



The Dudley Group NHS Foundation Trust
**Annual Report
& Accounts
2015/16**

The Dudley Group NHS Foundation Trust

Annual Report and Accounts 2015/16

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

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

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

Quarter 1 (Q1) relates to April to June

Quarter 3 (Q3) relates to October to December

Quarter 2 (Q2) relates to July to September

Quarter 4 (Q4) relates to January to March

Chairman's welcome

Welcome to this year's Annual Report, Accounts and Quality Report, my first since taking up the Chairman's role on 1st January 2016. Firstly I want to thank David Badger, the previous Chairman, who, along with Board, led the Trust throughout a very challenging 2015.

The NHS has experienced a great number of changes and stresses recently and The Dudley Group, including both our hospital and community based services, along with our partners in primary and social care, have responded well and have continued to deliver effective services for patients and families. This was despite increased demands for our services, a wide range of nationally inspired and stretching targets and an ever reducing set of finances to fund local, and more integrated services.

It is clear that staff, both in the community and our hospitals, regardless of relentless pressures, have demonstrated high work commitment, collaborating as individuals or in multidisciplinary teams so that everyone coming to the Trust receives high quality, safe and appropriate care. These efforts have not gone unnoticed as national award recognition has been rightly given for many of our teams and staff. Our excellent performance in meeting the four hour emergency access target is a case in point, but there are also a number of other high profile achievements, many of which are illustrated throughout this report.

Our own Committed to Excellence awards held in March enabled the Trust to recognise the work of many individuals and teams and how their responsiveness has made a real difference to patients in their care. As someone new to the organisation, I have been inspired and enthused by the way our staff work together, support one another, and share responsibility in delivering safe, caring and effective services, often in tough circumstances. I have also been impressed with the warm welcome I have received from everyone I have met and spoken to.

We have worked with a number of partner organisations throughout the year to develop services for patients. We signed an alliance agreement with two other Black Country NHS trusts. This supports opportunities to share good practice and expertise and introduce potential service enhancements across this wider geography. Further work has been done with a wider group of NHS organisations and local authorities across the Black Country to shape long term sustainability plans which address health and wellbeing, improvements to care and service quality and financial effectiveness.

More locally, the arrangements for our 'vanguard' multispecialty community provider model have been developing well. By working closely in teams across existing organisations, much good work has been done to help keep patients with long-term ill health at home, rather than admitting them to hospital. We expect this approach will develop further in 2016/17 and we will continue to make a leading contribution to the delivery of this service. Read more on page 25.

In 2015/16 we saw a number of changes at Board level with three of the Trust's long serving directors moving on. We said farewell to Director of Nursing Denise McMahon, Non-executive Director David Bland and Chairman David Badger. In turn, we welcomed our new Chief Nurse,



Dawn Wardell, Chief Operating Officer, Paul Bytheway and Non-executive Director Julian Atkins. I look forward to working with all Board members and our very active Council of Governors, who represent the public, staff and partnership interest in what is regarded as a highly valued local asset.

Looking ahead to the next year or so, I know that there will be many challenges to be faced. Service demand looks set to increase as our population ages, whilst our overall resources will remain stretched with limited opportunities to invest in new capital projects. What I also know though, is that despite these circumstances everyone at The Dudley Group, whether working at the hospital or within the community, will strive to keep our local health and care system working well and effectively for the benefit of all who need our care.

We would appreciate any feedback you would like to give us on both the format and content of our Annual Report, Accounts and Quality Report, and also the quality priorities we have chosen, together with any suggestions for priorities we could introduce in the future. 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, called 'Your Trust', and publish quarterly updates on our progress on our website www.dudleygroup.nhs.uk

A handwritten signature in black ink that reads "Jenni Ord". The signature is written in a cursive, flowing style.

Jenni Ord
Chairman

Performance Report

Chief Executive's overview of performance

Welcome to The Dudley Group NHS Foundation Trust's Annual Report, where you will find out about our performance over the last year, see how we assure ourselves of quality of care for our patients (in the Quality Report and Accounts section) and learn about our plans for the future.

The Dudley Group 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. The first hospital trust in the area to be awarded coveted Foundation Trust status in 2008, we provide a wide range of medical, surgical and rehabilitation services.

We currently serve 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. We also provide specialist adult community based care in patients' homes and in more than 40 centres in the Dudley Metropolitan Borough Council community.

A full list of the services provided by the Trust can be found on page 14.

Our 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 for the financial year can be seen below. We will continue to work to these objectives in 2016/17, with a slight change to objective six which will be amended to be 'Deliver a viable future' as we strive to make our services sustainable.



Throughout the year I take as many opportunities as possible to get out and talk to staff delivering great care and take the time to say thank you, and I offer every member of staff the opportunity to meet with me once per year at a series of face to face briefings. Every single member of staff working here has 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. I am also thrilled that through our annual Staff Survey more staff than ever feel engaged in the Trust and able to provide first class care in a supportive workplace.

This year we said farewell to our chairman David Badger who has provided non-executive support to the Trust Board for 13 years, and welcomed Jenni Ord to the role. Jenni brings a wealth of experience and a passion for health education and I am sure will help steer the Trust to a sustainable future.

We have succeeded in making over £16 million in savings during 2015/16 which is a huge step towards delivering sustainable health services for Dudley and also the biggest saving the Trust has ever made. This means we have ended the year with a much smaller deficit of £2.9 million and are looking to get back into balance during 2016/17.

As ever, we face cost pressures from nurse staffing levels, increasing emergency demands and providing seven day services, whilst also ensuring safe services during periods of industrial action. The year saw the full effect of reducing our non-clinical workforce to reduce pay spend and it is pleasing that we did not have to make further reductions during the 2015/16 year.

The Trust continues to perform very well across a range of performance standards and our patients continue to rate us very highly through the Friends and Family Test and their feedback on our services.

There have been so many highlights during 2015/16, here are just some:

We had the best performing Accident and Emergency (A&E) Department on many occasions in the year and were amongst the best performers throughout the year. This achievement was recognised through winning the prestigious Health Service Journal Award for Acute, Community and/or Primary Care Services Redesign.

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, in the right place as quickly as possible.

This achievement has been helped by the new Dudley Urgent Care Centre which opened on the 1st April 2015. The centre, based at Russells Hall Hospital, replaced the walk-in centre to provide a service to patients who need urgent care but not emergency treatment.

The award accolades do not stop here. Some of our other achievements have been: Sarah Causer winning Nurse Leader of the Year at the Nursing Times Awards, Jacqui Howells picking up the 'Good Nurse Award' at the Great West Midlands Care Awards, Claire South for the Mum's Midwife of the Year Award for the Midlands and East region at the Royal College of Midwives Annual Midwifery Awards and Dr Michael Douglas winning the Outstanding Neurologist in MS Treatment at the QuDoS in MS Awards. We have been shortlisted in two CHKS Top Hospitals Awards: for both A&E performance and data quality, in the Student Nursing Times Awards for Educator of Year and Placement of the Year and our Emergency Laparotomy team have been shortlisted in the Health Service Journal Value in Healthcare awards. Find out more about our award winning services on pages 69 and 70 of the Quality Report.

During 2015/16 we have continued our drive to recruit nurses, both locally and overseas, and we were very happy to welcome nurses from the UK, Spain and Portugal who took up posts on wards and departments across the Trust. We have also successfully interviewed many nurses from the Philippines and look forward to welcoming them later in 2016. This will help us to provide consistently good care to our patients through our own workforce and reduce spend on agency staff.

Following the launch of our Dementia Friends initiative in May 2014 we have now redesigned part of our older people's ward to provide a 16 bedded dedicated dementia unit – the Forget-me-not Unit. The area has been refurbished to provide a calming environment with dedicated dining and recreational areas to help support patients' recovery. We have murals on the walls, specific crockery and cutlery that is easier to use and age specific games and activities such as our 1940's memory boxes.

I am very proud of the work we are doing in partnership with healthcare colleagues across Dudley to help transform the way we provide care for patients closer to home. We are part of the All Together Better partnership that is seeking to redesign health and care services across the borough to be centred around the patient, providing the right care in the right place.

We also launched on Black Country Day 2015 a historic alliance with partners at Walsall Healthcare NHS Trust and Sandwell and West Birmingham Hospitals NHS Trust. This partnership aims to improve health outcomes and experience for the million people in the Black Country and, where possible, reduce costs so we can make the most of our collective resources. You can find out more about the alliance and our other partnerships on page 25.

2015/16 has been another challenging year for the NHS and for us here in Dudley; however, against this backdrop the Trust continues to perform well amongst other similar trusts and strives to be in the best performers for other standards. Some of the achievements I have highlighted above, combined with our fantastic staff, show we are a Trust that acknowledges our challenges and faces them head on to ensure we provide safe, effective care.

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.

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.



Paula Clark
Chief Executive



Performance analysis

The Trust closely measures and monitors performance throughout the year with reports on both financial and operational performance for all areas of the Trust reported quarterly to the Finance and Performance Committee and monthly to the Board of Directors. In addition, an electronic performance dashboard accessible via our staff intranet allows senior staff to closely monitor performance in their specific areas.

Financial performance

The Trust is in a period of financial recovery since setting a deficit budget of £6.7 million in 2014/15, and forecasting £10 million overspending earlier in that year. Since then we have gradually brought the spending of the Trust back under control, posting a deficit of £8.4 million in 2014/15 (including £1.6 million of restructuring costs) and a deficit of £2.9 million in 2015/16.

The independent regulator of foundation trusts, Monitor (called NHS Improvement from 1st April 2016), 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. Monitor withdrew this enforcement action on 9th March 2016.

We brought spending back under control in 2014/15, and continued this trend with a smaller forecast deficit in 2015/16. Performance against constitution targets has remained good, and we have been supported by CCGs in setting realistic contract levels as a consequence. The original forecast of £3.7 million deficit was improved to £3.1 million early in the year and has been maintained from thereon in to a closing position of £2.9 million.

Summary financial performance

	2015/16			2014/15
	Budget £000	Actual £000	Variance £000	Actual £000
Income	£323,015	£325,835	£2,820	£325,929
Pay	-£192,006	-£191,458	£548	-£190,068
Non-pay	-£111,400	-£111,550	-£150	-£120,444
EBITDA	£19,609	£22,827	£3,218	£15,417
Capital financing	-£23,327	-£23,405	-£78	-£22,267
Impairment	£0	-£2,367	-£2,367	£0
Restructuring	£0	£0	£0	-£1,583
Net	-£3,718	-£2,945	£3,139	-£8,433

Increased patient activity has been a crucial element of our financial recovery. The following table gives details of the key elements of this:

Summary activity

	2015/16			2014/15	Increase
	Plan	Actual	Variance	Actual	15/16 from 14/15
A&E attendances	80,098	96,141	16,043	99,928	-4%
Elective spells	51,290	51,411	121	51,592	0%
Non-elective spells (excluding maternity)	44,124	44,583	459	43,672	2%
Births	4,482	4,487	5	4,452	1%
Outpatient attendances/procedures	505,277	488,827	-16,450	497,249	-2%
Community attendances	427,979	399,791	-28,188	408,505	-2%

In addition, we have delivered an unprecedented level of cost savings from improved efficiencies of circa £16 million during the year, which was in line with our overall plan and contributed significantly to our improved financial position.

Summary Cost Improvement Programme	2015/16		
	Budget £000	Actual £000	Variance £000
Value for Money	£4,002	£5,136	£1,134
Keeping People Closer to Home	£0	£28	£28
Delivering Efficiency & Productivity	£3,173	£3,972	£799
Workforce	£9,526	£7,519	-£2,007
Total saved	£16,701	£16,655	-£46

One of the biggest challenges the Trust continues to face is the cost of temporary staffing. Whilst the Trust extensively uses its own bank of staff to fill vacancies and shortages in rotas, it does also need to use agency staff. These staff typically cost more than substantive staff and put pressure on Trust budgets. NHS Improvement is co-ordinating a national effort to reduce the reliance of trusts on agency staff. Our own cost of agency staff in the last three years has been as follows:

Summary agency spends	2013/14 £000	2014/15 £000	2015/16 £000
Medical	2,134	2,416	2,308
Registered nursing and midwifery	2,193	2,623	4,667
Unregistered nursing and midwifery	1,506	561	162
Scientific/therapeutic	412	349	1,444
Admin/manager	890	377	1,044
Total	7,135	6,326	9,625

The Trust has set its 2016/17 budget with a reduced underlying deficit with the objective of returning to run-rate balance in the following year.

In 2015/16 the Trust invested £4 million on new facilities and equipment. IT infrastructure accounted for £0.8 million. We also spent £2.1m on new and replacement medical equipment. All of these investments improve the efficiency of the services we provide. Improving facilities within wards and departments accounted for £0.2 million.

Summary capital

Investment 2015/16	Amount
Imaging Equipment Replacement	£859,000
Other Medical Equipment	£1,281,000
Information Technology	£754,000
Imaging Equipment Enabling Works	£77,000
Urgent Care Centre	£119,000
Minor Works	£37,000
Private Finance Initiative Lifecycle	£861,000
Total	£3,988,000

The Trust ended the year with a healthy cash balance of £23.4 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 Statement of Position was above the revised plan at the year end with liquidity at 7.1 days compared to the plan of 2.5 days.

During 2014/15 the Trust continued its policy of paying all 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% compliance. During 2015/16 the Trust paid 98% of non-NHS invoices in value terms and 98% in quantity terms.

Operational performance against standards

Against this challenging background our overall business achievements in 2015 /16 have once again been commendable, particularly in the light of national performance on 18 weeks and the Emergency Department (ED) standard to see, treat, admit or discharge patients in less than four hours, 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 all the year (indeed being one of the national highest performing Trusts for ED performance all year)
- Achievement of all the cancer standards, apart from the standard of 62 days wait from referral to treatment where 85% of patients being seen in this time was achieved in two quarters but not in aggregate for the year (where the figure was 84.3%)
- Continued good performance in the number of patients with Clostridium Difficile (C. diff) apportioned to the Trust, where 20 cases have been confirmed compared to a target of 29. There were only two patients identified with MRSA bacteraemia during the year
- Significant further investment in additional substantive clinical staff
- Further investment in buildings and specialist equipment

Summary performance

		2015/16	
		Target	Actual
Infection control	Number of C. diff cases (apportioned to the Trust)	29	20
Cancer waiting targets	2 week wait for referral to first seen	93%	95.7%
	31 day wait from diagnosis to treatment	96%	99.8%
	62 day wait from referral to treatment	85%	84.3%
Accident & Emergency	Patients waiting less than 4 hours	95%	98.1%
Referral to Treatment - elective patients	% of admitted patients treated within 18 weeks of referral	90%	94.2%
	% of non-admitted patients treated within 18 weeks of referral	95%	97.7%
	% of incomplete pathways waiting less than 18 weeks	92%	95%

We recognise our responsibilities with regards the impact of our business activities on the social, economic and environmental wellbeing of the communities in the Dudley borough and surrounding area. In order to do this, we engage with and seek the views of our patients, stakeholders and the wider Dudley community through our governors and the Trust's membership scheme. More about this can be found on page 53. Information about the Trust's work to encourage more environmentally friendly working practices can be found on page 47.

Our services

Russells Hall Hospital

Ambulatory Emergency Care
Anaesthetics, including CPET Clinic, High Risk Antenatal Clinic, Pre-operative Obstetric Clinic
Anticoagulation
Audiology
Bereavement Services
Cancer Services
Cardiology
Care Plus – private patients
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
Hip and knee classes
Learning disabilities support
Maternity (including pre and antenatal)
Maxillofacial prosthetics
Medical and surgical inpatient wards
Medical High Dependency Unit (MHDU)
Neurology
Obstetrics and Gynaecology
Older Persons and Stroke
Oncology
Ophthalmology
Organ donation
Orthodontics
Orthoptics
Orthotics
Outpatients
Paediatrics and Neonatology
Paediatric Assessment Unit (for GP referrals)
Pain Management Multidisciplinary Clinic
Parkinson's service
Pathology
Palliative and End of Life care
Pharmacy
Phlebotomy (blood tests)
Plastic surgery
Podiatry
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 paediatric surgery
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
Vascular laboratory
Vascular surgery
Women and Children's Outpatients

Corbett Outpatient Centre

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:
 Bladder Dysfunction Clinic
 Dermatology
 Gastroenterology
 Heart Failure Clinic
 Immunology
 Neurology
 Older People
 Pain Management Multidisciplinary Clinic
 Pain Management Programme
 Renal
 Respiratory
 Rheumatology
 Urology
Pharmacy
Radiology (X-ray and Ultrasound)
Respiratory Assessment

Community Services

Abdominal Aortic Aneurysm Screening
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)
Paediatric Community service
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*

Accountability Report

Directors' Report

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 Nomination and Remuneration 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% 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. The Board is confident that its members do not have any interests or company directorships which could conflict with their management responsibilities. A Register of Directors' Interests is held by the Board Secretary and is available for inspection on request.

As an NHS foundation trust no political or charitable donations have been made during 2015/16. During the year, the Trust was not charged interest under the Late Payment of Commercial Debts (Interest) Act 1998.

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.

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 2015/16 had no impact on its provision of goods and services for the purposes of the health service in England.

The Board of Directors is responsible for ensuring that the Trust has effective governance arrangements supporting the delivery of the Trust's quality priorities. Board sponsors are nominated for all quality priorities to provide visible Board leadership of specific quality initiatives. Full details of how the Trust's quality governance can be found in the Annual Governance Statement on pages 60 to 68 and in more detail in the Quality Report and Accounts.

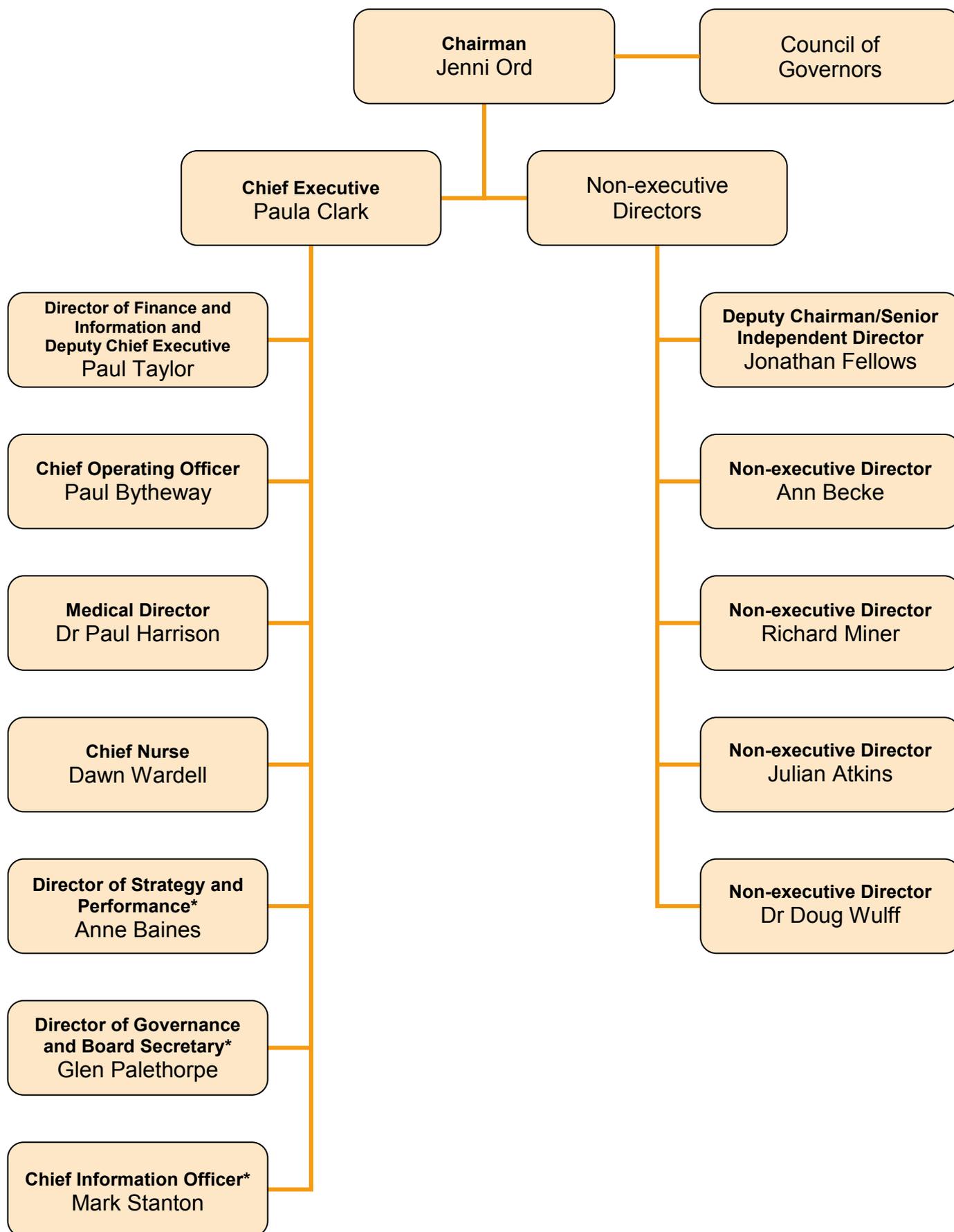
Directors in post during the financial year

Position	Name	Commencing	End
Chief Executive	Paula Clark	01/10/2009	
Director of Finance and Information	Paul Taylor	01/10/2014	
Chief Operating Officer	Paul Bytheway	01/05/2015	
Medical Director	Paul Harrison	01/06/2006	
Director of Nursing/ Chief Nurse	Denise McMahon	12/05/2008	01/06/2015
	Dawn Wardell	01/06/2015	
Director of Governance/Board Secretary	Glen Palethorpe*	01/04/2015	
Director of Strategy and Performance	Anne Baines*	01/10/2014	
Chief Information Officer	Mark Stanton*	01/09/2014	
Chairman	David Badger	01/01/2015	31/12/2015
	Jenni Ord	01/01/2016	31/12/2018
Non-executive Director/Deputy Chairman and Senior Independent Director	Jonathan Fellows	25/10/2007	
Non-executive Director	Ann Becke	01/11/2005	31/10/2017
Non-executive Director	Doug Wulff	01/02/2015	31/01/2018
Non-executive Director	David Bland	01/08/2010	31/12/2015
	Julian Atkins	04/01/2016	03/01/2017
Non-executive Director	Richard Miner	01/05/2012	30/09/2016

*Glen Palethorpe, Anne Baines and Mark Stanton are non-voting directors and so their attendance is not listed on the attendance table on page 24



Board of Directors structure as at 31st March 2016



Jenni Ord Chairman



Jenni was previously the Chairman of Health Education West Midlands, the regional body responsible for training investment in the NHS workforce. Initially a teacher, she went on to become a senior civil servant taking up varied senior director roles at The Highways Agency in Organisational Development, IT Service Management and Asset Performance and Research. Previously she was Regional Director for The Pensions Service and The Benefits Agency.

As a non-executive she has chaired other NHS organisations including Solihull Care Trust, an integrated health and adult social care organisation, and Birmingham and Solihull PCT Cluster. Currently, she is Vice Chair of Birmingham Metropolitan College which, locally, encompasses Stourbridge College. She is also a Care and Support Committee member for Midland Heart Housing Association.

Jenni is passionate about developing great NHS leadership and the delivery of high quality patient services for all.

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.

Julian Atkins Non-executive Director



Julian joined the Trust in January 2016 as a non-executive director. He has experience in both the public and private sectors, having worked at organisations such as Alliance & Leicester, Marks & Spencer, Solihull Health Authority and the Thomas Cook Group. Prior to joining the Trust, he was part of the Executive Leadership Team and Head of Human Resources at Coventry Building Society where he worked for nearly 25 years.

Julian is a Fellow of the Institute of Financial Services and the Chartered Institute of Personnel and Development. He is a member of the board at both the National Skills Academy for Financial Services and Coventry and Warwickshire Chamber of Commerce's subsidiary training company. He is also a past President of Coventry and Warwickshire Institute of Financial Services.

Julian chairs the Charitable Funds and Workforce & Staff Engagement Committees, and is a member of the Finance & Performance and Clinical Quality, Safety & Patient Experience committees. Julian is passionate about delivering excellent customer service through skilled individuals and effective teams.

Ann Becke Non-executive Director



Ann is the lead for Safeguarding, both within the Trust and the wider health economy, and represents the Trust on the Dudley Children and Young People's Alliance. She is a member of Dudley Clinical Education Centre's Charity and takes a keen interest in the patient environment through the Arts and Environment Group. She is also the non-executive lead for complaints and chairs the IT steering group.

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.

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 IT Steering Group and sits on the Board of Dudley Clinical Services Limited – the Trust's commercial IT function.

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

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

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.

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 and a member of the NHS Providers Board.

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.

Dawn Wardell Chief Nurse



A nurse for more than 30 years, Dawn joined The Dudley Group in June 2015 from George Eliot Hospital NHS Trust where she was Director of Nursing and Quality.

Dawn is passionate about safe, high quality care and has a particular interest in the reduction of harm, namely reducing infections, pressure ulcers and falls.

She provides managerial and professional leadership for the Trust's nursing staff, professional support to Allied Health Professionals and advising the Board on professional practice for this group.

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 in this role at a variety of NHS organisations over the last 20 years. Joining the Trust was 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 SHA, the NHS Commissioning Board, and a variety of PCTs, NHS trusts, NHS foundation trusts and commissioning support organisations. He is also currently the Head of Finance with the national New Care Models Programme Board.

Paul is an active member of Healthcare Financial Management Association and is a Trustee at Myton Hospice in Warwick.

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 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 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 facilitating workshops for doctors across the country. For the last two years, Paul has also chaired the national Clinical Leads Network for NHS Providers, which has involved chairing national conferences of Medical Directors and Chief Nurses.

