAS** | West Midlands Ambulance Service |

# Annex

## Comment from Dudley MBC Overview and Scrutiny Committee (received 8/04/2015)

The Committee has a role in ensuring the effective planning, development and delivery of quality services across Dudley's patient population by holding system leaders accountable for their performance.

Members recently had occasion to review outcomes against 2014/15 priorities initially consulted on early 2014/15 along with improvement areas moving into 2015/16 and welcomed the opportunity to participate and express strong views through this process. Resultant issues and findings will be factored into the development of the committee's 2015/16 work plan.

The Committee is heartened by sustained commitment to patient experience supported by implementation of recommendations associated with the Committee's previous Dignity In Care review, Healthwatch collaboration and success in the outcomes of Friends and Family Test measures.

Continued focus on mortality tracking with the use of an associated innovative information technology tool and establishing zero tolerance approaches to pressure ulcers is also welcomed; members support the Trust's decision to continue mortality and pressure ulcer reduction as distinct priorities.

The document clearly demonstrates an organisation committed to continuous improvement across patient experience, clinical effectiveness and safety and overall the Trust should be commended on the range of improvements attained throughout 2014/15.

The Committee will remain watchful to ensure the Trust will continues maximise opportunities with system partners to secure further improvements for Dudley communities during 2015/16.

## Comment from the Dudley Clinical Commissioning Group (received 2/4/2015)

The CCG is pleased to note the continued focus on quality by the Trust and there are many areas of improvement and good practice to be noted.

The work the Trust has done to gather patient experience data and the development of a patient experience 'app' to be launched in 2015 is commendable as this will provide another platform for patients and the public to share their views. The business cards and posters developed by the Trust to advise patients / public how to raise a concern, compliment or complaint is reassuring. The Trust is to be commended for having consistently received positive feedback from patients through the national "Friends and Family Test".

The CCG has undertaken two unannounced visits to the Trust's clinical areas, one in August 2014, when the visiting team found some areas of concern, which they told the Trust about and which have been dealt with promptly. A further visit was done in March 2015 and the visiting team concluded that no immediate patient safety risks were found, in fact the visiting team observed a range of good practice and passionate and interested staff entirely focused on giving the best possible care to patients.

The Trust has in place a robust mortality tracking system to enable each specialty to review in-hospital deaths. Most specialities are doing well with standard set by the Trust, however several are not and this is a cause of concern to the CCG although it must be noted that the Trust is not an outlier against national mortality indicators.

The Trust has worked hard to improve its performance against the A&E four-hour standard and is one of the best performing Trusts nationally in this area. In March 2015, a new Urgent Care Centre opened at Russells Hall Hospital. This was following a major public consultation by Dudley CCG regarding the redesign of urgent care across the borough with the support of both the Trust and Dudley Health and Wellbeing Board. This new facility is enabling the Trust to provide significant advancements in service and better co-ordinated care with the rest of the local health and social care system in Dudley.

The work on ensuring timely and accurate electronic discharge letters is on-going, following problems in December 2014; however, the Trust is making progress to remedy the situation working closely with GP members of the CCG.

The Trust is taking a significant amount of posts out of the organisation, the CCG has requested quality impact assessments for these from the Trust - at the time of writing this commentary none have been received. The CCG has been assured, however, that a robust process is in place to mitigate any risks to quality, led by the Trust Medical Director and Nurse Director.

The CCG and Trust use a broad range of objective indicators of quality, which together with wider intelligence is proving to be a robust system to assure the wider public of the quality of services. In reading this account the Trust appears to be very hospital centric - the CCG would like to see a greater emphasis on community provision, population focused services and outcomes based measures including further work on Patient Reported Outcome Measures.

Finally, the CCG will work with the Trust in ensuring that the people of Dudley are able to access services of the highest quality that are evidence based and ensure seamless care without organisational boundaries.

Paul Maubach

Chief Executive Officer

## Comment from the Trust's Council of Governors (received 2/04/2015)

Governors have worked with the Trust and held the non-executive directors to account for the performance of the Board during a year of financial austerity with further financial pressures in the NHS and increasing demands on Trust services. We note the successful involvement of the Trust in many clinical audits and research trials, and the success of both hospital and community nurses and midwives in winning national awards.

Governors fully support the Chief Executive's Statement in Section 1 of this report and note, in particular, positive comments on the outcomes of the March 2014 Care Quality Commission inspection, the excellent progress with the majority of the Trust's 2014/15 Quality Priorities and the emphasis on quality of care and patient experience.

Governors have further embedded their involvement in Trust governance activity including Ward Walk Rounds with Trust directors and membership of Trust working groups for Patient Experience and for Quality and Safety, both of which report directly to Board Committees. Governors regularly meet executive and non-executive directors both in Council Committee meetings and in update/discussion sessions. Governors are kept well informed by the Board about all aspects of Trust activity and performance.

We are pleased to note the effectiveness of listening to patients as a fundamental part of improving quality at the Trust. A great deal of patient feedback is acquired and analysed carefully. Formal feedback is very positive. Improvements embedded made during the year include a revised complaints process, and re-organisation of the complaints and PALS provision. Trials of new patient food menus have been well-received. It should be noted that wards and staff receive numerous compliments, verbal and written, every year and that hospital inspectors found staff to be very caring.

Governors have met many patients, members of the public and community groups during the year and gained direct feedback about the quality of services and patient experience. Governors find that users' views of clinical treatment and the care provided by our nurses, doctors and other staff is very positive. This is reflected in the above average Friends and Family Test scores achieved by the Trust compared to national benchmarks.

In common with many trusts, failure to meet the A&E four hour target had been of concern for some time. It is very pleasing to note that measures to improve the flow of patients through the hospital have been very effective. The Trust has achieved among the best outcomes nationally in recent months and were very close to achieving the national target of 95 per cent in 2014/15. Governors have strongly supported the development of the new Urgent Care Centre at Russells Hall Hospital scheduled to open in April 2015. This should result in a more appropriate service for all patients and a reduction in waiting and treatment times.

Governors have also seen excellent working with our commissioners and other partners to ensure we continue to improve health services across Dudley. This includes projects such as working with the Dudley Clinical Commissioning Group and Dudley Metropolitan Borough Council to develop integrated care teams.

The process used to ratify the Trust's choice of Quality Priorities gives a wide range of patients, members, governors, staff and other interest groups the opportunity to be involved and to influence choice of priorities. While detail is given in section 2 of this report of the 2014/15 priorities, governors are pleased to note excellent progress and particularly the success in meeting targets for Infection Control, Nutrition, Hydration and Mortality. The Priority target measures for in-hospital call bell answering times and the slight decline in the community performance concerning patient awareness of raising concerns is disappointing. Governors are very pleased to see that the continued focus on pressure ulcers has resulted

in a commendable and dramatic decrease in avoidable pressure ulcers in hospital and the maintenance of very low numbers in the community. Equally the success of the continued focus on reducing hospital associated infections is notable. Commendably, the Trust has met all other key national priority targets.

During 2014/15 the Council of Governors carried out its own annual development review and in consultation with the Board of Directors reviewed the responsibilities of its committees. These will change somewhat in 2015/16 to give further emphasis to patient experience, the quality and safety of services and a renewed focus on membership engagement. These changes will ensure that governors have the information and assurance they need to hold the non-executive directors to account for the performance of the Board of Directors. Governors will maintain their focus on Trust governance and strategic direction.

In summary, the Trust operates under increasing pressure. The growing demands of an ageing population and efficiency measures have to be met while protecting the quality of services and care and safety of patients. That all staff demonstrate such high levels of care and commitment is to be commended. On behalf of patients, carers and the public, governors again wish to place on record their recognition and enormous appreciation of the commitment and excellent work done by staff at all levels in the Trust.

## Comment from Healthwatch Dudley (received 2/4/2015)

Healthwatch Dudley can see that The Dudley Group NHS Foundation Trust has worked hard to meet quality improvement priorities as highlighted in the summary of their 2014/15 annual quality accounts.

We can see that progress has been made with capturing patient experiences and there have been a number of developments on the Patient Experience Group.  Whilst we can see that the patient experience priority, with strands within the hospital and the community have not been fully achieved, we feel reassured that the Trust is committed to listening to the experiences of patients to improve services.  It is important to us that driving improvement in these areas continues across the whole Trust looking forward.

Healthwatch Dudley feels that it is important for the Trust to continue to have a positive relationship with our organisation.  This will help ensure that the views of patients and local people are listened to and taken into account, to improve patient experience across all areas of operation.

In 2015/16 we are looking forward to the introduction and development of services including:

- A review of appointment and discharge letters to ensure that patients receive information about who to contact if they are worried after treatment and how to raise a concern.  We would welcome an opportunity to review this area in detail.
- The development and introduction of a new patient experience feedback app.
- Helping patients and hospital visitors to be better connected through the introduction of Wi-Fi across the sites.