Key operational achievements have involved the establishment of new services, including a nurse-led open access Deep Vein Thrombosis (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 Bytheway Chief Operating Officer



Paul commenced in post as Chief Operating Officer in May 2015 and uses his clinical knowledge to support his decision making within the day to day management of the Trust, ensuring appropriate and safe care is maintained whilst overseeing the delivery of the Trust's operational standards.

Paul works closely with both the Chief Nurse and the Medical Director, ensuring that operational performance delivers the best care for the patients that we serve. Paul has a strong commitment to staff engagement and regularly undergoes walk arounds to get the views of staff, along with undertaking a number of monthly 'clinical shifts' in a variety of departments to ensure that he always has an 'ear to the ground'. He champions service transformation and encourages his teams to change and transform themselves for their own development and for the benefit of improving services for patients.

Paul started work in the NHS as a Health Care Assistant in Wolverhampton, before moving into general management in 2002 following a clinical career in Emergency Department nursing.

Outside of work, Paul has volunteered for St John Ambulance for over 30 years, he says that he loves the work that the charity undertakes as it delivers care within local communities and provides opportunities for young and old to get involved locally. Community engagement is something that Paul strongly believes in and actively champions the Trust externally and within local communities.

Anne Baines Director of Strategy and Performance*



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 and 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 partners and is also responsible for the Trust's Transformation 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.

Mark Stanton Chief Information Officer*



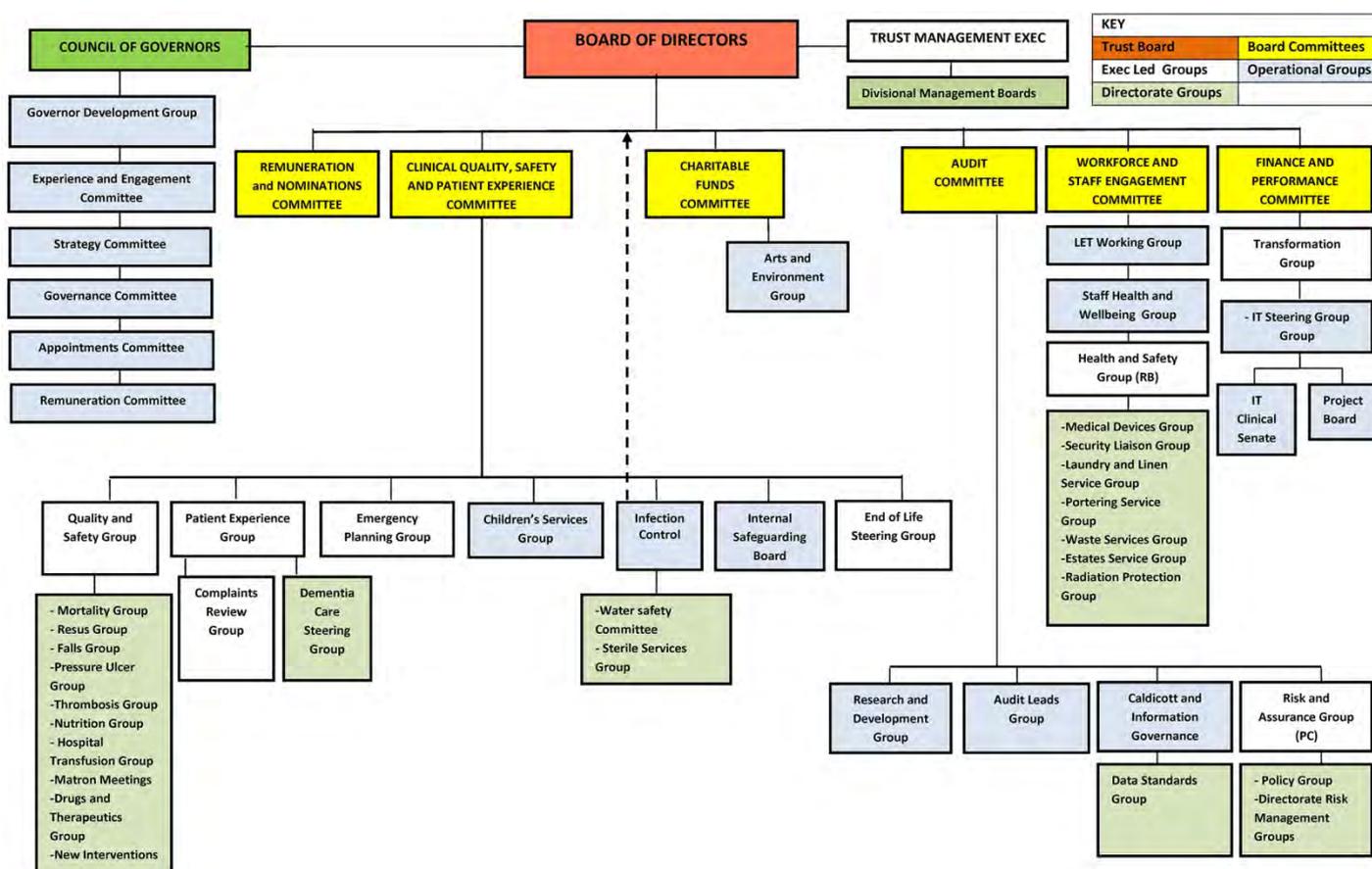
Mark joined the Trust in 2014 after spending seven years as an executive director at a private healthcare organisation supplying diagnostic services to the NHS. Mark has held a number of senior IT positions in large organisations including Siemens, BUPA and General Motors. During his career, Mark has been involved in large scale transformational change both within IT infrastructure and patient systems.

Mark is focused on transforming the Trust's IT systems, including the Electronic Patient Record (EPR), to enable clinical staff across the Trust to have the right information during patient care and lead to a paperless NHS at the point of care. Having brought IT services in-house in 2015, Mark is also responsible for developing the infrastructure and IT services to meet the needs of the Trust.

The IT team has a commercial IT function that generates revenue for re-investment in the Trust; Mark is responsible for managing this function and growing the revenue stream.

**Anne Baines, Glen Palethorpe and Mark Stanton are non-voting directors and therefore their attendance is not listed in the Board of Directors attendance table on page 24.*

Board of Directors committees



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 at Board of Directors meetings 2015/16		Attendance
Paula Clark	Chief Executive	11/11
Paul Taylor	Director of Finance and Information	10/11
Paul Bytheway	Chief Operating Officer	9/9
Paul Harrison	Medical Director	8/11
Denise McMahon	Director of Nursing	2/2
Dawn Wardell	Chief Nurse	8/9
David Badger	Chairman	8/8
Jenni Ord	Chairman	6/6
Doug Wulff	Non-executive Director	10/11
David Bland	Non-executive Director	7/8
Julian Atkins	Non-executive Director	3/3
Richard Miner	Non-executive Director	11/11
Jonathan Fellows	Non-executive Director	10/11
Ann Becke	Non-executive Director	10/11

Partnership working

At a time when the NHS is ever changing and struggling financially to meet demand, we are taking an innovative approach to work in partnerships to find solutions. By working with local colleagues and those from further afield, we hope to be able to continue to provide excellent care to our patients whilst also finding innovative new ways to remain sustainable and efficient.

All Together Better

During 2015/16 we became part of the All Together Better partnership, which will see health and social care in Dudley transformed, with a new care model that puts patients at the centre of their health and care package. Colleagues from a variety of professions and organisations will work together to ensure that an integrated approach to supporting patients in their homes is provided whenever possible. Dudley was one of just 50 pioneering 'Vanguard' sites leading the way with this collaborative approach to health and care, helping to deliver the Five Year Forward View, the national vision for the future of the NHS.

The project is in collaboration with Dudley Clinical Commissioning Group, Dudley and Walsall Mental Health Partnership NHS Trust, the Black Country Partnership NHS Foundation Trust, Dudley Metropolitan Borough Council and Dudley Council for Voluntary Service and sees all six organisations working together to develop a new care model to improve the way our most vulnerable people in Dudley are looked after. You can find out more at www.dudleyccg.nhs.uk

Black Country Alliance

On Black Country Day, 14th July 2015, we launched the Black Country Alliance (BCA), a partnership between ourselves, Sandwell and West Birmingham Hospitals NHS Trust and Walsall Healthcare NHS Trust which aims to look at new ways of providing care to patients across the Black Country.

The Alliance is the first of its kind, and will help to improve health outcomes, improve people's experience of healthcare and maximise our resources so that together we can do even more for the people of the Black Country, finding solutions and innovative ways of working at a time when finances in the NHS continue to be a struggle.

Work has already begun on a number of collaborative projects. We have launched a pilot in Interventional Radiology service across the region and Wolverhampton to provide access to fast track nephrostomy seven days per week. You can find out about the progress of this project and others at monthly public BCA Board meetings, on Twitter @TheBCAlliance, or on the BCA website: www.blackcountryalliance.org



Wyre Forest Pilot

Plans have been finalised during the year to expand our services to provide clinics to patients in the Wyre Forest. From 1st April 2016 an Ear, Nose and Throat clinic will be provided one day per week from the Hume Street Clinic in Kidderminster and more specialties are coming on board over the coming months.

This new service will enable Wyre Forest patients to choose their pathway with any follow up diagnostics or treatment conducted at The Dudley Group. We are hopeful the pilot will pave the way for further clinics to run in the Wyre Forest in specialities such as general surgery, gynaecology, respiratory, neurology, dermatology and rheumatology.

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 later.

	2015/16 Number	2015/16 £000	2014/15 Number	2014/15 £000
Total non-NHS trade invoices paid in the year	49,928	141,195	50,209	138,855
Total non-NHS trade invoices paid within target	49,077	138,546	49,506	137,421
Percentage of non-NHS trade invoices paid within target	98%	98%	99%	99%

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.



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 2015/16 relating to Consolidation, Expenditure on Employee Benefits, Intangible Assets, Property Plant & Equipment, Provisions 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 2015/16 financial year.

The Audit Committee has discussed the key areas of focus as communicated by our external auditors in relation to risk of fraud in revenue and expenditure recognition and valuation of property, plant and equipment in relation to the financial statements. We consider we have received appropriate sources of assurance in relation to these matters.

The members were non-executive directors Richard Miner (committee chair), Jonathan Fellows and Ann Becke. The Trust's Director of Finance and Information Paul Taylor, Director of Governance/Board Secretary Glen Palethorpe and the Trust's auditors also attend all meetings. The Chief Executive is only required to attend one meeting per year.

The Audit Committee has met five times during the year:

Audit Committee membership		Attendance
Richard Miner	Non-executive Director (committee chair)	5/5
Jonathan Fellows	Non-executive Director	5/5
Ann Becke	Non-executive Director	5/5
In attendance		
Paul Taylor	Director of Finance and Information	5/5
Glen Palethorpe	Director of Governance and Board Secretary	5/5
Deloitte LLP	External auditor	2/2
Pricewaterhouse Coopers	External auditor	4/4
Baker Tilly	Internal auditor	3/3
Tenon	Internal auditor	2/2
Paula Clark	Chief Executive	1/1

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 and Pricewaterhouse Coopers can be found on page 19 of the accounts.

Remuneration Report

Annual statement on remuneration (information not subject to audit)

The decision was taken at the start of this financial year to merge to Nomination and Remuneration committees. This was confirmed at the first combined meeting of the year on 7th May 2015. Please see the committee structure on page 24 for the other committees and groups that report into the Board of Directors.

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. The Committee determines the appropriate levels of remuneration for the executive directors. 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.

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

Senior manager remuneration policy (information not subject to audit)

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. There is no provision for the recovery of sums paid to directors or for withholding payments of sums to senior managers.

Senior managers’ service contracts do not include obligations on the Trust which could give rise to or impact on remuneration payments for loss of office.

Senior managers’ individual service contracts include notice periods and any termination arrangements. In the event of a contract being terminated, the payment for loss of office will be determined by the Nomination and Remuneration Committee. Payment will be based on contractual obligations. Payment for loss of office will not be made in cases where the dismissal was for one of the five ‘fair’ reasons for dismissal.

In setting the remuneration policy for senior managers, consideration was given to the pay and conditions of employees on Agenda for Change. The Trust uses benchmarking data to ensure all salaries, including those over £142,500, are reasonable and provide value for money. In line with national pay award guidance, executive and non-executive directors received no more than a maximum salary increase of 1% in 2015/16.

Governor and director expenses (information subject to audit)

During 2015/16, 14 individuals were executive or non-executive directors for the Trust. Of these, 10 received expenses in the reporting period and the aggregate sum of expenses paid was £10,134.96. In addition, 27 individuals were governors for the Trust. No governors received expenses in the reporting period and; therefore, the aggregate sum of expenses paid was £0.

Salary and pension entitlements of senior managers: Remuneration (information subject to audit)

	Note	2015/16					2014/15				
		Salary	Other remuneration	* Benefits in kind	# All pension related benefits	Total	Salary	Other remuneration	* Benefits in kind	# All pension related benefits	Total
		(bands of £5,000) £000	(bands of £5,000) £000	(rounded to the nearest £100) £00	(bands of £2,500) £000	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £5,000) £000	(rounded to the nearest £100) £00	(bands of £2,500) £000	(bands of £5,000) £000
Paula Clark, Chief Executive		180 - 185				180 - 185				22.5 - 25	205 - 210
Paul Assinder, Director of Finance & Information	a					0	70 - 75			0	70 - 75
Paul Taylor, Director of Finance & Information	b	140 - 145				140 - 145	100 - 105				100 - 105
Paul Harrison, Medical Director	zz	65 - 70	110 - 115		37.5 - 40	215 - 220	65 - 70	110 - 115		5 - 7.5	180 - 185
Richard Beeken, Director of Operations & Transformation	c					0	15 - 20			22.5 - 25	40 - 145
Jon Scott, Director of Operations	d					0	160 - 165				160 - 165
Paul Bytheway, Chief Operating Officer	e	105 - 110			165 - 167.5	270 - 275					0
Denise McMahon, Director of Nursing	f	20 - 25				20 - 25	120 - 125			0 - 2.5	125 - 130
Dawn Wardell, Chief Nurse	g	90 - 95			185 - 187.5	275 - 280	0				0
John Edwards, Chairman	h	0				0	35 - 40	1,700			35 - 40
David Badger, Chairman	i	35 - 40		300		35 - 40	20 - 25				20 - 25
Jenni Ord, Chairman	j	15 - 20		1,000		15 - 20	0				0
Julian Atkins, Non-executive Director	k	0 - 5				0 - 5	0				0
Ann Becke, Non-executive Director		10 - 15		100		10 - 15	10 - 15	100			10 - 15
Jonathon Fellows, Non-executive Director		15 - 20				15 - 20	15 - 20				15 - 20
David Bland, Non-executive Director	l	5 - 10		400		10 - 15	10 - 15	600			10 - 15
Richard Miner, Non-executive Director		15 - 20		300		15 - 20	10 - 15	500			10 - 15
Douglas Wulff, Non-executive Director		10 - 15		200		10 - 15	0 - 5				0 - 5
Aggregate total		705 - 775	110 - 115	2,300	387.5 - 395	1210 -1280	810 - 880	110 - 115	2,900	190 - 200	980 -1050

* 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 Paul Bytheway started 1 May 2015

f Denise McMahon retired 1 June 2015

g Dawn Wardell started 1 June 2015

h John Edwards left 31 December 2014

i David Badger changed from Non-executive Director to Chairman 1 January 2015 and left 31 December 2015

j Jenni Ord started 1 January 2016

k Julian Atkins started 1 January 2016

l David Bland left 31 December 2015

zz Paul Harrison other remuneration relates to the clinical role undertaken.

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 2015/16 is £180,000 - £185,000 (2014/15 £180,000 - £185,000). This was 6.7 times (2014/15 7.9 times) the median remuneration of the workforce, which was £25,000 - £30,000 (2014/15 £20,000 - £25,000).

In 2015/16, there were no (2014/15 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.

Salary and pension entitlements of senior managers: Pensions (information subject to audit)

	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 2016 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 March 2016 (bands of £5,000) £000	Cash Equivalent Transfer Value at 1 April 2015 To nearest £1,000 £000	Real Increase in Cash Equivalent Transfer Value To nearest £1,000 £000	Cash Equivalent Transfer Value at 31 March 2016 To nearest £1,000 £000
Paula Clark, Chief Executive	1							
Paul Taylor, Director of Finance & Information	2							
Paul Bytheway, Chief Operating Officer	3	5 - 7.5	15.0 - 17.5	20 - 25	65 - 70	224	101	325
Denise McMahon, Director of Nursing	4	0 - 2.5	0 - 2.5	0	0	1,144	0	0
Dawn Wardell, Chief Nurse	5	5 - 7.5	20 - 22.5	45 - 50	135 - 140	675	157	832
Paul Harrison, Medical Director	6	0 - 2.5	5 - 7.5	60 - 65	185 - 190	1,143	38	1,181

1 Chief Executive Paula Clark was not a member of the Pension Scheme in 2015/16.

2 Finance Director Paul Taylor does not receive any pension benefit.

3 Chief Operating Officer Paul Bytheway started 1 May 2015

4 Nursing Director Denise McMahon retired 1 June 2015

5 Chief Nurse Dawn Wardell started 1 June 2015

6 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 directors do not receive pensionable remuneration, there will be no entries in respect of pensions for non-executive directors.

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.

On 16 March 2016, the Chancellor of the Exchequer announced a change in the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate from 3.0% to 2.8%. This rate affects the calculation of CETV figures in this report.

Due to the lead time required to perform calculations and prepare annual reports, the CETV figures quoted in this report for members of the NHS Pension scheme are based on the previous discount rate and have not been recalculated

The Trust is required to disclose the expenses paid to Directors, Non-executive Directors and Governors.

The band of the expenses paid for 2015/16 was £10,000 - £12,500 (2014/15 £7,500 - £10,000)

Signed

Date: 24th May 2016



Paula Clark
Chief Executive



Annual report on remuneration (information not subject to audit)

Senior managers' service contracts

Position	Name	Commencing	End
Chief Executive	Paula Clark	01/10/2009	
Director of Finance and Information	Paul Taylor	01/10/2014	
Chief Operating Officer	Paul Bytheway	01/05/2015	
Medical Director	Paul Harrison	01/06/2006	
Director of Nursing/ Chief Nurse	Denise McMahon	12/05/2008	01/06/2015
	Dawn Wardell	01/06/2015	
Chairman	David Badger	01/01/2015	31/12/2015
	Jenni Ord	01/01/2016	31/12/2018
Deputy Chairman and Senior Independent Director	Jonathan Fellows	25/10/2007	
Non-executive Director	Ann Becke	01/11/2005	31/10/2017
Non-executive Director	Doug Wulff	01/02/2015	31/01/2018
	David Bland	01/08/2010	31/12/2015
	Julian Atkins	04/01/2016	03/01/2017
Non-executive Director	Richard Miner	01/05/2012	30/09/2016

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is a sub-committee of the Board and holds at least one scheduled meeting per year. Ad-hoc meetings are then called by the Trust Chairman as a result of a request of at least two members of the Committee.

The committee members and their attendance during 2015/16 at meetings are as follows:

Nomination and Remuneration Committee membership		Attendance
David Badger	Chairman (Committee Chair)	2/2
Jenni Ord	Chairman (Committee Chair)	1/1
Jonathan Fellows	Non-executive Director	3/3
Ann Becke	Non-executive Director	3/3
Richard Miner	Non-executive Director	3/3
David Bland	Non-executive Director	2/2
Doug Wulff	Non-executive Director	3/3
Julian Atkins	Non-executive Director	1/1
In attendance		Attendance
Paula Clark	Chief Executive	3/3
Julie Bacon	Chief HR Advisor	3/3
Glen Palethorpe	Director of Governance and Board Secretary	3/3

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.

Staff Report

The Trust is a major employer in the Dudley borough, with 4,536 whole time equivalent (WTE) members of staff.

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

Average number of employees (WTE) (information subject to audit)

	2015/16 Total number	2015/16 Permanent number	2015/16 Other number	2014/15 Total number	2014/15 Permanent number	2014/15 Other number
Medical and dental	499	485	14	515	494	21
Ambulance staff	0	0	0	0	0	0
Administration and estates	790	790	0	809	809	0
Healthcare assistants and other support staff	1132	1132	0	1120	1120	0
Nursing, midwifery and health visiting staff	1415	1415	0	1438	1438	0
Nursing, midwifery and health visiting learners	26	26	0	15	15	0
Scientific, therapeutic and technical staff	269	269	0	276	276	0
Healthcare science staff	0	0	0	0	0	0
Social care staff	0	0	0	0	0	0
Agency and contract staff	84	0	84	93	0	93
Bank staff	321	0	321	323	0	323
Other	0	0	0	0	0	0
Total average numbers	4536	4117	419	4589	4152	437
Of which:						
Number of employees (WTE) engaged on capital projects	0	0	0	1	0	1

Staff in post at 31st March 2016

	Headcount	WTE
Additional Professional Scientific and Technical	174	157.44
Additional Clinical Services	1029	870.74
Administrative and Clerical	891	780.37
Allied Health Professionals	320	266.90
Healthcare Scientists	122	106.94
Medical and Dental	499	475.17
Nursing and Midwifery Registered	1576	1389.55
Students	32	32.00
Total	4643	4079.11

Equality and Diversity

The Workforce and Staff Engagement Committee continues to monitor the Trust's equality and diversity scheme. At 31st March 2016, there were 4 female and 7 male executive and non-executive directors, and 3,830 female and 813 male members of staff employed by the Trust.

Sessions on how to help people with sight and hearing difficulties have been offered during the year. The Learning and Development team continue to respond to any requests for additional support for example dyslexia sight and hearing difficulties.

Mandatory training, which includes a module on equality and diversity, was completed by more than 90% of all Trust staff in 2015/16. 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 Workforce and Staff Engagement Committee received a report on Race Equality standards which included the Trust's employment statistics for 2015/16 against the equality and diversity characteristics. The group found no areas for concern during their review; however, they will continue to monitor this on an ongoing basis.

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.



	% of all applications received	% of all applicants shortlisted	% of applicants appointed
Disabled	2.9%	2.7%	2.4%
Non-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 2015/16

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 combined acute and community NHS trusts.

		Percentage of workforce	
		1st April 2014 to 31st March 2015	1st April 2015 to 31st March 2016
Age	Under 18	0.04%	0.04%
	18-19	0.42%	0.67%
	20-24	6.20%	6.48%
	25-29	14.11%	13.57%
	30-34	11.95%	12.43%
	35-39	11.36%	11.57%
	40-44	12.80%	11.85%
	45-49	15.14%	14.84%
	50-54	13.90%	14.52%
	55-59	8.61%	8.57%
	60-64	4.21%	3.94%
	65+	1.27%	1.53%
Gender	Male	17.62%	17.51%
	Female	82.38%	82.49%
Ethnicity	White	71.66%	71.74%
	Mixed	0.85%	0.97%
	Asian or Asian British	8.42%	9.30%
	Black or Black British	2.52%	3.17%
	Other	1.31%	1.44%
	Not stated	15.25%	13.37%



Staff Health and Wellbeing

The staff sickness absence rate for the 2015/16 year is 3.80% set against a target of 3.50%. The Trust turnover rate for the year is 10.22%.

	Staff sickness rate
Quarter 1 (April to June 2015)	3.61%
Quarter 2 (July to September 2015)	3.34%
Quarter 3 (October to December 2015)	3.90%
Quarter 4 (January to March 2016)	4.35%
Total for 2015/16	3.80%

	Figures converted by DH to best estimates of required data items		Statistics produced by HSCIC from ESR Data Warehouse		
	Av FTE	Adjusted FTE sick days	FTE-days available	FTE-days recorded sickness absence	Average annual sick days per FTE
2015	4,066	34,452	1,483,934	55,889	8.5

During 2015/16, staff with musculoskeletal problems continued to self-refer to the staff physiotherapy service. Drop-in sessions are available three times a week with follow-up appointments also offered where necessary. The drop-in service is well utilised and is supporting employees.

The fast track process for mental health or stress related illnesses and musculoskeletal issues continues to work well. This pathway is a fast action pathway where employees who are absent with those conditions are 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 2016/17.



The formation of the Staff Health and Wellbeing Group, chaired by the lead occupational health nurse specialist, is a vehicle for various Trust departments to come together to encourage healthier lifestyles and positive behaviour changes for staff. There is an appetite for staff health and wellbeing to be given a higher priority as clear evidence that healthier and well supported staff results in less sickness absence and better patient care. Various initiatives have taken place such as a Health Fair, NHS lifestyle checks and awareness raising of various hidden issues such as alcohol dependency, domestic abuse and mental health conditions.

The Health and Wellbeing/Occupational Health Service has seen an improvement in the timeliness of manager referrals of staff that are absent from work because of illness which has meant they can be assessed and supported by the team sooner.

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. In order to do this, the Trust's Health and Safety Department constantly reviews its processes and, in the last financial year, improvements have been introduced to ensure all relevant statutory requirements are met.

The Health and Safety Department has been instrumental in overcoming health and safety risks, identifying potential issues throughout the year and ensuring all policies and documentation are kept up to date.

In 2016/17, the Health and Safety Department will be introducing a training plan which incorporates competency based training in workplace assessments such as risk, Control of Substances Hazardous to Health (COSHH), Display Screen Equipment (DSE) and stress. The Trust has registered with the Royal Society for the Prevention of Accidents (RoSPA) under the Quality Safety Audit (QSA) scheme, and a plan has been developed to ensure that a quantitative audit is completed across all departments and divisions over a three year period. A new Root Cause Analysis (RCA) process is being introduced to review all staff-related incidents covered by Reporting of Injuries Diseases and Dangerous Occurrences Regulations (RIDDOR) to enable learning to be detailed across the Trust, along with comparative statistical reporting of all health and safety incidents to determine trends and show quarterly reductions or increases.

Countering fraud and 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.



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 in the Trust. We have a number of ways 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 continues to maintain a monthly CE Update to keep staff up to date on the Trust's strategic direction, new policies and other timely staff news. Starting January 2016, we now produce a quarterly video briefing which is available to view for both staff and the public. These videos, available to view on the Trust's website, YouTube channel and Facebook page, provide an update on the Trust's performance and also include a 'spotlight' feature on one of the Trust's key services. We continue to hold monthly senior team meetings led by the CE to cascade key information to all staff.

Chief Executive's Performance and Strategy Briefings

Staff from all areas and all levels of the organisation will be encouraged to attend the next programme of Performance and Strategy Briefing this year after a good turnout from staff during 2015/16. The sessions keep staff up to date about the Trust's key priorities, targets and areas of focus for the year, including finances and performance and allow them the opportunity to discuss areas of concern and/or interest with the Chief Executive and ask questions.

Quality and Safety Reviews

Staff can also get involved via Quality and Safety Reviews (which replaced 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 Quality and Safety Reviews can be found in the Quality Report on page 60.

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 the Chief Executive and Chairman. Events are held throughout the year and celebrate thousands of years of continuous service for The Dudley Group. Staff receive a long service certificate along with a commemorative badge when they reach milestone lengths of service ranging from 15 to 45 years. Staff that attend 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.



Black Country Alliance CAN

A newsletter keeping staff informed about progress and developments related to the Black Country Alliance is published monthly and made available on the Hub staff intranet. The publication reports back to staff on monthly BCA Board meetings, updates staff on the latest developments in individual BCA projects and provides contact details for project leads to staff can share their ideas and ask questions.

New starter induction

All staff are encouraged to learn and understand more about the key business and service priorities for the Trust as part of their Trust Induction where they work through our Vision and Values and hear from the Chief Executive (or another senior leader) about the areas we are performing well on and those areas we need to continue to improve. Staff are encouraged to develop ways of embedding the values in their work.

Leadership and management courses

The Trust vision and values is included as part of a range of leadership and management courses to ensure that our leaders and managers are connected with the vision and values and cascade those messages to the people that work in their teams.

Senior Team Meetings

Weekly meetings, led by the Chief Operating Officer, provide senior members of staff with a summary of the week's operational highlights and lowlights in order to cascade information with their teams across the organisation.



NHS Staff Survey

The 2015 annual NHS Staff Survey was completed throughout October and November 2015 with a sample of 850 randomly selected individuals invited to participate. In addition to the mandatory sample, we also choose to run a census survey alongside to allow all staff in the organisation to participate. You can read about our census survey on page 42.

The results of the survey are used to compare trusts nationally and we use them to help improve staff's experience of working at The Dudley Group. Over the next pages is a summary of our results from the 2015 NHS Staff Survey. The full feedback report can be found at www.nhsstaffsurveys.com

The findings for the survey have been analysed at two levels:

- Compared with the 2015 national average for combined acute and community trusts
- Compared with our own 2014 results

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

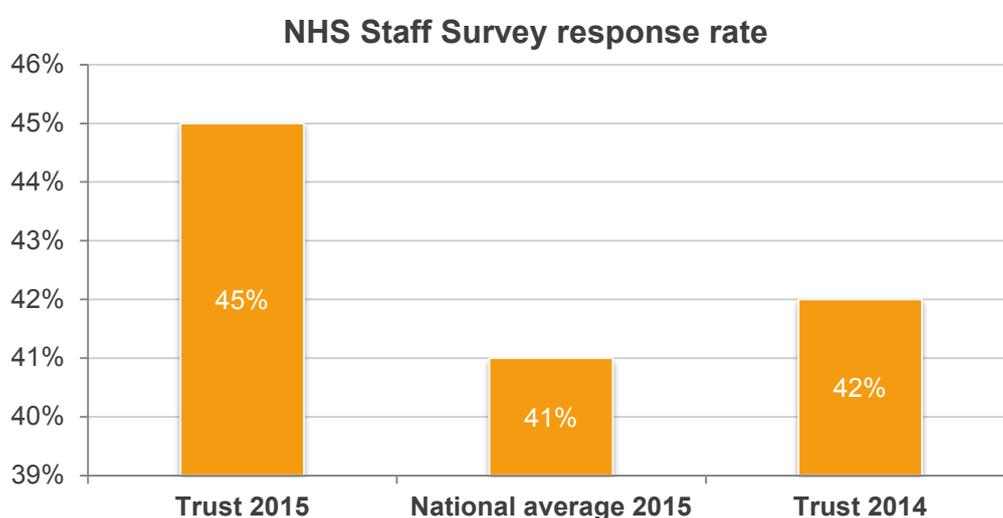
Scores for each of the survey's 32 Key Findings are displayed either as a percentage or as a score out of five.

- 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.

Response rate

We achieved a response rate of 45% in 2015 which is above average for combined acute and community trusts in England and an increase on the Trust's response rate of 42% in 2014. The national response rate for all organisations and for combined acute and community trusts was 41%.

Trust 2015	National average 2015	Trust 2014	Comparison to 2014
45%	41%	42%	Increase ▲



Overall staff engagement

Our score for overall staff engagement has improved continually since 2012, placing the Trust better than average when compared with similar trusts.

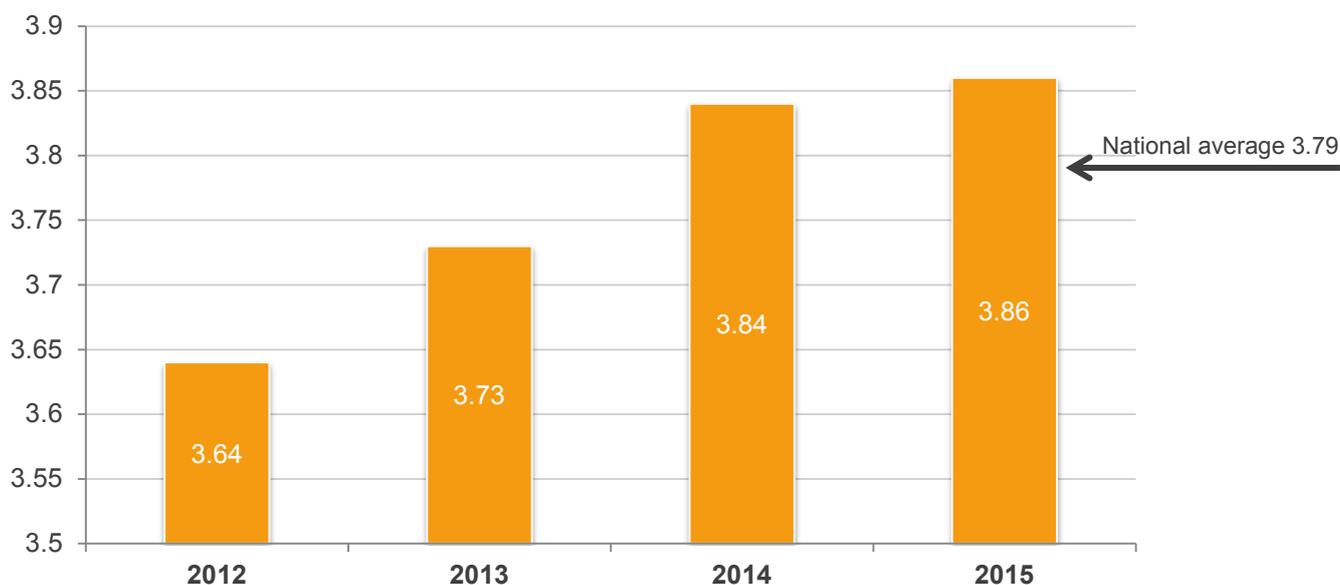
The overall indicator of staff engagement is calculated using the questions that make up Key Findings 1, 4 and 7. These Key Findings relate to:

- Staff recommendation of the trust as a place to work or receive treatment
- Staff motivation at work
- Staff ability to contribute towards improvements at work

Possible scores range from 1 to 5, with 1 indicated that staff are poorly engaged and 5 indicating they staff are highly engaged.

Overall staff Engagement (the higher the score the better)	Score out of 5	Ranking
Trust score 2012	3.64	Below average
Trust score 2013	3.73	On average
Trust score 2014	3.84	Highest (best) 20%
Trust score 2015	3.86	Better than average
National average 2015	3.79	

Overall staff engagement score



Top and bottom Key Findings

Of the 32 Key Findings, 18 are better than the national average and nine are on a par with the national average. Just five of the survey's Key Findings were not in line with or better than average.

A summary of the top and bottom Key Findings from the survey, taken from those which compare most and least favourably with other combined acute and community trusts in England, are identified by NHS England each year.

Because of changes to the format of some survey questions in 2015, comparisons with 2014 results are not possible for all Key Findings.

Top five ranking Key Findings (KF) overall	Trust 2015	National average	Ranking	Comparison to 2014
KF10 Support from immediate managers (the higher the score the better)	3.86	3.72	Above (better than) average	No change
KF12 Quality of appraisals (the higher the score the better)	3.21	3.03	Above (better than) average	N/A
KF17 Percentage of staff suffering work related stress in the last 12 months (the lower the score the better)	31%	36%	Below (better than) average	No change
KF28 Percentage of staff witnessing potentially harmful errors, near misses or incidents in last month (the lower the score the better)	24%	29%	Below (better than) average	No change
KF29 Percentage of staff reporting errors, near misses or incidents witnessed in the last month (the higher the score the better)	93%	90%	Above (better than) average	No change

Bottom five ranking Key Findings (KF) overall	Trust 2015	National average	Ranking	Comparison to 2014
KF3 Percentage of staff agreeing that their role makes a difference to patients/service users (the higher the score the better)	88%	91%	Below (worse than) average	N/A
KF18 Percentage of staff feeling pressure in the last 3 months to attend work when feeling unwell (the lower the score the better)	71%	58%	Above (worse than) average	Increase (worse than)
KF22 Percentage of staff experiencing physical violence from patients, relatives or the public in last 12 months (the lower the score the better)	18%	14%	Above (worse than) average	No change
KF24 Percentage of staff/colleagues reporting most recent experience of violence (the higher the score the better)	41%	52%	Below (worse than) average	Decrease (worse than)
KF27 Percentage of staff/colleagues reporting most recent experience of harassment, bullying or abuse (the higher the score the better)	28%	38%	Below (worse than) average	No change

Census survey

After a successful census survey in 2014/15, 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 our behalf.

Every single Trust employee was asked for their views and we had a good response rate, with 1,971 members of staff completing the survey, representing 44% of our workforce (compared to 34% the previous year).

By inviting all staff to complete a survey we are able to get more detailed information and use this 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 NHS 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 2016/17. We hope that this work will help to better engage our staff and, as a result, further improve our scores in the NHS Staff Survey.



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. The Staff FFT helps us to collect feedback from staff on a quarterly basis which means more contemporaneous analysis and sharing of results can take place. Because the survey runs throughout the year, we are able to map staff morale over time, allowing the Trust to identify trends, contributing factors and improvements.

The staff Friends and Family Test asks colleagues:

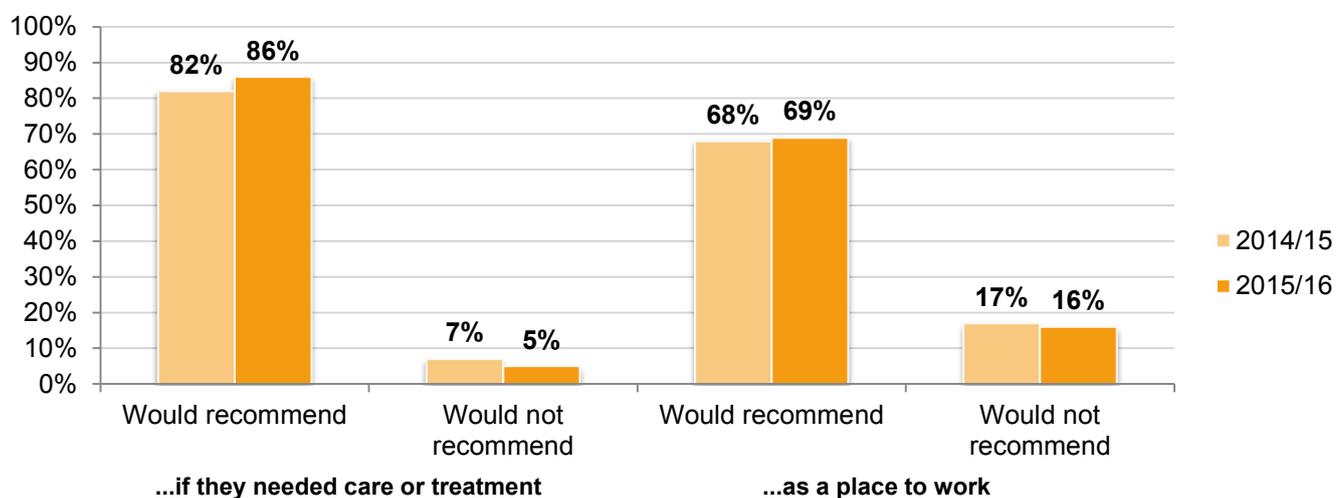
- How likely are you to recommend your Trust to friends and family if they needed care or treatment?
- How likely are you to recommend your Trust to friends and family as a place to work?

The Friends and Family Test was open throughout the year and we received a total of 1,337 responses. On average for the year, 86% of our staff would recommend us to friends and family if they needed care or treatment, an improvement on 82% in 2014/15. The percentage of staff who would recommend us to friends and family as a place to work has increased slightly from 68% in 2014/15 to 69% in 2015/16

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	
2014/15	981	82%	7%	68%	17%	
2015/16	Q1	73	77%	12%	47%	45%
	Q2	681	84%	6%	66%	16%
	Q3	46	93%	0%	83%	9%
	Q4	537	89%	4%	75%	13%
2015/16	1337	86%	5%	69%	16%	

Percentage of staff who would and would not recommend the Trust to friends and family...



Trust volunteer service

More than 400 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 healthcare environment and 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 84.

Some of the tasks volunteers undertake include:

- Nutrition and hydration support
- Wayfinding and escorting
- Reception enquiries
- Undertaking patient surveys
- Clerical support
- Assisting at events
- 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.

We are always keen to recruit new volunteers. Information about how to apply can be found on our website at www.dudleygroup.nhs.uk/volunteering or you can contact our Volunteer Coordinator on (01384) 456111 extension 1887 or volunteering@dgh.nhs.uk



Off-payroll engagements

All high off-payroll engagements are approved by the Board after consideration regarding value for money and expertise. Off-payroll engagements are often necessary to fill vacant posts which are difficult to recruit to in the current challenging job market.

Table showing off-payroll engagements as of 31st March 2016, for more than £220 per day and that last for longer than six months

	2015/16 Number of engagements
Total number of existing engagements as of 31st March 2016	14
Of which:	
Number that have existed for less than one year at the time of reporting	10
Number that have existed for between one and two years at the time of reporting	2
Number that have existed for between two and three years at the time of reporting	0
Number that have existed for between three and four years at the time of reporting	0
Number that have existed for four or more years at the time of reporting	2

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

Table showing new off-payroll engagements, or those that reached six months in duration, between 1st April 2015 and 31st March 2016, for more than £220 per day and that last for longer than six months

	2015/16 Number of engagements
Total number of new engagements, or those that reached six months in duration between 1st April 2015 and 31st March 2016	9
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	9
Number for whom assurance has been requested	9
Of which:	
Number for whom assurance has been received	9
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 2015 and 31st March 2016

	2015/16 Number of engagements
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	1
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility". This figure includes both off-payroll and on-payroll engagements.	14

The engagement in the first row of this table relates to an interim arrangement for the Director of Finance and Information post. This position has been occupied by an interim placement since 1st October 2014.

Exit packages (information subject to audit)

Staff exit packages 2015/16

	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special payment element included in exit packages
Exit package cost band (including any special payment element)	Number	£000s	Number	£000s	Number	£000s	Number	£000s
<£10,000	3	13	18	97	21	110	0	0
£10,001 - £25,000	1	16	3	48	4	64	0	0
£25,001 - £50,000	1	36	6	198	7	234	0	0
£50,001 - £100,000	0	0	3	249	3	249	0	0
£100,001 - £150,000	0	0	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0	0	0
Total	5	65	30	592	35	657	0	0

Staff exit packages 2014/15

	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special payment element included in exit packages
Exit package cost band (including any special payment element)	Number	£000s	Number	£000s	Number	£000s	Number	£000s
<£10,000	10	26	26	86	36	112	0	0
£10,001 - £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
£100,001 - £150,000	0	0	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0	0	0
Total	24	462	62	1126	86	1588	0	0

Staff exit packages: other (non-compulsory) departure payments 2015/16

	2015/16 Payments agreed Number	2015/16 Total value of agreements £000	2014/15 Payments agreed Number	2014/15 Total value of agreements £000
Voluntary redundancies including early retirement contractual costs	6	273	33	771
Mutually agreed resignations (MARS) contractual costs	1	59	11	264
Early retirements in the efficiency of the service contractual costs	0	0	1	27
Contractual payments in lieu of notice	23	260	17	64
Exit payments following employment tribunals or court orders	0	0	0	0
Non-contractual payments requiring HM Treasury approval*	0	0	0	0
Total**	30	592	62	1126
of which:				
non-contractual payments requiring HM Treasury approval made to individuals where the payment value was more than 12 months' of their annual salary	0	0	0	0

Expenditure on consultancy

Details of expenditure on consultancy can be found on page 19 of the accounts.

Sustainability and the environment

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, in partnership with our PFI colleagues Interserve and Summit Healthcare, we have piloted a new waste stream which will reduce the amount of clinical waste requiring incineration. Following the successful pilot, the new waste stream will be rolled out to all areas in April 2016.

Trust staff are always encouraged to make processes paperless wherever possible. Many departments use electronic referrals and staff are encouraged to use online, electronic copies of documents for reference instead of printing hard copies. With the exception of those based in the community, staff are no longer able to purchase diaries, calendars and wall planners. They are instead encouraged to instead utilise the built-in calendar and diary functions in Microsoft Outlook.

Electronic payslips have now completely replaced traditional paper payslips for all Trust employees. Previously, the Trust produced more than 8,000 printed payslips every month. Now, all staff now have access to their current and previous payslips (including P60s) on the Trust's electronic personnel database which can be accessed from both home and work. We also launched a brand new electronic expenses system during the year which has further reduced our paper usage and, therefore, our work's impact on the environment.

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 and from 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 £1,000. 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.



Council of Governors

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 50.

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:

- Experience and Engagement Committee
- Strategy Committee
- Governance Committee
- Governor Development Group
- 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% 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% 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 2015/16

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

In 2015/16, the full Council of Governors met on five occasions including the Annual Members' Meeting held in September 2015.

Public Elected Governors	Constituency	Attendance at full council meetings 2015/16*
Richard Brookes (elected Dec '14)	Brierley Hill	5/5
Helen Stott-Slater (elected Dec '14)	Brierley Hill	4/5
Joan Morgan (elected Dec '14)	Central Dudley	3/5
Fred Allen (elected Mar '13)	Central Dudley	5/5
Rob Johnson	Halesowen	5/5
Katie Bennett (resigned Feb '16)	Halesowen	0/4
Subodh Jain	North Dudley	3/5
Yvonne Peers	North Dudley	5/5
Pat Price	Rest of the West Midlands	4/5
Diane Jones	South Staffordshire & Wyre Forest	5/5
Darren Adams	Stourbridge	2/5
Roy Savin (end of term Dec '15)	Stourbridge	3/4
Ira John (resigned Feb '16)	Tipton & Rowley Regis	2/4
Staff Elected Governors	Constituency	
Jenny Glynn (elected Dec '15)	Allied Health Professionals and Healthcare Scientists	1/1
Kelly James (resigned Aug '15)	Allied Health Professionals and Healthcare Scientists	0/1
Jacqueline Smith (elected Jun '15)	Allied Health Professionals and Healthcare Scientists	2/4
Sohail Butt (elected Jun '15)	Medical and Dental	3/4
Karen Phillips (elected Mar '14)	Non Clinical	4/5
Alison Macefield (resigned Feb '16)	Nursing & Midwifery	4/5
Shirley Robinson	Nursing & Midwifery	4/5
Jacky Snowdon	Nursing & Midwifery	4/5
Alan Walker (elected Jun '15)	Partner Organisations	2/5
Staff Elected Governors	Constituency	
John Franklin	Dudley Council for Voluntary Service	4/5
Adam Aston (appointed Dec '15)	Dudley Metropolitan Borough Council	0/1
Dave Branwood (resigned Sep '15)	Dudley Metropolitan Borough Council	0/1
Richard Gee	Dudley CCG	3/5
Ricky Bhogal (appointed Jan '16)	University of Birmingham Medical School	0/1

*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 2015/16, 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 2015/16*		Attendance
David Badger (retired Dec' 15)	Chairman	4/4
Anne Baines	Director of Strategy and Performance	0/5
Ann Becke	Non-executive Director	1/5
David Bland	Non-executive Director	1/4
Paula Clark	Chief Executive	5/5
Jonathan Fellows	Non-executive Director	2/5
Paul Harrison	Medical Director	1/5
Denise McMahon (retired Jun'15)	Nursing Director	1/1
Richard Miner	Non-executive Director	1/5
Jenni Ord (joined the Trust Oct' 15)	Chairman	2/2
Glen Palethorpe	Director of Governance/Board Secretary	5/5
Paul Taylor	Director of Finance and Information	5/5
Dawn Wardell (joined the Trust Jun' 15)	Chief Nurse	3/5
Doug Wulff	Non-executive Director	2/5

**Board members are not required to attend all full Council of Governors meetings unless invited to do so to present on a specific topic. Non-executive and executive directors also attended sub-committees of the Council of Governors.*

During the year, the Council has not exercised its right under paragraph 10C of schedule 7 of the NHS Act 2006 to require a director to attend a full Council of Governors meeting.



Governor resignations, elections and re-appointments

During 2015/16, elections were held for vacancies in the following constituencies:

Staff

Allied Health Professionals and Healthcare Scientists
Medical and Dental
Partner Organisations

Public

Stourbridge

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 voter's next stated preference.

Our members engage well with the Council of Governor election process. A total of four members put themselves forward as nominees for the vacancy in the public constituency of Stourbridge, with 19.3% returning votes.

Electoral Reform Services was appointed by the Trust to oversee the election process. The process returned the following governors for a three year term:

Governors elected or appointed during 2015/16

Governor	Constituency	Date elected/ appointed
Sohail Butt	Staff elected: Medical and Dental	June 2015
Jacqueline Smith	Staff elected: Allied Health Professional and Healthcare Scientists	June 2015
Alan Walker	Staff elected: Partner Organisations' Staff	August 2015
Lydia Ellis	Public elected: Stourbridge	December 2015
Jenny Glynn	Staff elected: Allied Health Professional and Healthcare Scientists	December 2015
Ricky Bhogal	Appointed: University of Birmingham Medical School	January 2016

Governors reaching end of term of office or resigning during 2015/16

Governor	Constituency	Date elected/ appointed
Claudia Pinto de Oliveira	Staff elected: Allied Health Professionals and Healthcare Scientists	April 2015
Kelly James	Staff elected: Allied Health Professionals and Healthcare Scientists	August 2015
Cllr Dave Branwood	Appointed: Dudley Metropolitan Borough Council	September 2015
Roy Savin	Public elected: Stourbridge	December 2015
Katie Bennett	Public elected: Halesowen	February 2016
Ira John	Public elected: Brierley Hill	February 2016

Council of Governors review 2015/16

Since authorisation, our Council of Governors has regularly conducted a review of its effectiveness in discharging its statutory and other duties. A review of the effectiveness of the Council and its committees during 2015/16 will be reported to the full Council of Governors in May 2016.

Throughout the year, governors have continued to participate in Trust activities that seek to assure and improve standards of quality and patient experience. Governors are invited to join senior Trust staff to complete Quality and Safety Reviews conducted across clinical and treatment areas of the Trust. Two governors are members of the Trusts' Patient Experience Group and the Quality and Safety Group – both of which report to the Clinical Quality, Safety and Patient Experience Committee of the Board of Directors.

Chairs of Council of Governors Committees 2015/16

Dr Subodh Jain	Governance Committee
Pat Price	Experience and Engagement Committee
Alison Macefield	Strategy Committee
Rob Johnson	Governor Development Group
Rob Johnson	Remuneration Committee (Council of Governors committee)
Rob Johnson	Appointments Committee

Lead Governor

The Lead Governor role is designed to assist the Council of Governors where it may be considered inappropriate for the Chairman, or her deputy, to deal with a particular matter. The Lead Governor will also provide an independent link between the Council of Governors and the Board of Directors.

Elections to the role of Lead Governor concluded in March 2016. Following a call for expressions of interest from members of the Council of Governors, Rob Johnson was appointed on an uncontested basis and will hold the post until his end of term of office in December 2017.

Governor engagement with Trust members and local communities

The Trust supports 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 2015/16, 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.

Many of 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.

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

Telephone

(01384) 321124

Write to

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

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.

Code of Governance disclosures

For disclosures relating to the Trust's Council of Governors, please see pages 48 to 54 of this report.

For disclosures relating to the Trust's Board of Directors, please see pages 16 to 24 of this report.

For disclosures relating to the Nomination and Remuneration Committee, please see pages 28 to 31 of this report.

For disclosures relating to the Audit Committee, please see page 27 of this report.

For disclosures relating to the Foundation Trust membership, please see pages 55 to 56 of this report.

Foundation Trust membership

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 50 unless they choose to opt out.

During 2015/16, 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 2016 the Trust had a total of 13,981 public members.