Jayne Emery

Healthwatch Dudley Chief Officer

## Statement of directors' responsibilities in respect of the quality report 2014/15

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

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

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

o the content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2014/15 and supporting guidance;

o the content of the Quality Report is not inconsistent with internal and external sources of information including:

- board minutes and papers for the period April 2014 to March 2015

- papers relating to Quality reported to the board over the period April 2014 to March 2015

- feedback from commissioners dated 2/4/2015

- feedback from governors dated 2/4/2015

- feedback from the local Healthwatch organisation dated 2/4/2015

- feedback from Overview and Scrutiny Committee dated 8/4/2015

- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 28/4/2015

- the latest national patient survey sampling patients from July 2014

- the latest national staff survey dated 2014

- the Head of Internal Audit's annual opinion over the trust's control environment dated 31/3/2015

- CQC Intelligent Monitoring Report dated December 2014

o the Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered;

o the performance information reported in the Quality Report is reliable and accurate;

- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice;

- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review; and

- the Quality Report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations) (published at www.monitor.gov.uk/annualreportingmanual) as well as the standards to support data quality for the preparation of the Quality Report (available at www.monitor.gov.uk/annualreportingmanual).

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

By order of the board

**Signed**                                                          **Date: 12th of May 2015**

**David Badger**
**Chairman**

**Signed**                                                          **Date: 12th of May 2015**

**Paula Clark**
**Chief Executive**

## Independent Auditor's Report to the Council of Governors of The Dudley Group NHS Foundation Trust on the Quality Report

We have been engaged by the council of governors of The Dudley Group NHS Foundation Trust to perform an independent assurance engagement in respect of The Dudley Group NHS Foundation Trust's quality report for the year ended 31 March 2015 (the 'Quality Report') and certain performance indicators contained therein.

This report, including the conclusion, has been prepared solely for the council of governors of The Dudley Group NHS Foundation Trust as a body, to assist the council of governors in reporting The Dudley Group NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2015, to enable the council of governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and The Dudley Group NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

**Scope and subject matter**
The indicators for the year ended 31 March 2015 subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- 18 week referral to treatment – incomplete pathway; and
- Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers.

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

**Respective responsibilities of the directors and auditors**
The directors are responsible for the content and the preparation of the quality report in accordance with the criteria set out in the 'NHS foundation trust annual reporting manual' issued by Monitor.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:
- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS foundation trust annual reporting manual';
- the quality report is not consistent in all material respects with the sources specified below:
    - board minutes for the period April 2014 to March 2015;
    - papers relating to quality reported to the board over the period April 2014 to March 2015;
    - feedback from Commissioners, dated 02/04/2015;
    - feedback from governors, dated 02/04/2015;
    - feedback from local Healthwatch organisations, dated 02/04/2015;
    - feedback from Overview and Scrutiny Committee, dated 08/04/2015;
    - the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 28/04/2015;
    - the national patient survey, dated 2014;
    - the national staff survey, dated 2014;
    - Care Quality Commission Intelligent Monitoring Report dated December 2014;

- o the Head of Internal Audit's annual opinion over the Trust's control environment dated 31/03/2015; and
- o any other information included in our review.

- the indicators in the quality report identified as having been the subject of limited assurance in the quality report are not reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual' and the six dimensions of data quality set out in the 'Detailed guidance for external assurance on quality reports'.

We read the quality report and consider whether it addresses the content requirements of the '*NHS foundation trust annual reporting manual,* and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the quality report and consider whether it is materially inconsistent with the documents listed above and specified in the detailed guidance for external assurance on Quality Reports.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively the 'documents'). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

**Assurance work performed**
We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:
- Evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- Making enquiries of management;
- Testing key management controls;
- Limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- Comparing the content requirements of the 'NHS foundation trust annual reporting manual' to the categories reported in the quality report; and
- Reading the documents.

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

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

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these

criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the 'NHS foundation trust annual reporting manual'.

The scope of our assurance work has not included testing of indicators other than the two selected mandated indicators, or consideration of quality governance.

**Conclusion**
Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2015:

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS foundation trust annual reporting manual';

- the quality report is not consistent in all material respects with the sources specified in Monitor's Detailed Guidance for External Assurance on Quality Reports 2014/15; and

- the indicators in the quality report subject to limited assurance have not been reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual'.

Deloitte LLP
Chartered Accountants
Birmingham
21 May 2015

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