Membership growth

Membership sector	31st March 2014	31st March 2015	31st March 2016
Public	13,619	13,770	13,981
Staff	5,151	5,312	5,237
Total	18,770	19,082	19,218

The membership strategy for 2015/16 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 that 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.

Our '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 events' younger guests who may be considering a career in healthcare say that the tours are inspiring. Our membership continues to engage well with these events.

During 2015/16 we hosted two behind the scenes tours at Russells Hall Hospital in June and September. More than 150 members and their guests attended and learned more about:

Community Services September 2015
Dementia Friendly Dudley November 2015

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 members 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 2016

Public Constituencies		Number of members
Brierley Hill		1,801
Central Dudley		2,443
Halesowen		1,184
North Dudley		1,442
Outside of the West Midlands		241
Rest of the West Midlands		1,676
South Staffordshire and Wyre Forest		1,224
Stourbridge		1,748
Tipton and Rowley Regis		2,222
Staff Constituencies		Number of members
Allied Health Professionals and Healthcare Scientists		759
Medical and Dental		500
Nursing and Midwifery		2,463
Non-clinical		894
Partner Organisations		621

Breakdown by age, gender and ethnicity		Number of members
Age	0-16 years	15
	17-21 years	1621
	22+ years	11,929
Gender	Male	4,799
	Female	9,108
	Unspecified	74
Ethnicity	White	11,566
	Mixed	396
	Asian or Asian British	1,160
	Black or Black British	415
	Other	69
	Not stated	375

Regulatory Ratings

The Trust set the 2015/16 regulatory ratings plan based on the annual risk assessment of the financial year. During 2015/16 Monitor changed the Risk Assessment Framework. The Continuity of Service Rating was replaced with the Financial Sustainability Risk Rating. Analysis for each area of rating compared with that expected in the annual plan is summarised below.

2015/16	Annual Plan 2015/16	Q1 2015/16	Q2 2015/16	Q3 2015/16	Q4 2015/16
	Under the Risk Assessment Framework				
Financial sustainability risk rating			2	2	2
Continuity of service rating	3	3			
Governance risk rating	Red	Red	Red	Red	Green

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

Continuity of service rating/Financial sustainability risk rating



The Trust planned for a rating of '3' in the annual plan for the Continuity of Service Rating. The Trust entered the financial year with a challenging cost improvement programme and ambitious plans to return the Trust to financial balance by 2016/17. During the year, Monitor replaced the Continuity of Service Rating with the Financial Sustainability Risk Rating. Under the new rating, with the financial plans set, the maximum the Trust could achieve was a rating of '2' due to the capital service cover metric which includes PFI debt.

The Trust's overall performance for the year showed an EBITDA Margin of £22.83 million, seven per cent, equivalent to £2.7 million above plan and a net deficit at £2.95 million, £0.19 million above plan. The Trust's Financial Sustainability Risk Rating for the period is calculated at '3'. This reduces to a '2' when the '1' rating trigger is applied as a result of the capital service cover metric scoring '1'.

Governance risk rating

The Trust set an ambitious financial plan for 2015/16 to see us return to financial balance in 2016/17. In 2015/16, the Trust revised its financial forecast for the year to further reduce its financial deficit, this revised lower deficit of £3.11 million was then achieved. During 2015/16, Monitor reviewed the Trust's process for the delivery of its Cost Improvement (Transformation) Programme. Their positive conclusion on the Trust's processes complemented the assurance the Finance and Performance Committee has received across the year from the Trust Executive Directors and from Internal Audit.

The Trust had a Monitor governance rating of red up to the end of February 2016. The red rating was linked to the technical breach of the Trust's Licence in respect of its long term financial sustainability but was removed at Monitor's Provider Regulation Directors Committee on the 29th February 2016.

Alongside financial performance, the Trust has seen strong, and at times exemplary, performance in respect of the emergency access target of seeing, treating, admitting or discharging 95% of patients present at the Emergency Department within four hours. Whilst for the last quarter of the year the whole NHS and the Trust saw increased pressure on emergency services, the organisation was still able to meet the standard for the year overall.

The Trust has overall met the target to see patients within 18 weeks of referral, although some specialties have been under pressure in this area during the year due to resourcing issues. The Board has monitored the delivery of the cancer targets and has seen that in two quarters of the year, the Trust failed to meet the 62 day target. Through the scrutiny of the Finance and Performance and the Clinical Quality, Safety and Patient Experience committees, the Board has received assurance over the actions undertaken to track each patient and work with the tertiary centre (Royal Wolverhampton NHS Trust) to ensure that patients missing this target have their care expedited.



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.

The directors consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation trust's performance, business model and strategy.

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: 24th May 2016



Paula Clark
Chief Executive

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 2016 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 assurances and 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 matron's 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 Board's 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 as to 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 their 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 targeted mitigated risk scores and progress against the identified action plans where the risk is above its target score. 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 identified risks. Action plans are in place to address any perceived gaps in control or assurance that arise during the year.

The reporting framework requires all risks to be identified on Board and committee front summary sheets providing an ongoing record of emerging issues which allow the link back to the Board Assurance Framework.

The Trust has also 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 monitoring of Quality Care Indicators, Nursing Care Indicators and the robust monitoring against local and national targets for quality measures including 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 Chief Nurse. 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 divisional leaders 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 the minimum of Level 2 performance for all areas, which is deemed satisfactory performance by the Department of Health. The Trust has achieved Level 3 in 13 of the 44 applicable requirements, and 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) especially in respect of the Dudley New Care Models project, Council of Governors, community wide safeguarding boards and other stakeholders. The Board Assurance Framework focuses on those key risks to achievement of the Trust's 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 the key contractual/Monitor delivery targets

The Trust has seen strong and at times exemplary performance in respect of the Emergency Access target of 95% of patients seen or discharged who present at the Emergency Department within 4 hours. Whilst for the last quarter of the year the whole NHS and the Trust has seen increased pressure on emergency services the organisation still managed to meet the standard for the year overall.

The Trust has overall met the target to see patients within 18 weeks although the some specialities have been under pressure in this area during the year due to resourcing issues. The Board has monitored the delivery of the cancer targets and has seen that in two quarters of the year the Trust has failed to meet the 62 day target. Through the scrutiny of the Finance and Performance and the Clinical Quality, Safety and Patient Experience Committees, the Board have received assurance over the actions undertaken to track each patient and work with the tertiary centre (Royal Wolverhampton Trust) to ensure that patients missing this target have their care expedited.

Failure to meet the diagnostic standard due to rising demand

The Trust has been monitoring this risk through the Board Assurance Framework and the performance reports presented to the Finance and Performance Committee which has seen demand increasing, coupled with capacity and staffing issues maintaining pressure and thus risk on this standard. The Board are developing a number of strategies to mitigate the interlinking pressures and it is anticipated that whilst demand pressure will continue, next year the Trust will be better equipped to mitigate this risk further than was possible in 2015/16.

Inability to produce effective discharge summaries

Last year the Trust identified an issue with its electronic patient discharge system that resulted in problems in producing discharge summaries consistently to the GPs when patients are discharged. As reported last year the Trust engaged with the software supplier to enable a robust solution to be created. During 2015/16 a series of audits on this process were undertaken. They have identified that the discharge summaries have been consistently sent and received electronically improving the flow of information back to the GP on patients seen at the Hospital. This was also confirmed independently by the CCG on behalf of the GPs. Based on this assurance this risk has been mitigated to its intended level and has been removed from the Board Assurance Framework for 2016/17.

Safer Staffing Levels

The Board has received assurance through regular updates provided by the Chief Nurse on the staffing levels at ward level for each shift, as measured against the NICE guidance issued in this area. The Trust has utilised its investment in the 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. 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 which confirmed their sound application across the year, no further risk mitigation is required. This risk is at the Board's agreed appetite level (target score). However, in recognition of the continued pressure within the area of staffing, especially with the introduction of the NHS Improvement's Agency usage caps, the Board has agreed this will remain on the Board Assurance Framework.

Failure to have a workforce and infrastructure that supports the delivery of effective 7 day working

In recognition of the Department of Health's commitment to having a 7 day NHS service by 2020 the Trust undertook a risk assessment at the end of quarter 1 of 2016/17. This risk assessment was then revised downward based on the results of the Mandated National Data Collection Audit which showed that the Trust was making good progress on the commitment to having a 7 day NHS Service.

Failure to maintain financial sustainability and the delivery of the Trust's Cost Improvement (Transformation) Programme

As reported last year, in January 2015, Monitor put the Trust in breach of its licence in relation to the sustainability of the Trust's long term financial strategy. The Trust set an ambitious financial plan for 2015/16 to see the Trust return to financial balance in 2016/17. In 2015/16 the Trust revised its financial forecast for the year to further reduce its financial deficit in year, this revised lower deficit of £3.11m, was then achieved. During 2015/16 Monitor reviewed the Trust's process for the delivery of its Cost Improvement (Transformation) Programme. Their positive conclusion on the Trust's processes complemented the assurance the Finance and Performance Committee has received across the year from the Trust Executive Directors and from Internal Audit.

During 2015/16, 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 February 2016 the Board undertook a self-assessment of its effectiveness utilising the Monitor Well Led Framework as the required benchmark. This self-assessment included an externally facilitated workshop to challenge the supporting evidence. This external challenge enabled the Board to view its evidence against that seen by the facilitator across a wider range of Foundation Trusts. This review drew out a number of areas of good practice that were embedded within the Board, its Committee structure and processes. It also identified a small number of areas where enhancements could be made and an action plan was devised with the plan for the Director of Governance to report back along with the Trust Chair during 2016/17 to the Board.

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 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, 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), although the last inspection report published in December 2014, rated the Trust 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 continued monitoring of its delivery reported to the Board through 2015/16. The delivery of these actions has been reported to both the Board and the CQC. The CQC have raised no concerns with the Trust's progress. In order to support the Board's continued review of the Trust's compliance with the CQC's requirements, management has commenced regular internal quality and safety reviews. These involve a multi-disciplinary team, including members of our Council of Governors, visiting a clinical area on an unannounced basis to observe clinical practices, question staff on their knowledge and compliance with Trust policies and to secure immediate patient feedback on their experiences. The outcome of these reviews is reported back to the clinical area on the same day allowing them to continue with identified good practice and make any enhancements swiftly. The outcomes of these reviews are also shared across the Trust to allow good practice to be shared, enabling each area to learn from each other which is further assisted by having within the multi-disciplinary team, peer matrons and clinicians from other wards.

Never Event

The Trust experienced a never event in 2015/16, which was reported and investigated through the Trust's incident reporting systems. The Trust made immediate changes to practice on the identification of this most serious of incidents and upon the conclusion of the full investigation made some further enhancements to the system of internal control operated by the clinical area. The learning from this incident has been shared widely within the Trust. Our Commissioners have been engaged during our investigation process and are satisfied that we have enhanced our processes as a result of this incident and that we acted swiftly and appropriately, engaging with the affected patient during our investigation, including making a swift and full apology through Duty of Candour.

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 a number of risk assessments and Carbon Reduction Delivery Plans are in place. Amongst these, risk assessments have been undertaken 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 continued to face a challenging year financially in 2015/16 and recognises that this will continue into 2016/17. The Trust continues with its transformation programme which was instigated last year, in 2015/16, to ensure that it remains financially sustainable going forward and 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. Monthly reports are submitted to Monitor from which Financial Sustainability and Governance risk ratings are assigned. The Trust received a Financial Sustainability risk rating of 2 from Monitor for the 2015/16 financial year. The Trust had a Monitor governance rating of red up to the end of February 2016. The red rating was linked to the technical breach of the Trust's Licence in respect of its long term financial sustainability but was removed at Monitor's Provider Regulation Directors Committee on the 29th February 2016.

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.

The Trust identified an issue within one department's compliance with Trust Policy and self-referred this matter to the Information Commissioner (ICO), although no patient data was at any significant risk. The Trust kept the ICO apprised of the investigation in respect of the failure to follow fully Trust Policy and the ICO concluded that the Trust had acted swiftly; that appropriate actions had been taken in disciplining staff involved; and that the updated proactive surveillance actions will act as a stronger future deterrent.

Annual Quality Report

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. 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 Accounts 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 Chief Nurse and Medical Director. They 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 accounts 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 many of the priorities from the last year including nutrition and infection control. The Trust's 2015/16 Quality priorities are discussed further in the Trust's Quality Account.

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.

Internal Audit specifically devotes an element of their annual work plan to providing assurance over the Trust's data quality processes. They have a rolling programme of areas for review ensuring that over time the Trust's data quality systems are subject to review. In 2015/16 this work included a review of the data quality systems underpinning the safer staffing reporting linking back to a key risk being monitored by the Board. Their work identified that the Board could take assurance over the Trust's processes, albeit they contained a series of manual interventions which could be designed out by their suggested improvements. The tracking of the delivery of these improvements was reported back to the Audit Committee.

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 Divisions 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. Further assurance to the Board has been provided by several independent audits stretching back to the introduction of the formal RTT targets.

As part of the external audit of the quality account last year, External Audit undertook a review of the RTT pathways and provided positive assurance over the Trust's controls and process through their annual opinion.

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 2015/16, 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 opinion stated that "The organisation has an adequate and effective framework for risk management, governance and internal control".

Internal Audit identified "further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective".

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 2015/16.
- 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 in place within the year.

Signed

Date: 24th May 2016



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.

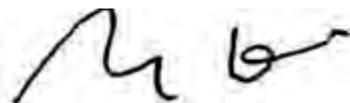
By order of the Board

Signed **Date: 24th May 2016**



Paula Clark
Chief Executive

Signed **Date: 24th May 2016**



Paul Taylor
Director of Finance and Information

Independent auditor's report to the Council of Governors and Board of Directors

Independent auditors' report to the Council of Governors of The Dudley Group NHS Foundation Trust

Report on the financial statements

Our opinion

In our opinion, The Dudley Group NHS Foundation Trust's Group and Parent Trust financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Parent Trust's affairs as at 31 March 2016 and of the Group's and of the Parent Trust's income and expenditure and of the Group's and of the Parent Trust's cash flows for the for the year then ended; and
- have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2015/16.

What we have audited

The financial statements comprise:

- the Consolidated and Parent Trust's Statement of Financial Position as at 31 March 2016;
- the Consolidated and Parent Trust's Statement of Comprehensive Income for the year then ended;
- the Consolidated and Parent Trust's Statement of Cashflows for the year then ended;
- the Consolidated and Parent Trust's Statement of Changes in Taxpayers' and Others' Equity for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is the NHS Foundation Trust Annual Reporting Manual 2015/16 issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Our audit approach

Context

The Trust is the main provider of acute emergency and scheduled healthcare in Dudley, operating from three sites, the main Russells Hall Hospital, the Corbett Outpatient Centre and the Guest Outpatient Centre. It also provides community services in Dudley from a number of different locations. It has an annual income of £326 million, which is funded predominantly by local Clinical Commissioning Groups and NHS England.

Monitor currently rates the Trust as green for governance and as having a financial sustainability risk rating of 2 out of 4, 1 being the highest risk and 4 being the lowest risk. The Trust was subject to Monitor enforcement action between January 2015 and March 2016.

Overview



- Overall Group materiality: £6,528,000 which represents 2% of total revenue.
- The consolidated financial statements comprise the parent, The Dudley Group NHS Foundation Trust, and its subsidiaries (The Dudley Group NHS Foundation Trust Charity and Dudley Clinical Services Limited).
- All work was performed by a single audit team who assessed the risks of material misstatement, taking into account the nature, likelihood and potential magnitude of any misstatement and determined the extent of testing we needed to do over each balance in the financial statements.
- Risk of fraud in revenue and expenditure recognition; and
- Valuation of Property, Plant and Equipment.

The scope of our audit and our areas of focus

We conducted our audit in accordance with the National Health Service Act 2006, the Code of Audit Practice and relevant guidance issued by the National Audit Office on behalf of the Comptroller and Auditor General (the “Code”) and, International Standards on Auditing (UK and Ireland) (“ISAs (UK & Ireland)”).

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as “areas of focus” in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Area of focus	How our audit addressed the area of focus
<p>Risk of fraud in revenue and expenditure recognition</p> <p>See note 1 to the financial statements for the directors’ disclosures of the related accounting policies, judgements and estimates relating to the recognition of income and expenditure and notes 3 to 5 for further information.</p> <p>There is a risk that, due to the financial position of the Trust, management has adopted accounting policies or treated income or expenditure transactions in such a way as to lead to an understatement of the reported deficit position. This combined with the nature of a number of the Trust’s contracts, and the timing of the intra-NHS balance agreement process, led us to focus on it.</p> <p>We considered revenue recognition to be a risk, in particular revenue streams from the Clinical Commissioning Groups (“CCGs”) and NHS England, which together comprise £296 million of the Trust’s £326 million of income. The service level agreements with the CCGs are renegotiated annually and consist of standard monthly instalments. A year-end adjustment is then negotiated with the CCGs to reflect actual levels of activity. Its value and recoverability is subject to management judgement. Due to the deficit position recorded by the Trust, we considered the risk to be focussed on the existence of the income from material CCG contracts, in particular the year-end adjustment.</p> <p>We also considered expenditure recognition to be a risk. Given the Trust’s deficit position we focussed on the completeness of liabilities recorded in the Statement of Financial Position.</p> <p>We focused our work on the elements of income and expenditure that are most susceptible to manipulation:</p> <ul style="list-style-type: none">• non-standard journal transactions;• income recognition for material contracts with CCGs, specifically the year adjustment; and• unrecorded liabilities.	<p>Journals</p> <p>We tested a sample of journal transactions that had been recognised in both income and expenditure, focussing in particular on those that had been recognised near the end of the year. We agreed the journal entries to supporting documentation, for example invoices and cash transactions. Our testing found that they were supported by appropriate documentation and that the income and expenditure was recognised in the appropriate accounting period.</p> <p>Revenue</p> <p>For a sample of transactions recognised during the year and around the year-end (both before and after), we confirmed that income and expenditure had been recognised in line with the Group’s accounting policies and in the correct accounting period by agreeing transactions to the supporting invoice and cash receipts/payments where appropriate.</p> <p>For a sample of CCG income, we obtained the signed contract and agreed its value to the income recognised during the year. For a sample of income from over and under performance against the contract we agreed the income to supporting evidence. This included inspecting information from the year-end intra-NHS balance agreement process to identify any significant differences between the income and debtors reported with NHS organisations.</p> <p>No material issues were identified from the work performed.</p> <p>Expenditure</p> <p>We performed testing to identify whether there were any unrecorded liabilities. We:</p> <ul style="list-style-type: none">• tested a sample of large payments made and invoices received after 31 March 2016 to supporting documentation, to check that, where they related to the 2015/16 financial year, an accrual was recognised appropriately;• compared operating expenditure in March and April 2016 to make sure it was treated consistently; and• compared the list of accrued expenses recognised as at 31 March 2016 with that recognised in the

prior year to identify differences in the accruals recognised year on year.

We also inspected the information from the year-end intra-NHS balance agreement process to identify any significant differences between the expenditure and creditors reported with NHS organisations.

No material issues were identified from the work performed.

Valuation of property, plant and equipment

See note 1 to the financial statements for the directors' disclosures of the related accounting policies, judgements and estimates relating the valuation of property, plant and equipment and note 13 for further information.

We focussed on this area because property, plant and equipment ("PPE") represents the largest balance in the Trust's Statement of Financial Position. PPE amounts to £236 million of which £225 million is land and buildings that have been revalued.

All PPE is measured initially at cost, with land and buildings subsequently measured at fair value. A professionally accredited expert prepares valuations following Royal Institution of Chartered Surveyors (RICS) requirements. Valuations have to be prepared sufficiently regularly so that carrying values are not materially different from fair value at the reporting date.

A full valuation of land and buildings was undertaken during 2015/16 by the Trust's valuation experts, resulting in an increase in fair value of £27 million.

We considered the key areas of focus to be:

- the key inputs to the valuation, in particular the floor areas on which the valuation is based; and
- the methodology, assumptions and underlying data used by the valuation expert.

We obtained the valuation and assessed the competence and objectivity of the Trust's Valuer by using the work of an auditor's expert in the valuation of PPE to help us look at their assumptions and approach and compare it with industry requirements.

We assessed the methodology, assumptions and estimates used in the valuation including the consistency of these with our own expectations based on our experience of similar valuations and wider industry trends.

We tested a sample of the material assets, checking that the input data used by the valuer as the basis for the valuation, in particular the floor areas, was consistent with the underlying estates information.

We checked that the valuation information had been correctly input into the Fixed Asset Register and the accounting treatment recorded in the Trust's financial statements was appropriate.

Our work did not identify any material issues. We found:

- the valuation to have been based on appropriate input data, including floor area information; and
- the assumptions and methodology applied to be consistent with the requirements.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the environment in which the Group operates.

The Trust is the Corporate Trustee of The Dudley Group NHS Foundation Trust Charity. The charity is consolidated into the Group financial statements. Dudley Clinical Services Limited is wholly owned by The Dudley Group NHS Foundation Trust and is also consolidated into the Group financial statements. We conducted the audit on the Consolidated Group financial statements at the Trust's headquarters in Dudley, which is where the Trust's finance function is based.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<i>Overall Group materiality</i>	£6,528,000
<i>How we determined it</i>	2% of revenue
<i>Rationale for benchmark applied</i>	We have applied this benchmark, a generally accepted auditing practice, in the absence of indicators that an alternative benchmark would be appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £250,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Other reporting in accordance with the Code

Opinions on other matters prescribed by the Code

In our opinion:

- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2015/16; and
- the part of the Staff Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2015/16.

Other matters on which we are required to report by exception

We are required to report to you if, in our opinion:	
<ul style="list-style-type: none"> information in the Annual Report is: <ul style="list-style-type: none"> materially inconsistent with the information in the audited financial statements; or apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group and Parent Trust acquired in the course of performing our audit; or otherwise misleading. 	We have no exceptions to report.
<ul style="list-style-type: none"> the statement given by the directors, in accordance with provision C.1.1 of the NHS Foundation Trust Code of Governance, that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Group and Parent Trust's performance, business model and strategy is materially inconsistent with our knowledge of the Group's and Parent Trust acquired in the course of performing our audit. 	We have no exceptions to report.
<ul style="list-style-type: none"> the section of the Annual Report, as required by provision C.3.9 of the NHS Foundation Trust Code of Governance, describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee. 	We have no exceptions to report.
<ul style="list-style-type: none"> the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2015/16 or is misleading or inconsistent with information of which we are aware from our audit. We have not considered whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls. 	We have no exceptions to report.
We are also required to report to you if:	
<ul style="list-style-type: none"> we have referred a matter to Monitor under paragraph 6 of Schedule 10 to the NHS Act 2006 because we had reason to believe that the Trust, or a director or officer of the Trust, was about to make, or had made, a decision which involved or would involve the incurring of expenditure that was unlawful, or was about to take, or had taken a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or 	We have no exceptions to report.
<ul style="list-style-type: none"> we have issued a report in the public interest under paragraph 3 of Schedule 10 to the NHS Act 2006. 	We have no exceptions to report.

Arrangements for securing economy, efficiency and effectiveness in the use of resources

Under the Code we are required to report to you if we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016.

We draw your attention to the Trust's Annual Governance Statement. Monitor concluded in its Enforcement Undertaking dated 26 January 2015 that The Dudley Group NHS Foundation Trust demonstrated a failure of corporate governance arrangements and financial management standards. The Enforcement Undertaking was removed on 9 March 2016.

Except for the matter identified above The Dudley Group NHS Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view in accordance with the NHS Foundation Trust Annual Reporting Manual 2015/16.

Our responsibility is to audit and express an opinion on the financial statements in accordance with the National Health Service Act 2006, the Code, and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Council of Governors of The Dudley Group NHS Foundation Trust as a body in accordance with paragraph 24 of Schedule 7 of the National Health Service Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

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 Parent Trust's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both. 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.

Responsibilities for securing economy, efficiency and effectiveness in the use of resources

Our responsibilities and those of the Directors

The Trust is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. We are required under paragraph 1(d) of Schedule 10 to the NHS Act 2006 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report to you where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code, having regard to the criterion determined by the Comptroller and Auditor General as to whether the Trust has proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary.

Certificate

We certify that we have completed the audit of the financial statements in accordance with the requirements of Chapter 5 of Part 2 to the National Health Service Act 2006 and the Code.



Richard Bacon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Date: 26 May 2016

- (a) The maintenance and integrity of The Dudley Group NHS Foundation Trust website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Foreword to the accounts

For the period 1st April 2015 to 31st March 2016

These accounts for the period 1 April 2015 to 31 March 2016 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: 24th May 2016**

A handwritten signature in black ink that reads "Paula Clark". The signature is written in a cursive style with a small flourish at the end.

Paula Clark
Chief Executive

Annual Accounts

Consolidated and Foundation Trust Statements of Comprehensive Income For the Year Ended 31 March 2016

	Group		Foundation Trust	
	Year Ended 31 March 2016 £'000	Restated * Year Ended 31 March 2015 £'000	Year Ended 31 March 2016 £'000	Restated * Year Ended 31 March 2015 £'000
Operating Income from patient care activities	303,071	303,199	303,066	303,199
Other Operating Income	22,854	23,197	22,817	23,064
Total Operating Income from continuing operations	325,925	326,396	325,883	326,263
Operating Expenses of continuing operations	(314,974)	(321,236)	(314,912)	(320,974)
Operating Surplus / (Deficit)	10,951	5,160	10,971	5,289
Finance Costs				
Finance income	164	173	112	120
Finance expense - financial liabilities	(11,232)	(11,098)	(11,232)	(11,098)
PDC Dividends payable	(2,796)	(2,344)	(2,796)	(2,344)
Net Finance Costs	(13,864)	(13,269)	(13,916)	(13,322)
Corporation tax expense	(25)	(19)	0	0
Surplus / (Deficit) for the year from continuing operations	(2,938)	(8,128)	(2,945)	(8,033)
SURPLUS / (DEFICIT) FOR THE YEAR	(2,938)	(8,128)	(2,945)	(8,033)
Other comprehensive income				
Will not be reclassified to income and expenditure:				
Impairments	0	0	0	0
Revaluations	26,982	0	26,982	0
May be reclassified to income and expenditure where certain conditions are met:				
Fair Value gains / (losses) on Available-for-sale financial instruments	(64)	73	0	0
TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR	23,980	(8,055)	24,037	(8,033)

The notes on pages 5 to 39 form part of these accounts.
All income and expenditure is derived from continuing operations.
* Restated to show additional income analysis.

There are no Non-Controlling Interests in the Group, therefore the deficit for the year of £2,938,000 (2014/15 deficit of £8,128,000) and the Total Comprehensive Income of £23,980,000 (2014/15 Total Comprehensive Expense of £8,055,000) is wholly attributable to the Trust.

Consolidated and Foundation Trust Statements of Financial Position At 31 March 2016

	Note	Group		Foundation Trust	
		31 March 2016 £'000	31 March 2015 £'000	31 March 2016 £'000	31 March 2015 £'000
Non-current assets					
Intangible assets	12	1,421	4,368	1,421	4,368
Property, plant and equipment	13	236,166	214,153	236,166	214,153
Other Investments	14	1,136	1,200	0	0
Trade and other receivables	17	9,256	8,465	9,256	8,465
Total non-current assets		247,979	228,186	246,843	226,986
Current assets					
Inventories	16	3,028	2,949	2,826	2,713
Trade and other receivables	17	9,219	10,963	9,333	11,073
Other financial assets	15	1,227	1,287	0	0
Cash and cash equivalents	24	23,623	26,530	23,383	26,179
Total current assets		37,097	41,729	35,542	39,965
Current liabilities					
Trade and other payables	18	(18,688)	(23,669)	(18,648)	(23,413)
Borrowings	23	(5,344)	(5,346)	(5,344)	(5,346)
Provisions	21	(279)	(251)	(279)	(251)
Other financial liabilities	19	(2,495)	(2,026)	(2,495)	(2,026)
Total current liabilities		(26,806)	(31,292)	(26,766)	(31,036)
Total assets less current liabilities		258,270	238,623	255,619	235,915
Non-current liabilities					
Trade and other payables	18	(120)	0	(120)	0
Borrowings	23	(132,587)	(137,072)	(132,587)	(137,072)
Total non-current liabilities		(132,707)	(137,072)	(132,707)	(137,072)
Total assets employed		125,563	101,551	122,912	98,843
Financed by					
Taxpayers' equity					
Public Dividend Capital		24,653	24,621	24,653	24,621
Revaluation reserve		82,547	55,592	82,547	55,592
Income and expenditure reserve		15,943	18,757	15,712	18,630
Others' equity					
Charitable Fund reserves		2,420	2,581	0	0
Total Taxpayers' and Others' equity		125,563	101,551	122,912	98,843

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



Paula Clark, Chief Executive

Date 24th May 2016

Consolidated and Foundation Trust Statements of Changes in Taxpayers' and Others' Equity For the Year Ended 31 March 2016

	Group					Foundation Trust			
	Taxpayers Equity					Taxpayers Equity			
	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	**Charitable Fund Reserves	Total Taxpayers' and Others' Equity	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	Total Taxpayers' Equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Taxpayers' and Others' Equity at 1 April 2014	22,579	55,608	26,699	2,678	107,564	22,579	55,608	26,647	104,834
Prior period adjustment	0	0	0	0	0	0	0	0	0
Taxpayers' and Others' Equity at 1 April 2014 - restated	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	2,042
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 Others' Equity at 31 March 2015	24,621	55,592	18,757	2,581	101,551	24,621	55,592	18,630	98,843
Taxpayers' and Others' Equity at 1 April 2015	24,621	55,592	18,757	2,581	101,551	24,621	55,592	18,630	98,843
Surplus / (Deficit) for the year	0	0	(2,874)	(64)	(2,938)	0	0	(2,945)	(2,945)
Transfers between reserves	0	(27)	27	0	0	0	(27)	27	0
Impairments	0	0	0	0	0	0	0	0	0
Revaluations - property, plant and equipment	0	26,982	0	0	26,982	0	26,982	0	26,982
Fair Value gains / (losses) on available-for-sale financial investments	0	0	0	(64)	(64)	0	0	0	0
Public Dividend Capital Received	32	0	0	0	32	32	0	0	32
Other reserve movements	0	0	0	0	0	0	0	0	0
Consolidation adjustment	0	0	33	(33)	0	0	0	0	0
Taxpayers' and Others' Equity at 31 March 2016	24,653	82,547	15,943	2,420	125,563	24,653	82,547	15,712	122,912

** Charitable Fund Reserves comprise Unrestricted Funds £2,419,000 (2014/15 £2,581,000) of which £2,124,000 (2014/15 £2,284,000) have been designated for specific purposes, Restricted Funds £1,000 (2014/15 £nil) and Endowment Funds £nil (2014/15 £nil). Unrestricted Funds comprise those funds that the Trustee is free to use for any purpose in furtherance of the Charity objectives, Restricted Funds are specific appeals for funds or donations where legal restrictions have been 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 and Foundation Trust Statements of Cash Flows For the Year Ended 31 March 2016

	Group		Foundation Trust	
	31 March 2016 £'000	31 March 2015 £'000	31 March 2016 £'000	31 March 2015 £'000
Cash flows from operating activities				
Operating surplus / (deficit) from continuing operations	10,951	5,160	10,971	5,289
Operating surplus / (deficit)	10,951	5,160	10,971	5,289
Non-cash income and expense:				
Depreciation and amortisation	9,480	9,200	9,480	9,200
Impairments	2,366	0	2,366	0
(Gain) / Loss on Disposal	37	57	37	57
Income recognised in respect of capital donations (cash and non-cash)	(28)	(244)	(28)	(244)
(Increase) / Decrease in Receivables and Other Assets	825	7,866	815	7,935
(Increase) / Decrease in Inventories	(79)	210	(113)	183
Increase / (Decrease) in Trade and Other Payables	(4,663)	4,636	(4,444)	4,700
Increase / (Decrease) in Other Liabilities	469	217	469	217
Increase / (Decrease) in Provisions	28	(2,694)	28	(2,694)
Tax (paid) / received	0	0	0	0
NHS Charitable funds - net adjustments for working capital movements, non-cash transactions and non-operating cash flows	32	(1,123)	0	0
NET CASH GENERATED FROM/(USED IN) OPERATIONS	19,418	23,285	19,581	24,643
Cash flows from investing activities				
Interest received	114	120	112	119
Purchase of financial assets	(453,500)	(366,500)	(453,500)	(366,500)
Sales of financial assets	453,500	366,500	453,500	366,500
Purchase of intangible assets	(208)	(3,719)	(208)	(3,719)
Sales of intangible assets	0	0	0	0
Purchase of Property, Plant and Equipment	(3,093)	(4,875)	(3,093)	(4,875)
Sales of Property, Plant and Equipment	20	25	20	25
NHS Charitable funds - net cash flows from investing activities	50	52	0	0
Net cash generated from / (used in) investing activities	(3,117)	(8,397)	(3,169)	(8,450)
Cash flows from financing activities				
Public dividend capital received	32	2,042	32	2,042
Capital element of PFI Obligations	(5,346)	(5,345)	(5,346)	(5,345)
Interest element of PFI Obligations	(11,232)	(11,098)	(11,232)	(11,098)
PDC Dividend paid	(2,662)	(1,778)	(2,662)	(1,778)
Net cash generated from / (used in) financing activities	(19,208)	(16,179)	(19,208)	(16,179)
Increase / (decrease) in cash and cash equivalents	(2,907)	(1,291)	(2,796)	14
Cash and Cash equivalents at 1 April	26,530	27,821	26,179	26,165
Cash and Cash equivalents at 31 March	23,623	26,530	23,383	26,179

1. Accounting Policies and Other Information

Monitor is responsible for issuing an accounts direction to NHS Foundation Trusts under the NHS Act 2006. Monitor has directed that the annual report and accounts of NHS Foundation Trusts shall meet the accounting requirements of the Foundation Trust Annual Reporting Manual (FT ARM) which shall be agreed with the Secretary of State. Consequently, the annual report and accounts have been prepared in accordance with the FT ARM 2015/16 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 annual report and accounts.

Accounting Convention

The annual report and 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 annual report and accounts consolidate the annual report and accounts of the Trust and all of its subsidiary undertakings made up to 31st March 2016. The income, expenses, assets, liabilities, equity and reserves of the subsidiaries have been consolidated into the Trust's annual report and accounts and group annual report and accounts 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 annual report and accounts lines. The amounts consolidated are drawn from the published annual report and accounts 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 annual report and accounts are prepared to 31st March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. 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.

1. Accounting policies and other information (continued)

1.3 Expenditure on Employee Benefits

Pension costs

NHS Pension Scheme

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

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

a) Accounting valuation

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

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

b) Full actual (funding) valuation

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

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

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

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. Accounting policies and other information (continued)

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;
 - has an individual cost of at least £5,000; or
 - 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
 - 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.

An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

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:

<u>Asset Category</u>	<u>Useful Life (years)</u>
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-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

1. Accounting policies and other information (continued)

1.5 Property, Plant and Equipment

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 sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
 - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged 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.

1. Accounting policies and other information (continued)

1.5 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 HM Treasury's FReM, 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.

The Trust will review any prepayment balance annually and compare the total of the prepayment balance and remaining lifecycle contributions to the original agreed plan of lifecycle spend. An impairment will be recognised when the total of the prepayment balance compared to the expected prepayment balance exceeds by more than 10% the total remaining lifecycle spend as per the original plan. If the Trust is provided with an updated plan of future spend then this will be used as the basis of the impairment review

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; and
- the Trust can measure reliably the expenses attributable to the asset during development.

Software

Software which is integral to the operation of hardware e.g. an operating system is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset.

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 current value in existing use. Where no market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluation gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5. Intangible assets held for sale are measured at the lower of their carrying amount or 'fair value less costs to sell'.

1. Accounting policies and other information (continued)

1.6 Intangible Assets

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.

<u>Asset Category</u>	<u>Useful Life (years)</u>
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.

1. Accounting policies and other information (continued)

1.10 Financial Instruments and Financial Liabilities

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 -0.8% (2014/15 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 1.37% (2014/15 1.30%) in real terms.

1. Accounting policies and other information (continued)

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 annual report and 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 report and accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual report and 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. Accounting policies and other information (continued)

1.17 Third Party Assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the annual report and accounts since the NHS Foundation Trust has no beneficial interest in them. However, they are disclosed in note 30 to the annual report and 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 annual report and accounts.

- 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 annual report and accounts.

IRFS	9	Financial Instruments (effective from 2018/19)
IRFS	10	(amendment) and IAS 28 (amendment) Sale and contribution of assets and investment entities (effective 2016/17)
IRFS	11	(amendment) Acquisition of an interest in a joint operation (effective 2016/17)
IRFS	15	Revenue from contracts with customers (effective from 2017/18)
IAS	1	(amendment) Disclosure initiative (effective 2016/17)
IAS	16	(amendment) and IAS 38 (amendment) Depreciation and amortisation (effective 2016/17)
IAS	16	(amendment) and IAS 41 (amendment) Bearer plants (effective 2016/17)
IAS	27	(amendment) Equity method in separate financial statements (effective 2016/17)
Annual Improvements to IFRS: 2012-15 cycle (effective 2017/18)		

1. Accounting policies and other information (continued)

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 annual report and 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 annual report and accounts are preserved on recognition in the Trust's annual report and 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 annual reports and accounts.

For functions that the Trust has transferred to another NHS/Local Government Body, the assets and liabilities are de-recognised from the annual report and 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 2015/16.

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 annual report and accounts 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 annual report and accounts on page 17. Other operating income is analysed in note 4 to the annual report and 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 annual report and accounts on page 34.

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 the group annual report and accounts. The quarterly performance report to the Chief Operating Decision Maker reports financial summary information in the format of the table on page 16.

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 the group annual report and accounts. The quarterly performance report to the Chief Operating Decision Maker reports financial summary information in the format of the table on page 16.

2. Segmental analysis (continued)

	Healthcare Services £000	Dudley Clinical Services Limited £000	Dudley Group NHS Charity £000	Inter Group Eliminations £000	Total £000
Year ended 31 March 2016					
Total segment revenue	325,883	4,386	350	(4,694)	325,925
Total segment expenditure	(314,912)	(4,259)	(497)	4,694	(314,974)
Operating Surplus / (Deficit)	10,971	127	(147)	0	10,951
Net Financing	(11,120)	2	50	0	(11,068)
PDC Dividends Payable	(2,796)	0	0	0	(2,796)
Taxation	0	(25)	0	0	(25)
Retained surplus - before non-recurring items	(2,945)	104	(97)	0	(2,938)
Non-recurring items	0	0	0	0	0
Retained surplus / (deficit)	(2,945)	104	(97)	0	(2,938)
Reportable Segment assets	282,385	696	2,447	0	285,528
Eliminations	0	0	0	(452)	(452)
Total assets	282,385	696	2,447	(452)	285,076
Reportable Segment liabilities	(159,473)	(465)	(27)	0	(159,965)
Eliminations	0	0	0	452	452
Total liabilities	(159,473)	(465)	(27)	452	(159,513)
Net assets/liabilities	122,912	231	2,420	0	125,563
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 / (Deficit)	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	0	(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

3. Revenue from activities

3.1 By Commissioner

	Year Ended 31 March 2016	Year Ended 31 March 2015
	£'000	£'000
NHS Foundation Trusts	6	126
NHS Trusts	2,897	1,788
CCG's and NHS England	296,464	297,633
Local Authorities	2,426	2,381
NHS Other	0	0
Non NHS: Private patients	51	68
Non-NHS: Overseas patients (chargeable to patient)	116	107
NHS injury scheme (was RTA)	1,056	1,013
Non NHS: Other	55	83
Total income from activities	303,071	303,199

3.2 By Nature

	Year Ended 31 March 2016	Year Ended 31 March 2015
	£'000	£'000
<u>Acute Trusts</u>		
Elective	46,248	50,199
Non Elective	93,566	92,297
Outpatient	45,683	44,706
A&E	10,494	10,803
Other NHS Clinical Income	68,534	69,950
<u>Community Trusts</u>		
Income from CCG's and NHS England	21,727	21,374
Income not from CCG's NHS England	867	944
Income at Tariff	287,119	290,273
Private Patients	51	68
Other clinical income	15,901	12,858
Total income from activities	303,071	303,199

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 2016	Year Ended 31 March 2015
	£'000	£'000
Income from Commissioner Requested Services	264,525	267,955
Income from Non Commissioner Requested Services	22,594	22,318
Income from Activities	287,119	290,273
Other Clinical Income	15,952	12,926
Total Income	303,071	303,199

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. Revenue from activities (continued)

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 annual report and accounts disclosures that were provided previously are now no longer required.

3.5 Overseas Visitors

	Year Ended 31 March 2016 £'000	Year Ended 31 March 2015 £'000
Income recognised this year	116	107
Cash payments received in-year	38	36
Amounts added to provision for impairment of receivables	146	57
Amounts written off in-year	72	16

4. Other operating income

	Year ended 31 March 2016 £'000	Restated * Year ended 31 March 2015 £'000
Research and development	1,351	1,047
Education and training	9,565	9,387
Charitable asset donations	28	244
Charitable contributions to expenditure	0	68
Non-patient care services to other bodies	5,434	4,575
Profit on disposal of intangible fixed assets	0	0
Profit on disposal of land and buildings	0	0
Profit on disposal of other property, plant and equipment	20	22
Rental revenue from Operating Leases - contingent rent *	250	61
Income in respect of Staff Costs	2,062	1,551
NHS Charitable Funds incoming resources excluding investment income	350	445
Other	3,794	5,797
Total other operating income	22,854	23,197

Other income is derived from Staff Recharges £2,062,000 (2014/15 £1,551,000); Pharmacy Drugs £2,266,000 (2014/15 £1,618,000); and numerous other small amounts.

* Restated - to reflect expanded analysis.

5. Operating expenditure

5.1 Operating Expenses

	Year ended 31 March 2016 £'000	*Restated Year ended 31 March 2015 £'000
Services from NHS Foundation Trusts	140	154
Services from NHS Trusts	206	196
Services from CCG's and NHS England	10	18
Services from other NHS Bodies	97	81
Purchase of healthcare from non NHS bodies	356	646
Employee Expenses - Executive directors	712	629
Employee Expenses - Non-executive directors	131	127
Employee Expenses - Staff	190,686	189,352
NHS Charitable funds - employee expenses	41	39
Drug costs (non inventory drugs only)	2,127	1,922
Drugs Inventories consumed	31,170	30,589
Supplies and services - clinical (excluding drug costs)	26,534	27,594
Supplies and services - general	1,098	1,200
Establishment	1,592	1,560
Transport - Business Travel	614	755
Transport - Other	139	2,523
Premises - Business Rates	1,427	1,356
Premises - Other	294	4,921
Increase / (decrease) in bad debt provision	213	991
Rentals under operating leases - minimum lease receipts	2,779	2,966
Depreciation on property, plant and equipment	8,691	8,701
Amortisation on intangible assets	789	499
Impairment of intangible assets	2,366	0
NHS Charitable funds - Depreciation and amortisation on charitable fund assets	0	2
Audit fees payable to the external auditor		
Audit services	58	64
Other Auditor Remuneration	11	25
NHS Charitable Fund Accounts	6	6
Clinical negligence	12,588	9,562
Loss on disposal of intangible fixed assets	0	0
Loss on disposal of land and buildings	0	0
Loss on disposal of other property, plant and equipment	57	79
Legal Fees	382	356
Consultancy costs	1,005	1,544
Internal Audit Costs	132	115
Training, courses and conferences	619	753
Patient Travel	78	72
Car Parking and security	111	110
Redundancy	95	1,583
Hospitality	31	44
Publishing	58	85
Insurance	23	18
Losses and Ex-gratia payments	41	11
Other	27,050	29,395
NHS Charitable funds Other resources expended	417	593
TOTAL	314,974	321,236

Other expenditure includes £23,839,000 (2014/15 £29,086,000) 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 2015/16 (2014/15 £ nil) the Trust was not charged interest for the late payment of commercial debts.

6. Operating Leases

6.1 Payments recognised as an expense

	Year ended 31 March 2016 £'000	* Restated Year ended 31 March 2015 £'000
Minimum lease payments	<u>2,779</u>	<u>2,966</u>
	<u>2,779</u>	<u>2,966</u>
Total future minimum lease payments		
Payable:	£'000	£'000
Not more than one year	2,968	2,970
Between one and five years	39	3,024
After 5 years	<u>0</u>	<u>0</u>
Total	<u>3,007</u>	<u>5,994</u>

* Restated to include the lease of Health Centre premises.

7. Directors' Remuneration and other benefits

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Salary	701	694
Taxable Benefits	2	3
Performance Related Bonuses	0	0
Employer contributions to a pension scheme	<u>57</u>	<u>65</u>
	<u>760</u>	<u>762</u>

Further details of directors' remuneration can be found in the remuneration report.

8. Employee expenses and numbers

8.1 Employee Costs

	Year Ended 31 March 2016				Restated * Year Ended 31 March 2015			
	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	153,045	150,917	2,128	150,917	154,670	152,912	1,758	152,912
Social security costs	11,428	11,428	11,428	0	11,689	11,689	11,689	0
Employer's contributions to NHS Pensions	17,289	17,289	17,289	0	17,318	17,318	17,318	0
Pension Cost - other *	11	11	0	11	13	13	0	13
Termination Benefits	95	95	0	95	1,583	1,583	0	1,583
Agency/contract staff	9,625	0	0	9,625	6,326	0	0	6,326
NHS Charitable fund staff	41	41	0	41	39	39	0	39
Total	191,534	179,781	30,845	160,689	191,638	183,554	30,765	160,873

* Restated to reflect payments to the National Employment Savings Trust Corporation (NEST)

8.2 Average Number of Persons Employed

This information can now be found in the staff report section of the annual report and accounts.

8.3 Employee Benefits

Employees benefits include payment of salaries/wages and pension contributions. There were no other employee benefits paid in 2015/16 (2014/15 £ nil).

8.4 Retirements due to Ill-health

During the year 2015/16 there were 2 (in 2014/15 there were 3) early retirements from the Trust on the grounds of ill-health.

The estimated additional pension liabilities of these ill-health retirements will be £72,242 (2014/15 £85,103).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division, and therefore there is no liability or provision in the Trust annual report and accounts.

8.5 Sickness Absence

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

	For the year 2015	For the year 2014
Total Days Lost	34,452	34,884
Total Staff Years	4,066	4,170
Average Working Days Lost Per WTE	8	8

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

8.6 Other Compensation Schemes and Exit Packages

This information can now be found in the staff report section of the annual report and accounts.

9. Finance income

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Interest on bank accounts	114	121
Interest on available for sale financial assets	0	0
Interest on held-to-maturity financial assets	0	0
NHS Charitable funds: investment income	50	52
	<u>164</u>	<u>173</u>

10. Finance Expense - Financial Liabilities

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Finance Costs in PFI obligations		
Main Finance Costs	5,583	5,752
Contingent Finance Costs	5,649	5,346
	<u>11,232</u>	<u>11,098</u>

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 £25,000 (2014/15 £19,000). The activities of the Trust and the Charity do not incur corporation tax.

UK Corporation Tax Expense

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Current tax expense		
Current year	25	19
Adjustments in respect of prior years	0	0
Total income tax expense in Statement of Comprehensive Income	<u>25</u>	<u>19</u>

Reconciliation of effective tax rate

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Effective tax charge percentage	20.00%	20.00%
Tax if effective tax rate charged on surpluses before tax	(583)	(1,622)
Effect of:		
Surpluses not subject to tax	608	1,641
Total income tax charge for the year	<u>25</u>	<u>19</u>

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

2015/16	Group	
	Computer Software	Total
	£'000	£'000
Gross Cost as at 1 April 2015	7,218	7,218
Prior period Adjustments	0	0
Gross Cost as at 1 April 2015 restated	7,218	7,218
Additions Purchased	208	208
Additions Donated	0	0
Impairments	(2,366)	(2,366)
Disposals	(143)	(143)
Gross Cost as at 31 March 2016	4,917	4,917
Amortisation as at 1 April 2015	2,850	2,850
Prior period Adjustments	0	0
Amortisation as at 1 April 2015 restated	2,850	2,850
Provided during the Year	789	789
Disposals	(143)	(143)
Amortisation as at 31 March 2016	3,496	3,496
Net Book Value		
Purchased at 1 April 2015	4,327	4,327
Donated at 1 April 2015	41	41
Total at 1 April 2015	4,368	4,368
Net Book Value		
Purchased at 31 March 2016	1,393	1,393
Donated at 31 March 2016	28	28
Total at 31 March 2016	1,421	1,421

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

A separate schedule for the Trust intangible assets has not been produced as the NHS Charity intangible assets represent just £nil (31 March 2015 £nil) of the net book value held by the Group and the subsidiary does not have any intangible assets.

13 Property, Plant and Equipment

13.1 2015/16

	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 2015	249,798	24,600	182,279	0	122	33,827	129	8,128	713
Additions - purchased	3,751	0	1,095	0	173	2,127	0	356	0
Additions - leased	0	0	0	0	0	0	0	0	0
Additions - donated	28	0	0	0	0	28	0	0	0
Impairments charged to the revaluation reserve	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	(15)	0	0	15	0
Revaluations	17,066	550	16,516	0	0	0	0	0	0
Disposals	(3,616)	0	(69)	0	0	(3,523)	(11)	0	(13)
Cost at 31 March 2016	267,027	25,150	199,821	0	280	32,459	118	8,499	700
Accumulated depreciation at 1 April 2015	35,645	0	4,934	0	0	25,221	82	4,902	506
Provided during the year	8,691	0	4,994	0	0	2,617	16	1,004	60
Revaluations	(9,916)	0	(9,916)	0	0	0	0	0	0
Disposals	(3,559)	0	(12)	0	0	(3,523)	(11)	0	(13)
Accumulated depreciation at 31 March 2016	30,861	0	0	0	0	24,315	87	5,906	553
Net book value									
NBV - Owned at 1 April 2015	49,659	24,600	16,432	0	122	5,037	47	3,220	201
NBV - PFI at 1 April 2015	164,058	0	160,761	0	0	3,297	0	0	0
NBV - Donated at 1 April 2015	436	0	152	0	0	272	0	6	6
NBV total at 1 April 2015	214,153	24,600	177,345	0	122	8,606	47	3,226	207
NBV - Owned at 31 March 2016	51,605	25,150	18,728	0	280	4,683	31	2,590	143
NBV - PFI at 31 March 2016	184,192	0	180,943	0	0	3,249	0	0	0
NBV - Donated at 31 March 2016	369	0	150	0	0	212	0	3	4
NBV total at 31 March 2016	236,166	25,150	199,821	0	280	8,144	31	2,593	147

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 Property, Plant and Equipment (continued)

13.2 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. Property, Plant and Equipment (continued)

13.3 Financing of property, plant and equipment

	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
Net Book Value									
At 31 March 2016									
Owned	51,605	25,150	18,728	0	280	4,683	31	2,590	143
On Statement of Financial Position PFI contracts and other service concession arrangements	184,192	0	180,943	0	0	3,249	0	0	0
Donated	369	0	150	0	0	212	0	3	4
	236,166	25,150	199,821	0	280	8,144	31	2,593	147
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

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 property, plant and equipment

	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
Net Book Value at 31 March 2016									
Commissioner Requested Assets	215,253	25,150	190,103	0	0	0	0	0	0
Non Commissioner Requested Assets	20,913	0	9,718	0	280	8,144	31	2,593	147
	236,166	25,150	199,821	0	280	8,144	31	2,593	147
Net Book Value at 31 March 2015									
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

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. Property, Plant and Equipment (continued)

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 year, as described in accounting policy notes 1.5 and 1.6

	Minimum Life Years	Maximum Life Years
<u>Intangible</u>		
Software Licences	2	10
<u>Tangible</u>		
Buildings excluding dwellings	5	90
Dwellings	0	0
Assets under Construction & POA	0	0
Plant & Machinery	5	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 2016. 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, 6th Edition, insofar as the terms are consistent with the requirements of HM Treasury, the National Health Service and Monitor. On application there was a minor movement in the value of land and a general increase in value of buildings compared to the carrying value at 31st March 2016. In line with IFRS the Trust took the increase in value of the land and buildings directly to the revaluation reserve.

In addition the Trust undertook an impairment review of equipment and intangible assets. The Trust took the decision to value a software license to 'nil' as it was now obsolete in terms of its economical use to the Trust. The impairment charged to the income statement in relation to this asset was £2.366m.

	31 March 2016 £'000	31 March 2015 £'000
Impairment of Assets		
Changes in market price	0	0
Unforeseen Obsolescence	2,366	0
TOTAL IMPAIRMENTS	2,366	0

13.7 Asset Valuations

The Trust received a MEA valuation from the District Valuer in March 2016. The updated valuations of the Trust's land, buildings and dwellings were applied to the Trust annual report and accounts 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 £24,600,000; £173,393,000 and £nil respectively.

13.8 Non-current Assets Held For Sale

During the year 2015/16 there were no Non Current Assets held for sale (2014/15 £ nil).

13.9 Capital Commitments

Commitments under capital expenditure contracts at the end of the year, not otherwise included in the annual report and accounts were £773,000 (2014/15 £719,000). The amount relating to property, plant and equipment is £698,000 (2014/15 £616,000) and intangible assets £75,000 (2014/15 £103,000).

14. Other investments

14.1 Investments

	Group	
	2015/16 £'000	2014/15 £'000
Carrying Value at 1 April	1,200	1,127
Prior period adjustment	0	0
Carrying Value at 1 April restated	1,200	1,127
Movement in fair value of Available-for-sale financial assets recognised in Other Comprehensive Income	(64)	73
Disposals	0	0
Carrying Value at 31 March	1,136	1,200

The investments are stocks and shares which are only held by Dudley Group NHS Charity.

A separate schedule for the Trust investments has not been produced as the Trust does not have any investments (2014/15 £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	
	2015/16 £'000	2014/15 £'000
Non Current		
NHS Charitable funds: Other financial assets	0	0
Current		
NHS Charitable funds: Other financial assets	1,227	1,287
	1,227	1,287

A separate schedule for the Trust other financial assets has not been produced as the Trust does not have any other financial assets (2014/15 £nil).

16. Inventories

	Group		Foundation Trust	
	31 March 2016 £'000	31 March 2015 £'000	31 March 2016 £'000	31 March 2015 £'000
	Drugs	1,772	1,769	1,570
Consumables	1,207	1,132	1,207	1,132
Energy	9	12	9	12
Other	40	36	40	36
TOTAL Inventories	3,028	2,949	2,826	2,713

The Trust expensed £31,146,000 of inventories during the year (2014/15 £31,734,000).

The Trust charged £nil to operating expenses in the year due to write-downs of obsolete inventories (2014/15 £10,000).

17. Trade Receivables and Other Receivables

17.1 Trade and Other Receivables

	Group		Foundation Trust	
	31 March 2016 £'000	31 March 2015 £'000	31 March 2016 £'000	31 March 2015 £'000
Current				
NHS Receivables - revenue	6,135	8,143	6,135	8,143
Other receivables with related parties	320	631	320	631
Provision for impaired receivables	(1,282)	(1,778)	(1,282)	(1,778)
Prepayments (non PFI)	1,529	1,238	1,810	1,488
PFI Prepayments				
Prepayments - Capital contributions	0	0	0	0
Prepayments - Lifecycle replacements	0	0	0	0
Accrued income	225	74	225	74
Interest Receivable	3	3	3	3
Corporation tax receivable	0	0	0	0
PDC dividend receivable	4	138	4	138
VAT Receivable	1,099	1,118	935	966
Other receivables	1,155	1,371	1,183	1,408
NHS Charitable funds Trade and other receivables	31	25	0	0
TOTAL CURRENT TRADE AND OTHER RECEIVABLES	9,219	10,963	9,333	11,073
	31 March 2016 £'000	31 March 2015 £'000	31 March 2016 £'000	31 March 2015 £'000
Non Current				
Prepayments (non PFI)	2,090	2,177	2,090	2,177
PFI Prepayments				
Prepayments - Capital contributions	0	0	0	0
Prepayments - Lifecycle replacements	5,706	5,052	5,706	5,052
Other Receivables	1,460	1,236	1,460	1,236
NHS Charitable funds Trade and other receivables	0	0	0	0
TOTAL NON CURRENT TRADE AND OTHER RECEIVABLES	9,256	8,465	9,256	8,465

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 £2,086,000 (31 March 2015 £1,999,000) 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. Trade Receivables and Other Receivables (continued)

17.2 Provision for impairment of receivables

	Group	
	31 March 2016 £'000	31 March 2015 £'000
At 1 April	1,778	811
Increase in provision	837	1,068
Amounts utilised	(709)	(24)
Unused amounts reversed	(624)	(77)
At 31 March	<u>1,282</u>	<u>1,778</u>

17.3 Analysis of impaired receivables

	Group			
	31 March 2016		31 March 2015	
	Trade £'000	Other £'000	Trade £'000	Other £'000
Ageing of impaired receivables				
0 - 30 Days	171	0	271	0
30 - 60 Days	40	0	148	0
60 - 90 Days	1	0	54	0
90 - 180 Days	51	0	409	0
over 180 Days (over 6 months)	215	804	133	763
Total	<u>478</u>	<u>804</u>	<u>1,015</u>	<u>763</u>

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 2016		31 March 2015	
	Trade £'000	Other £'000	Trade £'000	Other £'000
Ageing of non-impaired receivables past their due date				
0 - 30 Days	1,490	111	3,875	74
30 - 60 Days	544	84	319	118
60 - 90 Days	84	65	173	74
90 - 180 Days	77	301	235	297
over 180 Days (over 6 months)	129	802	43	740
Total	<u>2,324</u>	<u>1,363</u>	<u>4,645</u>	<u>1,303</u>

A separate schedule for the Trust non-impairment of receivables has not been produced as the NHS Charity non impaired receivables represent just £31,000 (31 March 2015 £25,000) 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 2016 £'000	31 March 2015 £'000	31 March 2016 £'000	31 March 2015 £'000
Current				
NHS payables - revenue	2,736	3,409	2,736	3,409
Amounts due to other related parties	2,372	2,388	2,372	2,388
Trade payables - capital	284	485	284	485
Other trade payables	0	0	0	0
Taxes payable	3,637	3,832	3,610	3,811
Other payables	6,274	9,636	6,216	9,371
Accruals	3,358	3,870	3,430	3,949
PDC dividend payable	0	0	0	0
NHS Charitable Funds trade and other payables	27	49	0	0
TOTAL CURRENT TRADE & OTHER PAYABLES	18,688	23,669	18,648	23,413
Non Current				
Other trade payables	120	0	120	0
TOTAL NON CURRENT TRADE & OTHER PAYABLES	120	0	120	0

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 Financial Liabilities

19 Other Financial Liabilities	Group		Foundation Trust	
	31 March 2016 £'000	31 March 2015 £'000	31 March 2016 £'000	31 March 2015 £'000
Current				
Deferred Income	2,495	2,026	2,495	2,026
TOTAL OTHER CURRENT LIABILITIES	2,495	2,026	2,495	2,026

Non-current liabilities are £nil (31 March 2015 £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 2015/16 (2014/15 £nil).

21. Provisions

	Group Current		Group Non Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	£'000	£'000	£'000	£'000
Other legal claims	279	171	0	0
Restructuring	0	0	0	0
Redundancy	0	80	0	0
Other	0	0	0	0
Total	279	251	0	0

	Total £'000	Other legal claims £'000	Restructuring £'000	Redundancy £'000	Other £'000
At 1 April 2015	251	171	0	80	0
Arising during the year	361	361	0	0	0
Utilised during the year - cash	(175)	(173)	0	(2)	0
Utilised during the year - accruals	0	0	0	0	0
Reversed unused	(158)	(80)	0	(78)	0
At 31 March 2016	279	279	0	0	0
Expected timing of cashflows:					
- not later than one year;	279	279	0	0	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	279	279	0	0	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.

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

The NHS Litigation Authority has included in its provisions at 31 March 2016 £166,066,000 (2014/15 £72,359,000) 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. Borrowings

	Group	
	As at 31 March 2016 £'000	As at 31 March 2015 £'000
Current		
Obligations under Private Finance Initiative contracts (excl lifecycle)	5,344	5,346
Total Current borrowings	5,344	5,346
Non Current		
Obligations under Private Finance Initiative contracts	132,587	137,072
Total Other non Current Liabilities	132,587	137,072

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 2016 £'000	31 March 2015 £'000	31 March 2016 £'000	31 March 2015 £'000
At 1 April	26,530	27,821	26,179	26,165
Transfers By Absorption	0	0	0	0
Net change in year	(2,907)	(1,291)	(2,796)	14
At 31 March	23,623	26,530	23,383	26,179
Analysed as follows:				
Cash at commercial banks and in hand	187	235	0	2
Cash with the Government Banking Service	23,436	26,295	23,383	26,177
Other current investments	0	0	0	0
Cash and cash equivalents as in Statement of Financial Position	23,623	26,530	23,383	26,179
Bank overdraft	0	0	0	0
Cash and cash equivalents as in Statement of Cash Flows	23,623	26,530	23,383	26,179

25. Events after the reporting year

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

26. Contingencies

Neither the Group nor the Trust have any contingent assets or liabilities in 2015/16 (2014/15 £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 2016				Year ended 31 March 2015			
	Income £'000	Expenditure £'000	Receivable £'000	Payable £'000	Income £'000	Expenditure £'000	Receivable £'000	Payable £'000
Sandwell Mental Health Foundation Trust/ Black Country Partnership Foundation Trust	1,100	700	100	0	1,300	500	200	0
Dudley & Walsall Mental Health Trust	2,600	0	300	0	2,000	0	100	0
The Royal Wolverhampton Trust	2,500	1,700	400	300	1,500	1,500	300	800
Sandwell & West Birmingham Trust	1,400	700	200	200	1,600	700	800	200
Worcestershire Acute Hospitals Trust	300	600	200	100	300	500	0	0
Birmingham Cross City CCG	800	0	0	0	900	0	0	0
Birmingham South & Central CCG	600	0	0	0	600	0	0	0
Dudley CCG	201,400	0	2,900	1,700	201,700	0	2,000	1,500
Redditch & Bromsgrove CCG	600	0	0	0	700	0	0	0
Sandwell & West Birmingham CCG	32,900	0	200	0	31,300	0	600	0
Shropshire CCG	500	0	0	0	600	0	0	0
South East Staffs & Seisdon Peninsular CCG	9,000	0	0	0	9,600	0	400	0
Walsall CCG	2,500	0	0	0	2,200	0	100	0
Wolverhampton CCG	4,400	0	0	0	4,500	0	0	300
Wyre Forest CCG	2,900	0	300	0	2,500	0	0	0
NHS England	41,100	0	600	400	43,400	0	2,400	0
Health Education England	9,500	0	0	700	0	0	0	0
Other related parties - Whole of Government Accounts								
Dudley Metropolitan Borough Council	2,600	1,400	0	0	3,000	1,400	500	0
HMRC	0	11,400	1,000	3,600	0	11,700	1,100	3,800
NHS Pensions	0	17,200	0	0	0	17,300	0	0
NHS Blood & Transplant	0	1,500	0	0	0	1,600	0	0

27. Related party transactions (continued)

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 2016	31 March 2015
Compensation	£'000	£'000
Salaries and short-term benefits	800	900
Post-employment benefits	<u>385</u>	<u>790</u>
	<u>1,185</u>	<u>1,690</u>

The annual report and accounts of the parent (the Trust) are presented together with the consolidated annual report and accounts 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 Douglas Wulff 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 £164,000 owed to the subsidiary (£152,000 2014/15) and £31,000 owed by Dudley Group NHS Charity (£25,000 2014/15), and the Group payables includes £58,000 (£265,000 2014/15) owed by the subsidiary and £27,000 (£49,000 2014/15) 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 £160,200,000. 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.

28 Private Finance Initiatives (continued)

	As at 31 March 2016 £'000	As at 31 March 2015 £'000
Gross PFI Liabilities	149,013	153,650
of which liabilities are due		
- not later than one year;	16,426	16,578
- later than one year and not later than five years;	21,376	21,384
- later than five years.	111,211	115,688
Finance charges allocated to future periods	(11,082)	(11,232)
Net PFI liabilities	137,931	142,418
- not later than one year;	5,344	5,346
- later than one year and not later than five years;	21,376	21,384
- later than five years.	111,211	115,688

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

	31 March 2016 £'000	31 March 2015 £'000
Within one year	27,744	27,525
2nd to 5th years (inclusive)	110,976	110,098
Later than 5 Years	559,212	581,438
Total	697,932	719,061

Analysis of amounts payable to the service concession operator:

	31 March 2016 £'000	31 March 2015 £'000
Unitary payment payable to the concession operator	40,141	39,267
Consisting of:		
- Interest charge	5,583	5,752
- Repayment of finance lease liability	5,121	5,142
- Service element	22,178	21,696
- Capital lifecycle maintenance	1,610	1,331
- Contingent rent	5,649	5,346
Total amount paid to concession operator	40,141	39,267

Total length of the project (years)	40
Number of years to the end of the project	25

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 2016 are in receivables from customers, as disclosed in note 17 to the annual report and 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 year.

29.5 Liquidity Risk

The Trust's net operating costs are incurred under annual service agreements with Clinical Commissioning Groups and NHS England, which are financed from resources voted annually by Parliament. The Trust ensures that it has sufficient cash to meet all its commitments when they fall due. This is regulated by the Trust's compliance with the 'Financial Sustainability Risk Rating' system created by Monitor, the Independent Regulator of NHS Foundation Trusts. The Trust is not, therefore, exposed to significant liquidity risks.

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 Financial Instruments and Related Disclosures (continued)

29.7 Financial Assets and Liabilities By Category

The following tables show by category the financial assets and financial liabilities at 31 March 2016 and 31 March 2015. The values are shown at fair value which is representative of the carrying value.

Financial Assets	Group				Foundation Trust			
	As at		As at		As at		As at	
	31 March 2016		31 March 2015		31 March 2016		31 March 2015	
	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	5,655	5,655	8,895	8,895	5,624	5,624	8,715	8,715
Cash and cash equivalents (at bank and in hand)	23,570	23,570	26,412	26,412	23,383	23,383	26,061	26,061
NHS Charitable funds financial assets	1,333	1,333	1,523	1,523	0	0	0	0
	<u>30,558</u>	<u>30,558</u>	<u>36,830</u>	<u>36,830</u>	<u>29,007</u>	<u>29,007</u>	<u>34,776</u>	<u>34,776</u>

*Other Financial Assets are fixed term cash investments with UK Bank Institutions

Financial Liabilities	Group				Foundation Trust			
	As at		As at		As at		As at	
	31 March 2016		31 March 2015		31 March 2016		31 March 2015	
	Total	Other Financial Liabilities	Total	Other Financial Liabilities	Total	Other Financial Liabilities	Total	Other Financial Liabilities
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Obligations under Private Finance Initiative contracts	137,931	137,931	142,418	142,418	137,931	137,931	142,418	142,418
Trade and other payables excluding non financial liabilities	15,144	15,144	19,788	19,788	14,991	14,991	19,489	19,489
Provisions under contract	279	279	251	251	279	279	251	251
NHS Charitable Funds financial liabilities	27	27	49	49	0	0	0	0
	<u>153,381</u>	<u>153,381</u>	<u>162,506</u>	<u>162,506</u>	<u>153,201</u>	<u>153,201</u>	<u>162,158</u>	<u>162,158</u>

29.8 Maturity of Financial Liabilities

	Group		Foundation Trust	
	As at		As at	
	31 March 2016		31 March 2015	
	£'000	£'000	£'000	£'000
In One Year or Less	20,674	25,434	20,494	25,086
In more than one year but not more than two years	5,348	5,346	5,348	5,346
In more than two years but not more than five years	16,044	16,038	16,044	16,038
In more than five years	111,315	115,688	111,315	115,688
Total	<u>153,381</u>	<u>162,506</u>	<u>153,201</u>	<u>162,158</u>

30. Third Party Assets

The Trust held £nil as cash at bank or in hand at 31 March 2016 (31 March 2015 £1,000) 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 annual report and 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.

	2015/16		2014/15	
	Number	Value £000	Number	Value £000
Loss of Cash	3	0	6	25
Fruitless payments	7	27	3	60
Bad debts and claims abandoned	119	695	140	28
Damage to Buildings, property etc. due to:				
Theft	1	2	0	0
Stores losses	3	33	8	10
Total Losses	133	757	157	123
Ex gratia payments	13	22	11	48
Total Special Payments	13	22	11	48
Total Losses and Special Payments	146	779	168	171

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 (2014/15 £nil).

32. Auditors' Liability

In accordance with the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008, the liability of the Trust Auditor, Pricewaterhouse Coopers 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 5 August 2015.

Quality Report and Account

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Throughout this document, there are a number of quotes taken from reviews that patients themselves have posted online on NHS Choices and Patient Opinion as well as a number of learning examples.



Part 1: Chief Executive's statement

I am again pleased to introduce the annual Quality Report and Account, which provides 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 2015 to the end of March 2016.

Our primary function is to provide high quality treatment and care for all 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 where we are performing well and where we can make improvements.

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 in Section 2.1.1, 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 2016/17. 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 above three elements of quality, which hopefully give a rounded view of what is occurring across the Trust as a whole.

In terms of independent reviews of the quality of care at the Trust, these are undertaken throughout the year by a variety of organisations (see Section 2.2.1) 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 what we learn when we need to change practice and improve our services.

Throughout the report we have included quotes from patients about their experience here at the Trust, together with examples of lessons learned from patient feedback and from those occasions when care did not reach the high standards that we set for ourselves. These give an indication that the Trust does not stand still but is always pursuing a path of improvement.

Our quality priorities

You will see in Part 2 that we have made good progress with many of our 2015/16 priorities. I am pleased to report that the Trust is performing well in the national Friends and Family Test (FFT), with scores for both inpatients and community patients generally above national averages. In addition, the Trust is in a good position with its *Clostridium difficile* cases and the number of avoidable Stage 3 pressure ulcers in the hospital continues to fall. Also we have not had a single patient develop a Stage 4 avoidable pressure ulcer in the hospital.

We audit on a monthly basis a number of aspects of nutrition and hydration care that patients receive and, while our overall results have been good, we realise that a few individual wards still need to improve their performance in this area.

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 ensures that every death that occurs in hospital is fully understood, and we are responsive to the information we gather from this process. We have met our target in this regard.

Finally, the results of the FFT in outpatients shows that we still have work to do in this area to reach national averages. Also, whereas last year we did not have any patients acquiring MRSA bacteraemia, unfortunately this year there have been two patients with this infection and so we did not achieve this target. Infection prevention and control processes have improved following these cases. Unfortunately, the numbers of avoidable pressure ulcers in the community has increased from last year and so we are reviewing our processes to rectify the situation.

With regards to the coming year, we have retained all but one of the topics from 2015/16. Due to feedback from patients and other stakeholders such as our members and following discussions with our governors and our commissioners, we are introducing medicines management and pain control into our priority topics. To ensure that the number of targets remains manageable, we have decided to discontinue with mortality as a quality priority as we have been successful in achieving this target for two years now. We report on mortality and our other priorities on pages 7 to 23.

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 the care they have received from us. We could not include them all but, hopefully, these 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 also receiving positive and better than national average scores and feedback from mothers on our Maternity Unit and patients in the Emergency Department, read more on page 46. I am also particularly pleased to report that a number of clinical staff have won some prestigious national awards ranging across a number of disciplines, see page 69.

The Trust and its Board of Directors have sought to take all reasonable steps and have exercised 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, 2016/17 will again be challenging for the Trust with the national austerity measures in place. 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: 24th of May 2016



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.

Quality Priority	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Notes
Patient experience Increase in the number of patients who report positively on their experience. Ensure pain control measures improve.	Hospital: Partially achieved	Hospital: Achieved	Hospital: Partially achieved	Hospital: Partially achieved	Hospital: Partially achieved	Priority 1	See page 7 for more information
Community: Achieved	Community: Partially achieved	Community: Not achieved	Community: Partially achieved	Community: Partially achieved			
Pressure ulcers Reduce the occurrence of avoidable pressure ulcers.	Hospital: Achieved	Hospital: Achieved	Hospital: Partially achieved	Hospital: Partially achieved	Hospital: Achieved	Priority 2	New in 2011/12 See page 11 for more information
Community: Partially achieved	Community: Achieved	Community: Achieved	Community: Partially achieved	Community: Not achieved			
Infection control Reduce our MRSA rate in line with national and local priorities.	Achieved	Achieved	Not achieved	Achieved	Not achieved	Priority 3	See page 15 for more information
Reduce our Clostridium difficile rate in line with local and national priorities.	Not achieved	Achieved	Not achieved	Achieved	Achieved		
Nutrition Increase the number of patients who have a risk assessment regarding their nutritional status.	N/A	Achieved	Partially achieved	Partially achieved	Partially achieved	Priority 4	New in 2012/13 See page 18 for more information
Hydration Ensure there are effective processes in place for both nutrition and hydration care	N/A	Achieved	Achieved	Achieved			
Mortality Improve reviews of hospital deaths.	N/A	N/A	N/A	Achieved	Achieved		New in 2014/15 As the target was achieved for two consecutive years this priority has been replaced for 2016/17 See page 21 for more information
Medications Ensure effective processes in place for the medicine administration	N/A	N/A	N/A	N/A	N/A	Priority 5	New in 2016/17 See page 23 for more information

2.1.2 Choosing our priorities for 2016/17

The Quality Priorities for 2015/16 covered the following five topics:

Patient Experience

Infection Control

Pressure Ulcers

Nutrition/Hydration

Mortality

These fundamental 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, both positive and negative) and from a national perspective (e.g. reports from national bodies such as the Health Ombudsman, CQC etc.). The first four topics were initially endorsed by a collaborative event on the Quality Report, hosted by the Chief Executive and Chief Nurse, attended by staff, governors, Foundation Trust members and others from outside organisations such as Dudley Stroke Association and Dudley Action for Disabled People and Carers (ADC). These topics have been endorsed year on year in discussions with the Dudley MBC Health Overview and Scrutiny Committee and Dudley Clinical Commissioning Group. The fifth topic, mortality, was added later following a recommendation from an external review of the Trust.

Following further consultation internally and with governors, those who attended the Annual Members Meeting, the public generally via an online questionnaire and discussions with our main commissioner, it has been agreed that these topics should be retained but with some changes to the priority topics for 2016/17.

The retained topics continue to have a key role in providing good quality patient care. Positive patient experience of our services is a core purpose of the Trust. We are 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 the assessment and enhancement of patients' nutritional status. From patient feedback, two new topics have come into focus related to ensuring that patients have effective pain control and management of their medicines. It has been agreed to add these issues into the priority topics. With regard to our review processes of mortality, this is now a well-established and robust system. It is seen as an example of good practice, with the underlying computer system placed in the finals of a top national award for the use of IT in improving patient safety. As a result of this investment and commitment to our mortality surveillance, it has become part of our business as usual processes and so does not need to be retained as a separate priority.



All of our priorities have named leads who have the responsibility of coordinating the actions aimed at achieving the targets. Every quarter our progress in 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.

2.1.3 Our priorities

Priority 1 for 2015/16: Patient experience

Hospital	Community
<p>a) Achieve monthly scores in the inpatient Friends and Family Test (FFT) that are equal to or better than the national average.</p> <p>b) Achieve monthly scores in the outpatient Friends and Family Test that are equal to or better than the national average.</p>	<p>a) Achieve monthly scores in the community Friends and Family Test that are equal to or better than the national average.</p>

Rationale for inclusion

This priority changed in 2015/16 to focus on the Friends and Family Test. This is a national measure of patient experience and allows the Trust to benchmark itself on a monthly basis against other trusts, both regionally and nationally. The FFT 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.

How we measure and record this priority

All patients are provided with an opportunity to complete the Friends and Family Test – there are several ways to do this:

- completing a card which can be handed back to staff, posted into specifically provided post boxes in each ward and treatment area or, if preferred, returned via a freepost address
- completing the FFT survey online using either the Trust’s website or using the Mi Experience smartphone app

Responses to the FFT survey are captured in a database to provide timely feedback to services. See Section 3.2.2 for details of the numbers of responses we receive.

All FTT surveys are anonymous and results are shared with individual wards and areas enabling them to take action in response to patient comments.



Developments that occurred in 2015/16

- Continued with improvements to the inpatient food service including the rollout of new Chosen by Patients menus to inpatient areas offering greater food choice
- Refreshed volunteer recruitment processes to target volunteers into the areas of greatest patient need such as mealtime volunteers
- Reviewed patient gowns and implemented a phased replacement programme with new gowns that are easier to put on and provide greater privacy and body cover. We have developed a new poster displayed in changing cubicles explaining how to put on the gowns
- Completed the implementation of soft close bins to help make ward areas quieter for inpatients during the night
- Reviewed both outpatient 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
- Replaced the signage in our main outpatient waiting areas to make it less confusing and easier to understand
- Launched the Mi Experience smartphone app providing improved accessibility for those responding to the Friends and Family Test
- Completed the rollout of patient and public Wi-Fi services providing access across Russells Hall Hospital and Corbett and Guest outpatient centres
- Reviewed noticeboards in our main outpatient waiting areas and have installed alternative signage to improve advice about waiting times and delays
- Developed a new patient information leaflet that now accompanies the admission invitation letter which sets out what our patients can expect on arrival to the admission lounge
- Replaced all of the mattresses in our Emergency Assessment Unit that patients told us were uncomfortable
- Installed a visual patient call system incorporating a large screen display at the Corbett Outpatient Centre blood test clinic to assist those with a hearing impairment
- Improved the patient information leaflets available for teenagers by reviewing them in partnership with our teenage patients
- Continued to work closely with our commissioning partners to improve patient experience reporting and feedback analysis

“I would like to thank the staff of the CT scan department for being courteous and caring during my scan today. I was a little apprehensive but the staff made me feel comfortable and put me at ease. I was seen on my appointment time and was dealt with efficiently and easily. Thank you for taking the time.”

Current status

The results below show that the inpatient areas have achieved the priority target with the Trust results each month being equal to or above the national average. For community, the Trust FFT score has been equal to or above the national average for 10 months of the year. Our outpatient areas score has been consistently below the national average. As a result of the latter, efforts are being made to:

- a) Improve the response rate. To support response rate growth, several initiatives that have been rolled out include:
 - i) Friends and Family Mi Experience app
 - ii) Refreshed the Trust FFT test webpage
 - iii) Developing the FFT survey using SMS

- b) Analyse all comments received and feed back to the lead staff in each of the outpatient areas so that improvements can be made to the patient experience. As part of this process we have introduced a 'You said, we have' initiative which includes having posters displayed in the appropriate areas. Leads for each area are also required to report on the actions they have taken in their area which is recorded on a central log.

	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
Trust inpatient FFT % recommend	96	97	98	97	99	97	97	97	99	98	97	97
National % recommend	95	96	96	97	96	96	96	96	96	96	96	96
Trust outpatient FFT % recommend	84	82	82	88	90	89	88	84	88	90	84	89
National % recommend	92	92	92	92	92	92	92	92	92	93	93	93
Trust community FFT % recommend	97	98	96	96	94	93	97	95	99	97	98	95
National % recommend	96	95	95	95	96	95	95	95	95	95	95	95



New priority 1 for 2016/17: Patient experience

- a) Achieve monthly scores in Friends and Family Test (FFT) for all areas (inpatients, outpatients, maternity, Emergency Department and community) that are equal to or better than the national average.
- b) Ensure that in 95% or more cases, a patient's pain score is recorded at least every four hours (unless otherwise indicated in the exception box)
- c) Ensure that in 95% or more cases, there is documented evidence of the monitoring of the efficacy of all analgesia (pain relief) administered

Rationale for inclusion and how we measure and record this priority

The Friends and Family Test remains a national focus and provides excellent benchmarking information for the Trust to drive improvements to the patient experience. For 2016/17, the Trust is including all areas that conduct FFT and so, as well as the inpatient, outpatient and community measures, it is also including maternity and Emergency Department areas.

In addition, due to feedback from patients, the Trust is also including two measures related to pain management. As part of their caring role, nursing staff assess patients' needs in terms of pain prevention and relief. Patients are asked to score their level of pain and, when necessary, nurses will take appropriate action such as ensuring that patients are positioned correctly and receiving appropriate analgesia. Nurses document those pain level scores on an at least a four-hourly basis unless this is recorded as not necessary, for example, for a short stay patient in no pain admitted for non-invasive tests. Also, when pain relief is administered, nursing staff will monitor and document its efficacy by discussing with the patient, recording further pain scores and taking any further necessary action such as involving medical staff in further assessment and possible increase in medication.

The recording of pain scores, and the monitoring of the efficacy of analgesia, is audited as part of the Nursing Care Indicators (NCI) monitoring, which is a monthly check of ten sets of nursing notes undertaken at random on every ward (see Section 3.3.5).

Developments planned for 2016/17

- Rollout of a new system which will allow patients to text message their responses to the FFT to support improved response rates
- Further develop database functionality to streamline reporting of patient feedback
- Review of nursing documentation templates to ensure they are streamlined, fit for purpose and avoid duplication
- Assess training needs with regards to pain control and put into place an effective update package for relevant staff

FFT

Board sponsor: Paula Clark, Chief Executive

Operational lead: Liz Abbiss, Head of Communications and Patient Experience

Pain Control

Board sponsor: Dawn Wardell, Chief Nurse

Operational leads: Kaye Sheppard, Head of Nursing and Sara Davies, Matron

Priority 2 for 2015/16: 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.

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 our 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.

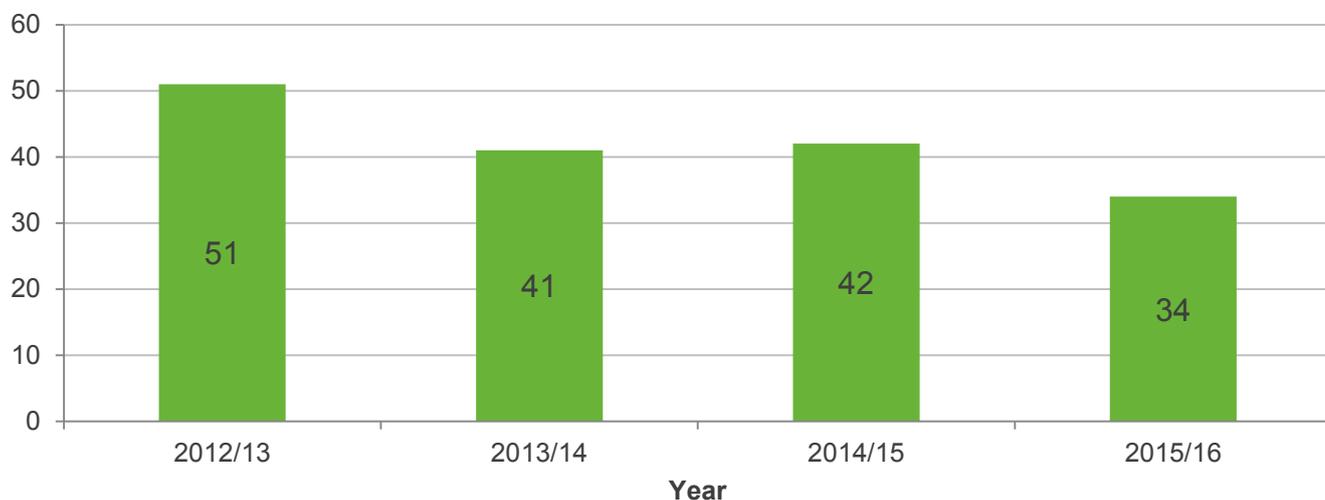
Developments that occurred in 2015/16

- Audits of all pressure relief equipment within residential home care settings to ensure it is maintained and used as per the Trust guidance
- Amended education programmes to include short one hour sessions with a specific focus each month
- Continued to provide regular educational sessions for community and social care staff
- Continued weekly joint (community/hospital) pressure ulcer group meetings to ensure Trust-wide learning
- Updated the pressure ulcer prevention document and ensured teams have the required education and support for its continued use
- Agreed process for lead nurses to support tissue viability nurses in the verification of stage 3 and 4 pressure ulcers
- Once the verification process was agreed, the tissue viability team supported specific wards with prevention work through structured ward walks and audits
- Investigated the use of a new device that can detect possible pressure damage before any redness occurs on the skin
- Continued to work with the regional group to assist the national-level work such as updating and maintaining the national Stop the Pressure website.
- Launched our *Keep Your Feet Sweet* campaign aimed at raising awareness of foot and heel care in preventing pressure ulcers

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 2012/13 to the present. It gives an indication of the fall in numbers due to the hard work of all staff involved. While there were 42 stage 3 and 4 ulcers in 2014/15 these have been reduced to 34 this year (see note under graph).

Total number of avoidable stage 3 and 4 pressure ulcers developed in hospital

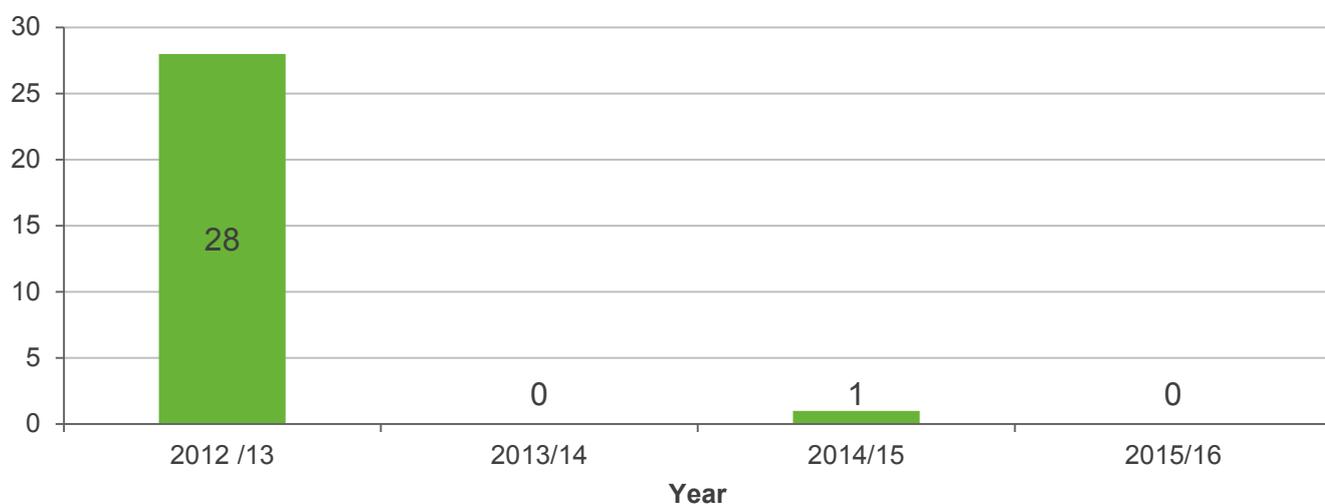


In the 2014/15 Quality Report we reported a lower number of avoidable stage 3 pressure ulcers (33 for that year. Investigations that continued after the year end later found a further nine avoidable ulcers.

2015/16 figures are incomplete as, at the end of the year, a number of pressure ulcers are still being investigated to ascertain whether they were avoidable or not

Specifically for avoidable stage 4 hospital acquired pressure ulcers, the target set was that there would not be any. We have achieved this target.

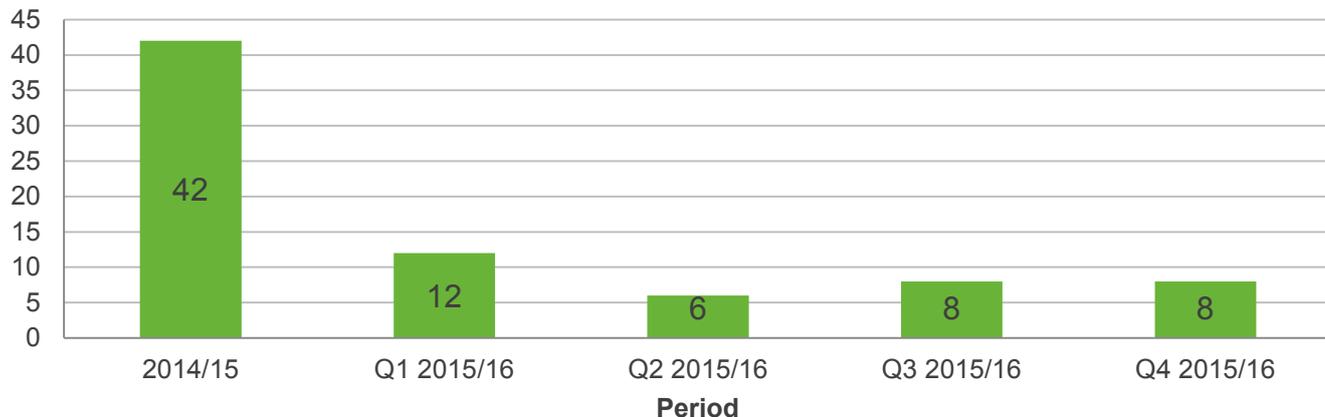
Number of avoidable stage 4 pressure ulcers developed in hospital



2015/16 figures are incomplete as, at the end of the year, a number of pressure ulcers are still being investigated to ascertain whether they were avoidable or not

With regards to avoidable stage 3 hospital acquired pressure ulcers, the target set was that the number in 2015/16 will reduce from the number in 2014/15. In 2014/15 there were 41 avoidable stage 3 ulcers. It can be seen that this year there have been 34 so far this year and so we are on course to achieve the target.

Number of avoidable stage 3 pressures ulcers developed in hospital



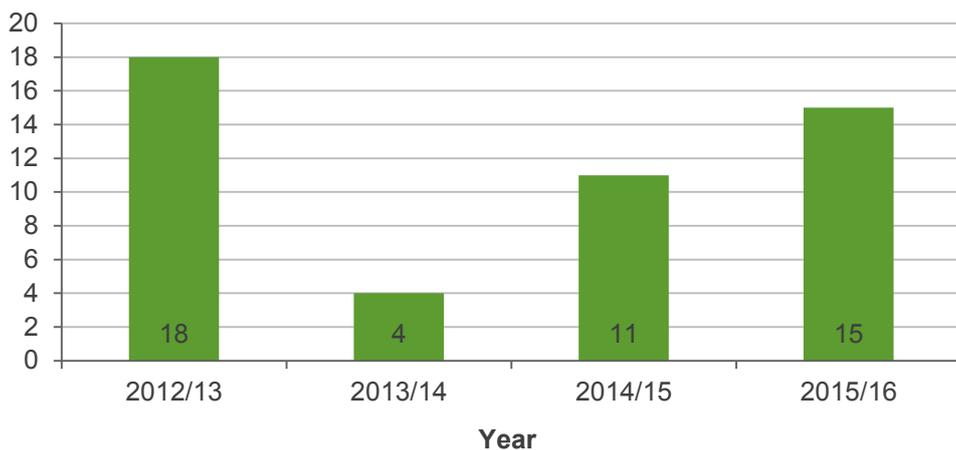
(2015/16 figures are incomplete as a number are still being investigated to ascertain whether they are avoidable or not.)

Current status: Community

The target of there being no avoidable stage 4 pressure ulcers acquired throughout the year on the district nurse caseload has been achieved.

Unfortunately, the target to reduce the number of avoidable stage 3 acquired from 2013/14 to 2014/15 has not been achieved.

Total number of avoidable stage 3 pressure ulcers developed on district nursing caseload



(In the 2014/15 Quality Report we reported a lower number of avoidable stage 3 pressure ulcers (7). Investigations that continued after the year end later found a further four avoidable ulcers)

(2015/16 figures are incomplete as a number are still being investigated to ascertain whether they are avoidable or not.)

New priority 2 for 2016/17: Pressure ulcers

Hospital	Community
<p>a) Ensure that there are no avoidable stage 4 hospital acquired pressure ulcers throughout the year.</p> <p>b) Ensure that the number of avoidable stage 3 hospital acquired pressure ulcers in 2016/17 reduces from the number in 2015/16.</p>	<p>a) Ensure that there are no avoidable stage 4 pressure ulcers acquired on the district nurse caseload throughout the year.</p> <p>b) Ensure that the number of avoidable stage 3 pressure ulcers acquired on the district nurse caseload in 2016/17 reduces from the number in 2015/16.</p>

Rationale for inclusion

- Pressure ulcers are difficult to treat and slow to heal, and prevention is therefore a priority
- Although the Trust has continued in the long term 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 2016/17

- Support the newly contracted continence product company with further education and training
- Repeat baseline audit to assess if a reduction in moisture lesions occurs following introduction of new products
- Skin Bundle audits to continue and integrate escalation process and action plans with the Nursing Care Indicators system
- Tissue Viability (TV) Team to continue to support specific wards through weekly ward walks
- Develop, in conjunction with Occupational Therapy within the community, a pathway to provide pressure-relieving equipment to patients who need specialist seating
- TV team to support the tender process for the Trust-wide dynamic mattress contract.
- Update the Pressure Ulcer Prevention Document after an observational audit.
- Develop and roll out a new campaign for pressure ulcer prevention
- Continue to investigate options for heel protection
- Education to continue in shorter sessions throughout the year and further full days to be organised with support from wound care companies
- Develop a 'refusal of care' pathway to ensure patients have a clear understanding of the risks associated with refusing equipment or positioning

Board Sponsor: Dawn Wardell, Chief Nurse

Operational Lead: Lisa Turley, Tissue Viability Lead Nurse and Yvonne O'Connor, Deputy Chief Nurse

Priority 3 for 2015/16: 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 CCG 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 with lapses in care identified.

How we measure and record this priority

Infections are monitored internally, along with other key quality indicators, on the Trust's electronic dashboard (see Section 3.1). 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 2015/16

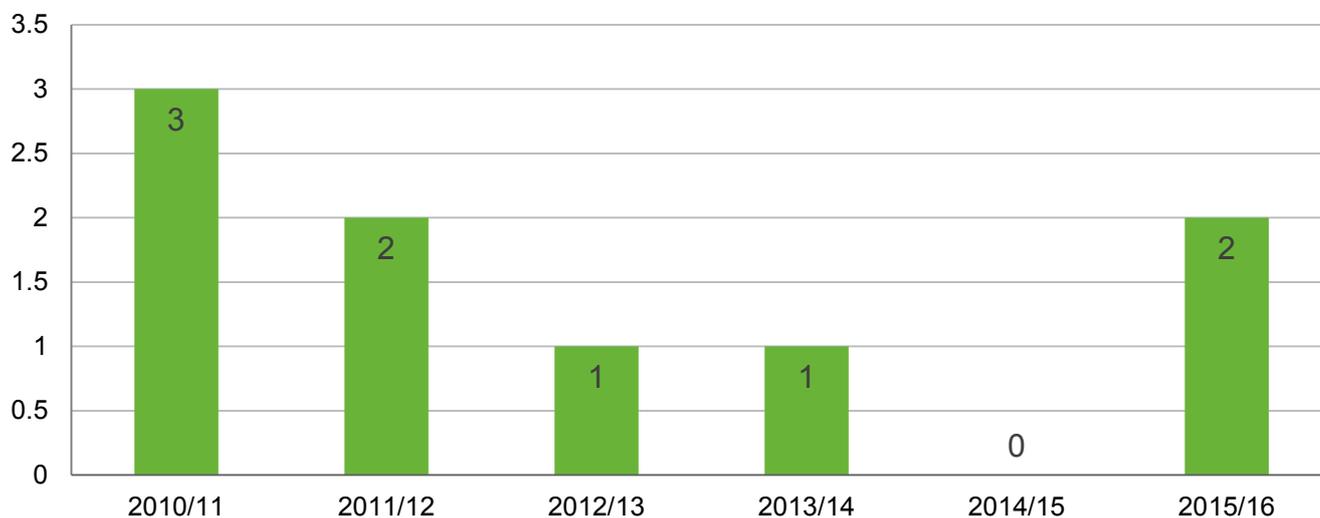
- Reviewed the current documentation used to monitor intravenous cannulae
- Developed an information leaflet for patients who are identified as C. diff carriers
- Developed protocols for the implementation of faecal transplant for patients who have relapses of C. diff. The purpose of faecal transplant is to provide appropriate bowel flora in the gut after infection with C. diff
- Commenced reviewing and redesigning the isolation cards displayed on the rooms of patients with an infection to indicate specific precautions are required
- Organised a focus day – 'C the Difference' – to highlight the importance of all aspects of management for C. diff
- Regular meetings between the Chief Nurse and deputies with lead nurses to discuss hospital MRSA/C. diff infections



Current status: MRSA

NHS England has set a zero tolerance approach to MRSA bacteraemia. There have been two post-48 hour cases reported (with one pre-48 hour case also reported) during 2015/16. In both of the post-48 hour cases, a post infection review was undertaken by the Trust in order to determine clinical learning which has resulted in improved skin preparation and care of peripheral cannula and central lines.

Total MRSA cases per year

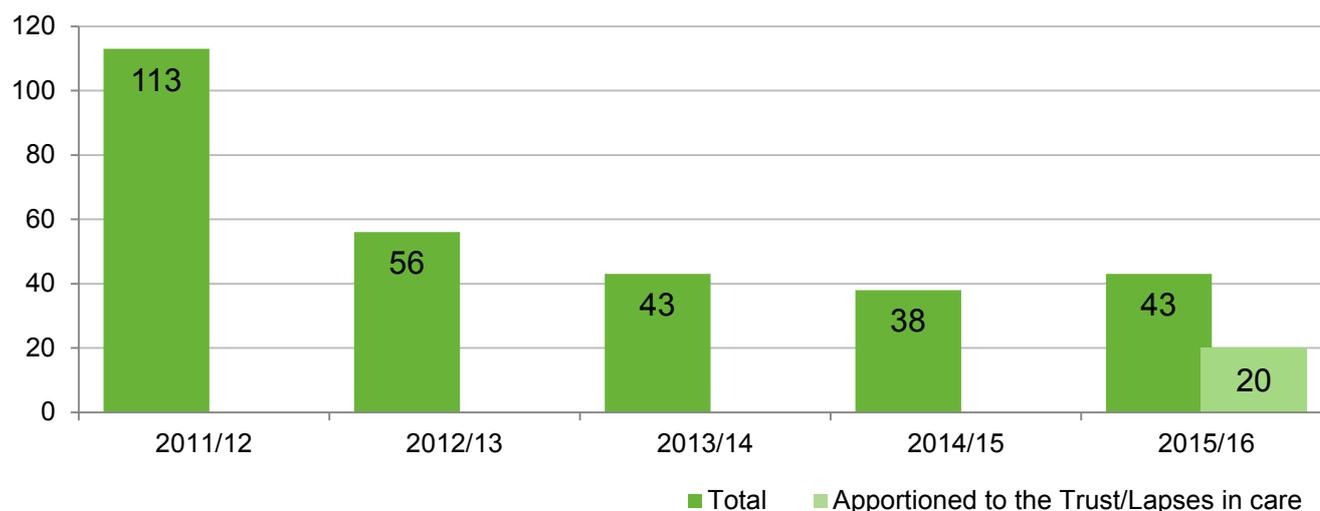


(2015/16 to the end of Jan 16)

Current status: Clostridium difficile

We have reported a total of 43 cases of C. difficile of which 20 have been recognised as being due to a lapse of care and attributed to the Trust. The other cases are related to external factors. Both Monitor and NHS England are assessing the Trust's performance against a target of 29 cases due to a lapse in care.

Total C. difficile cases per year



New priority 3 for 2016/17: 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 CCG 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 with a lapse in care identified.

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 nationally-set target set of 29 C. diff cases for the coming year

Developments planned for 2016/17

- Plan a focus day to take place in line with the World Health Organisation SAVE LIVES: Clean Your Hands global annual day of action
- Utilise a patient held card to alert healthcare providers that the patient has been diagnosed with Clostridium difficile. This card will alert healthcare professionals to be mindful when prescribing further antibiotics or other medications.
- Develop a staff held card on information on Clostridium difficile to be given to new doctors
- Develop a staff newsletter to highlight current issues, good practice and developments regarding the prevention of infection.
- Undertake a review of the current theatre documentation with regards to monitoring of cannulae.
- Review use of central line monitoring forms.
- Review and update the antimicrobial stewardship work programme to reflect the recommendations from NICE.

Board sponsor: Dawn Wardell, Chief Nurse

Operational leads: Dr. E.N. Rees, Director of Infection Prevention and Control, Angela Murray, Matron, Infection Prevention and Control

Learning lessons: Preventing MRSA Bacteraemia

A magnet system has been introduced on the existing patient communication boards which highlights, at a glance, the patients with a cannula or line in situ. This ensures daily review on the board round and early identification of when removal is appropriate.

Priority 4 for 2015/16: Nutrition and Hydration

Ensure that the overall score of the monthly nutrition and hydration audit (made up of 24 items):

- a) is 90% or above in each of the first three quarters for the Trust as a whole
- b) has a 'Green' rating (93% or above) in the final quarter for every ward in the hospital

How we measure and record these priorities

As part of the monitoring of care relating to nutrition and hydration, a comprehensive audit tool was introduced in 2014. This follows the NCI model (see Section 3.3.5) and involves auditors checking what is recorded in the nursing notes and asking patients about their experience 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 patients 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.

Developments that occurred in 2015/16

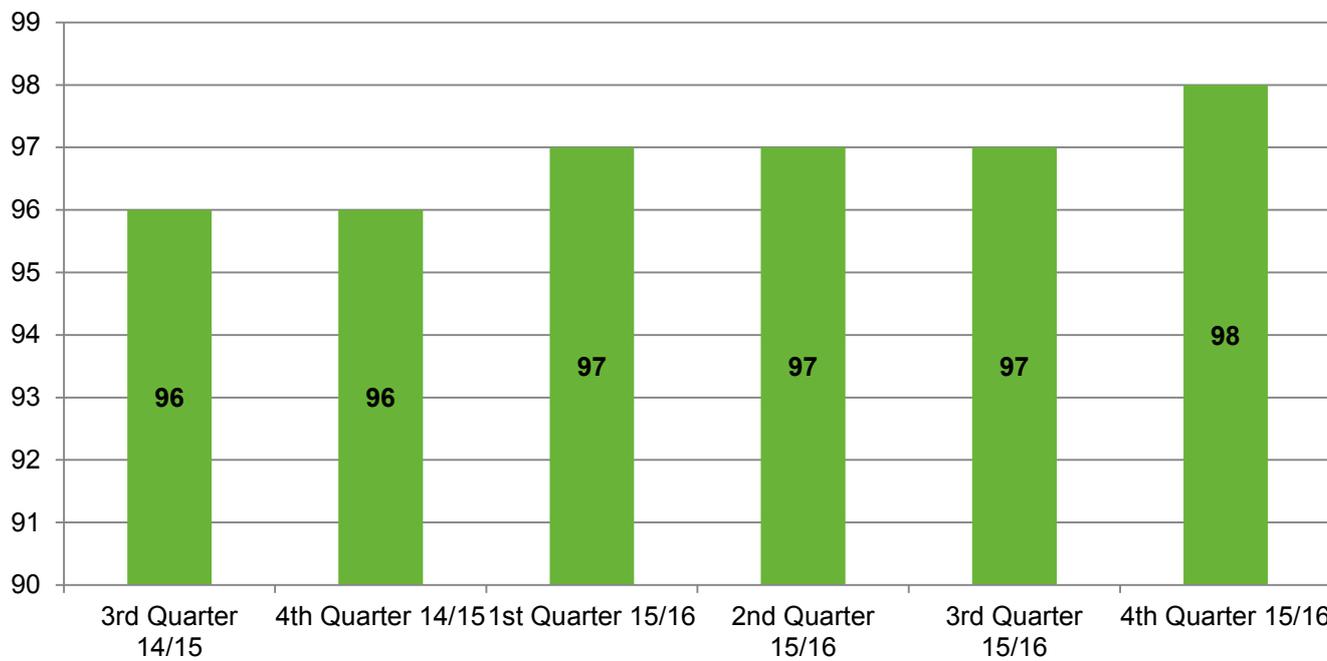
- New visual display boards have been ordered that comply with national descriptors in relation to food consistency grading to ensure patients get the right consistency of food and therefore correct nutritional input
- Development of a Nutrition and Hydration Care Bundle, incorporating a flow chart for escalation when intake is poor. Trial commenced in care of the elderly
- Monthly multi-agency mealtime audits to ensure patients and staff views are heard and real time actions are taken if required
- Development of nutritional strategy
- Training for volunteers and non ward-based staff to support meal times



Current status: Nutrition/Hydration

For each of the first three quarters of the year, the overall average score has been 97% which means the first part of the target was met. It can be seen from the graph this was an improvement on the last two quarters of 2014/15 when this audit commenced and a further improvement occurred in the overall result for the final quarter. Unfortunately, during the fourth quarter of the year, one of the 22 wards/areas did not achieve the 93% target and so the second part of the target was not met.

Nutrition Audit - Average score per quarter



	Number of wards/areas v. Final quarter scores							
Score (%)	100	99	98	97	96	95	93	92
No. of Wards	3	7	6	1	1	1	2	1



New priority 4 for 2016/17: Nutrition and Hydration

Ensure that the overall score of the monthly nutrition and hydration audit (made up of 24 items):

- is 95% or above in each of the first three quarters for the Trust as a whole
- has a 'Green' rating (95% or above) in the final quarter for every ward in the hospital

Nutrition assessments – hospital	Nutrition assessments – community
At least 95% of acute patients will receive a nutritional assessment using the nationally recognised MUST (Malnutrition Universal Screening Tool).	At least 95% of patients will receive a nutritional assessment on initial contact with the community health nursing team using the nationally recognised MUST (Malnutrition Universal Screening Tool).

Rationale for inclusion

- 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.
- Retain the emphasis on nutrition and hydration by including the results from the nutrition and hydration audit but increase the target from 93% to 95%
- A target on the completion of the MUST nutritional assessment when patients first come into contact with the hospital or community nursing service was included in the Quality Account a number of years ago; however, present results show this needs some focus to improve. The Malnutrition Universal Screening Tool (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.
- Feedback from our patients, staff, community groups and governors indicates this should remain a target.

How we measure and record these priorities

A description of the nutrition and hydration audit is given above. The MUST nutritional assessment tool score is audited as part of the Nursing Care Indicators (NCI) monitoring, which is a monthly check of ten sets of nursing notes undertaken at random on every ward (see Section 3.3.5).

Developments planned for 2016/17

- New visual display boards to be in use from April 2016
- Trust-wide implementation of a care bundle which will then be audited
- Development of Trust standards for nutrition and hydration for inpatients.
- Encourage use of electronic MUST calculator
- Audit and purchase of appropriate weighing scales e.g. more bed scales
- Implement weekly patient weighing
- Hydration project and use of fluid balance charts to be undertaken as part of the deteriorating patient group

Board sponsor: Dawn Wardell, Chief Nurse

Operational lead: Jenny Davies, Matron

Priority 5 for 2015/16: Mortality

Ensure that 90% of in-hospital deaths available for review undergo specialist multidisciplinary review within 12 weeks by March 2016.

How we measure and record this priority

The Trust's Mortality Tracking System (MTS) was developed by our Information Team and Medical Director's team and launched in January 2012. Every patient death is recorded on the MTS and tracked through the following processes: coding, consultant validation, departmental mortality audit and further review when indicated. Reports are provided monthly 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 supported the MTS and suggested that the Trust should consider including mortality as a Quality Priority.
- The Keogh Review highlighted the importance of detailed and systematic case note review to enable learning from hospital deaths and the Trust needs to ensure that this is undertaken regularly in all specialities.

Developments that occurred in 2015/16

Having achieved the target to review 85% of deaths within 12 weeks in 2014/2015, the challenge was to review 90% of deaths within 12 weeks for 2015/2016. Although final data will not be available until 12 weeks following the end of the year (30th June 2016), preliminary data shows that the majority of clinical specialities will have met the target.

Timely review of deaths and identification of those deaths which may be deemed avoidable is becoming an important part of the information used to understand the quality of care in hospital. Our Mortality Tracking System has ensured that we have been able to learn from deaths in hospital when we can. Our Trust is leading work within the NHS Midlands and East region on developing ways in which acute hospitals can understand death in hospital and demonstrate learning. We await national guidance and direction on the principles of reporting avoidable deaths in hospital and, indeed, on the definition of 'avoidable', but we are confident that we are able to demonstrate that we have current, peer reviewed, quantitative, as well as qualitative, data on all deaths in hospital.

“I came to the Day Surgery unit for an operation on my sinuses. Everything was explained to me by the anaesthetist and doctor before I went into theatre. After my operation, the nurse who took care of me was very kind and caring and phoned my partner to let him know the time that I would be discharged. I have to say that the staff were very professional and I cannot fault the care that I received.”

Current status

■	Meeting 90% target
■	50% or above but below 90% target
■	Below 50%

Trust overall	Quality Report 2014/15	Year to date
	85.6%	90.4%

	% audited within 12 weeks
	YTD*
Cardiology	85.3%
Gastroenterology	99.2%
General Medicine	92.8%
Medical Assessment	96.7%
Plastic Surgery	N/A
Rehabilitation	100%
Respiratory	84.3%
Stroke Medicine/Rehab	75.8%
Diabetes	75%
Endocrinology	99.3%
Rheumatology	100%

	% audited within 12 weeks
	YTD*
Renal	92.9%
Haematology	77.7%
Oncology	30%
Care of the Elderly	100%
ENT	N/A
General Surgery	90.8%
Urology	50%
Vascular Surgery	48.6%
T&O Rehabilitation	100%
Trauma and Orthopaedics	100%
Gynaecology	N/A

*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 30/06/2016. The year to date calculation shows all audits of deaths in hospital completed within 12 weeks between 01/04/2015 and 31/03/2016 as available.

For 2016/2017, this topic has been removed from the Trust's quality priorities. 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)

Also, given the progress we have made, it is important that we focus on areas where we need to achieve the same high standards that we have achieved in this area. We are now focused on working to spread out learning and improve ourselves by working with our local and regional partners to understand the care we provide across the entire patient journey. We will continue to include an update on mortality in all quality reports.

Learning lessons: patients requiring support and assistance at meal times

Nutritional link nurses ensure continued training of nursing staff and compliance with good practice. Additional volunteers trained to assist at meal time have been recruited and new documentation which ensures identification of patients at risk has been introduced.

New priority 5 for 2016/17: Medications

The results for the following two indicators will be equal to or better than the end of year results of 2015/16:

- a) All medications that have been administered have been signed and dated
- b) Omission codes are evident for all medication including Enoxaparin not administered as prescribed

Rationale for inclusion

The importance of patients receiving their prescribed medication appropriately and on time cannot be overestimated. It contributes to patient wellbeing and recovery and is an indicator of the overall quality of patient care. On occasion, this does not happen, for instance, if the patient is nil by mouth in preparation for a particular test, refuses the medication, is having an X-ray or is in the theatre suite having a procedure undertaken. It is essential that nurses administering medications record the date and time on the prescription chart. In the few cases when it is not given, this should also be recorded, along with the reason why (a standard set of codes are used for this which include some of the examples stated above). Feedback from our patients, staff, community groups and governors indicates this issue should become a target.

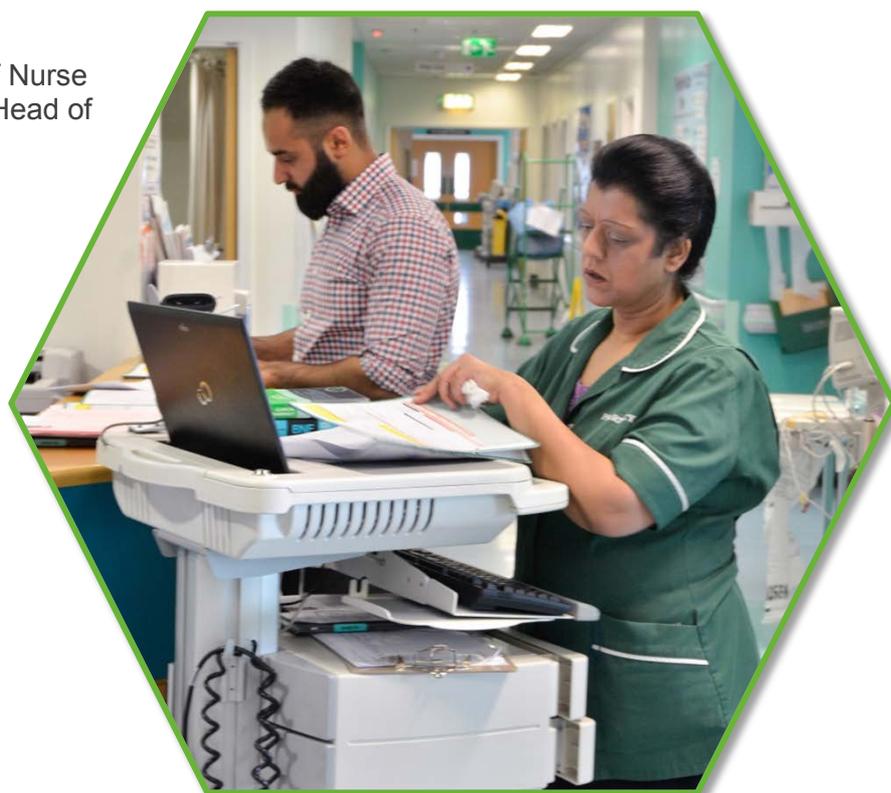
How we measure and record this priority

The recording of medications administered and omitted and are audited as part of the Nursing Care Indicators (NCI) monitoring, which is a monthly check of ten sets of nursing notes undertaken at random on every ward (see Section 3.3.5).

Developments planned for 2016/17

- Nominate lead nurse and pharmacist
- Monthly link worker meetings, led by a matron and pharmacist, have been reinstated. Each month the link workers will have a new subject to focus on and escalate teaching amongst their colleagues
- Draw up an action plan and prioritise actions
- Focus initially on TTOs (to take out) medications on discharge

Board sponsor: Dawn Wardell, Chief Nurse
Operational leads: Kaye Sheppard, Head of Nursing and Sara Davies, Matron



2.2 Statements of assurance from the Board of Directors

2.2.1 Review of services

During 2015/16, 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 2015/16 represents 98.2% of the total income generated from the provision of relevant health services by The Dudley Group NHS Foundation Trust for 2015/16.

The above reviews were undertaken in a number of ways. With regards to patient experience and safety, the Trust executive and non-executive directors, governors and other senior staff undertake Quality and Safety Reviews of clinical areas (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 and 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 3.3.5).
- 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:
 - The West Midlands Quality Review Service (WMQRS) visited both the Trust and primary care services in September to assess Dementia Care Services. The final report of the review was made available to the Trust in January 2016 and an action plan is being drawn in conjunction with Dudley Clinical Commissioning Group.
 - In June 2015, 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'.
 - In September 2015, both Russells Hall Hospital and Guest Outpatient Centre pharmacies received a Good Distribution Practice inspection by the MHRA. They concluded that, within the scope of the inspection, the Trust operates in accordance with the Guidelines of 5 November 2013 on Good Distribution Practice of Medicinal Products for Human Use (2013/C 343/01) and the Human Medicines Regulations 2012.
 - All of the Pathology departments have retained their accreditation status with the Clinical Pathology Accreditation (CPA) (UK) Ltd. These are:
 - Biochemistry, Haematology, Microbiology and Immunology
 - In addition, the Cellular Pathology department maintained CPA accreditation status whilst transitioning to the new ISO 15189:2012 standards. Both Cellular Pathology

and the Mortuary had a visit from the United Kingdom Accreditation Service (UKAS) and, while the regional assessor manager gave these areas a positive outcome, the Trust is awaiting the final reports from the national body.

- The Human Tissue Authority (HTA) inspected the Trust Mortuary Services this year and there was a successful outcome. The Trust Mortuary Services retained their compliance with the Human Tissue Authority (HTA).
- With regards to education and training, a number of organisations undertake a variety of checks on the education of doctors at the Trust. In May 2015, Health Education England (West Midlands) undertook an Emergency Medicine Level 2 revisit following two visits in 2014. The training posts were approved with some conditions regarding workforce planning, standardising Ward Rounds and ensuring departmental induction was available to all new starters. In June 2015, West Midlands North Foundation School undertook a Quality Monitoring Visit. This was a successful visit and the Foundation Programme was approved with some minor areas for improvement raised. In September 2015 there was an Undergraduate Clinical Education Monitoring follow up visit to Russells Hall Hospital which formed part of the routine MBChB monitoring programme coordinated by the Quality Office of the Medical School. The tone of the visit was supportive, noting that the Trust has made encouraging progress with the recommendations from the initial visit in February 2014. It was noted that there were new developments taking place at the academy, with notable areas of good practice on display. Finally, in January 2016, there was a Dental Core Training Review. The overall outcome of this visit was very positive. The programme offered by the Trust was seen to be flexible, meeting the needs of the trainees who were seen to be well supported by the unit.

“My three year old son cut his head open. As soon as we got to A&E we were booked in straight away, people on the desks were lovely and helpful. We got seen within 30 minutes by a lovely doctor who washed the wound and checked him over. Very pleased with the service we received. Thank you.”

2.2.2 Participation in national clinical audits and confidential enquiries

During 2015/16, 34 national clinical audits and four national confidential enquiries covered relevant health services that the Trust provides. During that period, the Trust participated in 100% of the national clinical audits and 100% 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 2015/16 are listed below. Table 1 shows 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 2015/16 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%
VTE Risk in Lower Limb Immobilisation (care in emergency departments)	Acute Care	Yes	100%
National Emergency Laparotomy Audit	Acute Care	Yes	100%
National Joint Registry	Acute Care	Yes	96%
National Emergency Oxygen Audit	Acute Care	Yes	100%
TARN Severe Trauma Audit	Acute Care	Yes	56-68%*
Procedural Sedation in Adults (care in emergency departments)	Acute Care	Yes	100%
End of Life Care Audit: care of the dying in hospital	Acute Care	Yes	100%
National Comparative Audit of Blood Transfusion Programme	Blood & Transplant	Yes	100%
National Bowel Cancer Audit Project	Cancer	Yes	100%
National Lung Cancer Audit (NLCA)	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%
Cardiac Rhythm Management	Heart	Yes	100%
National Cardiac Arrest Audit	Heart	Yes	100%
National Heart Failure Audit	Heart	Yes	91% to Mar16
National Vascular Registry	Heart	Yes	95%
National Diabetes (Adult) Audit (NaDIA) (NDFIA)	Long-term Conditions	Yes	100%
National Pregnancy in Diabetes Audit (NPID)	Long-term Conditions	Yes	100%

Name of Audit	Type of Care	Participation	Submitted %
National Paediatric Diabetes Audit (NPDA)	Long-term Conditions	Yes	100%
Inflammatory Bowel Disease (IBD) Programme (Biologics Audit)	Long-term Conditions	Yes	50%
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%
UK Parkinson's Audit	Long-term Conditions	Yes	100%
Falls and Fragility Fractures Audit Programme Hip Fracture Database	Older People	Yes	100%
Falls and Fragility Fractures Audit Programme National Audit of Inpatient Falls 2015	Older People	Yes	87%
Sentinel Stroke National Audit Programme	Older People	Yes	100%
Elective Surgery (National PROMs Programme)	Other	Yes	97%
National Paediatric Asthma	Women & Children's Health	Yes	100%
Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK)	Women & Children's Health	Yes	100%
National Neonatal Audit Programme	Women & Children's Health	Yes	100%
Vital Signs in Children (care in emergency departments)	Women & Children's Health	Yes	100%

* data completeness shown as a range based on variance between number of potentially eligible cases identified in HES dataset and number of truly eligible cases identified which should be submitted to TARN

Table 2

National confidential enquiries that the Trust was eligible to participate in and actually participated in during 2015/16 and the percentage of the number of registered cases required by the terms of the enquiry

Name of Audit	Type of Care	Participation	Submitted %
Gastrointestinal Haemorrhage	NCEPOD	Yes	100%
Sepsis	NCEPOD	Yes	1. 100% 2. 60%
Acute Pancreatitis	NCEPOD	Yes	100%
Mental Health in Acute Hospitals	NCEPOD	Yes	100%

NCEPOD: National Confidential Enquiry into Patient Outcome and Death

1. Clinical questionnaire return (100%)

2. Case note return (60%)

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 2015/16

Name of Audit	Type of Care	Participation	Submitted %
BAD-BSPD National Paediatric Eczema Audit 2015	Dermatology	Yes	100%

The reports of the following 25 national clinical audits were reviewed in 2015/16:

- College of Emergency Medicine (CEM) Initial Management of the Fitting Child
- College of Emergency Medicine (CEM) Cognitive Impairment in Older People
- College of Emergency Medicine (CEM) Mental Health in the ED
- Maternal, Newborn & Infant Clinical Outcome Review Programme (MBRRACE-UK)
- National Audit of Inpatient Falls
- National Bowel Cancer Audit (NBOCA)
- National BTS Paediatric Asthma Audit
- National COPD Audit Programme - Resources and Organisational Pulmonary Rehab Services for England and Wales 2015
- National Emergency Laparotomy Audit (NELA)
- National Head and Neck Cancer Audit
- National Heart Failure Audit
- National Hip Fracture Database (NHFD)
- National Clinical Audit of Biological Therapies - UK Inflammatory Bowel Disease (IBD) Audit
- National Clinical Audit for Rheumatoid and Early Inflammatory Arthritis
- National Joint Registry (NJR)
- National Lung Cancer Audit (NLCA)
- National Neonatal Audit Programme (NNAP)
- National Oesophago-Gastric Cancer Audit (NOGCA)
- National Paediatric Diabetes Audit (NPDA)
- National Prostate Cancer Audit (NPCA)
- National Vascular Registry (NVR)
- Sentinel Stroke National Audit Programme (SSNAP)
- Trauma Audit Research Network (TARN)
- NCEPOD Gastrointestinal Haemorrhage: Time to Get Control?
- NCEPOD Just Say Sepsis!

From the above reviews, the Trust has taken or intends to take the following actions to improve the quality of healthcare provided:

College of Emergency Medicine (CEM) Cognitive Impairment in Older People

In accordance with the audit recommendations the AMT-4 test (Abbreviated Mental Test) has been introduced as a compulsory assessment for all “Majors” patients over 75 years of age on the Trust clinical information system which also now includes the MEWS (Medical Early Warning Score). Audit findings are presented to the Emergency Department quality and practice development team meeting and disseminated to the nursing team in order to improve staff awareness regarding the need for cognitive assessment. Relevant teaching sessions have been introduced for junior doctors at induction.

National Audit of Inpatient Falls

The audit measured compliance against national standards of best practice in reducing risk of falls within acute care. A falls multidisciplinary working group has been established with the current agenda focused on the recommendations of the audit. Immediate actions include the addition of a falls risk assessment to emergency area admission and transfer sheets and the development of a medical post-fall protocol by the consultant lead which is included in the falls management and prevention document. Datix incident reporting has been updated to confirm key elements of information are recorded immediately after the fall and the lead nurse for patient falls and health and safety manager now review all serious incidents to identify if external RIDDOR reporting is required. A pathway for falls prevention and management from acute onset in the emergency department up to and including discharge arrangements and patient information on preventing falls in hospital and at home have both recently developed. Falls Safe Champions are identified for every adult ward to facilitate and support falls awareness.

National BTS Paediatric Asthma Audit

The results were comparable to those of a previous audit with some improvement in documentation particularly in relation to the recording of wheeze history. Identified areas for further improvement and planned actions include: nurses to administer asthma screening questionnaire and asthma discharge checklist for all patients, clerking booklet to be enclosed with the clerking document on each admission with wheeze/asthma and improved documentation of discharge and follow up plan.

National COPD Audit Programme - Resources and Organisational Pulmonary Rehab Services for England and Wales 2015

The uptake of pulmonary rehabilitation for patients recently discharged from hospital with exacerbations of COPD is relatively poor. The problems of uptake with rehabilitation have been discussed at a network level and, to improve the uptake of this, the Trust (as part of the network) has started to send copies of the British Lung Foundation Pulmonary Rehabilitation DVD to potential rehab patients for a six-month period in the hope that this may improve uptake. It is hoped to reintroduce a COPD care bundle where a referral to pulmonary rehabilitation is one of the five points in the bundle. The Trust is continually looking for new and different sites to perform pulmonary rehabilitation so to increase patient choice and to make treatment available nearer to their homes in the hope that this will also improve uptake. This is an ongoing process.

National Clinical Audit of Biological Therapies - UK Inflammatory Bowel Disease (IBD) Audit

An action plan is in progress in line with the recommendations from the national audit and includes Trust participation in the (PANTs) Personalised Anti-TNF Therapy in Crohn's Disease Study. The recruitment of a new IBD nurse will ensure continued data collection to the biological therapies audit.

NCEPOD Just Say Sepsis!

The Trust identified full compliance with the majority of recommendations established from the study and listed on the self-assessment checklist. A number of recommendations however apply to wider issues other than sepsis and the relevant medical staff have had input into the action plan developed to address these. These wider recommendations continue to be worked upon.

National Lung Cancer Audit (NLCA)

The report findings were discussed at a MDT Meeting and an action plan was developed to address the recommendations (which include re-audit and improved documentation) with the aim of improving data quality and completeness.

National Vascular Registry

The National Vascular Registry measures the quality and outcomes of care for patients who undergo major vascular surgery in NHS hospitals and provides comparative information on the performance of NHS vascular units. Audit findings show that case ascertainment for amputation and endovascular procedures is currently good and AAA (abdominal aortic aneurysm) assessment to surgery is reasonable and in keeping with data from other units. There is room for improvement in time to carotid endarterectomy resulting in the aim to set an internal target of 90% of cases being done within 14 days. The report recommended that vascular units undertake a detailed analysis of the pathways of care and outcomes for amputation, and a Service Evaluation of Amputation Outcomes is to be included on the 2016/17 forward audit plan to address this.

National Clinical Audit for Rheumatoid and Early Inflammatory Arthritis

The Trust recruited well to this audit and results showed that against all the NICE quality statements and clinical measures relating to hospital care the Trust outperformed regional and national departments. Locally performance against audit standards relating to time from GP consultation to referral to secondary care was below regional and national results. Performance can still be improved and we continue to work hard to ensure patients with suspected inflammatory arthritis are appropriately triaged and seen within 3 weeks of referral. Also we need to further explore how to improve the efficiency of commencing (combination) disease modifying drugs for patients. In particular, we need to liaise with the musculoskeletal working group of the CCG to highlight NICE Quality Standards 33 for the Management of RA which states that "People with suspected persistent synovitis affecting the small joints of the hands or feet, or more than 1 joint, are referred to a rheumatology service within 3 working days of presentation." This may require GP education or information resources to improve local performance against this quality standard.

Local clinical audit

The reports of 31 completed local clinical audits were reviewed in 2015/16 and the Trust has taken, or intends to take, the following actions to improve the quality of healthcare provided:

Documentation of Spinal Block Testing for Anaesthesia for Caesarean Section

A re-audit showed significant improvement in testing and documentation of spinal block for caesarean section. The reduction in the probability of experiencing pain also suggests that more thorough checking has led to early identification of an inadequate block and other alternatives sought. There was also a significant increase in the number of blocks checked by a Consultant. Regular reminders are now included in the Obstetric Newsletter and discussed in the Governance Meeting. An information poster is also on display in theatres

Chemotherapy Patient Satisfaction Audit

Recommendations from the audit resulted in the introduction of a new patient information pack to include a booklet on specific side effects supported by verbal advice, a Triage Information Leaflet and a new patient information leaflet to direct patients to the triage helpline. Standard Operating Procedures have been developed for Denosumab, Zoledronic Acid, for supportive SACT (Systemic Anti-Cancer Therapy) to be administered in the outreach/home setting and for Azacitidine administration in the primary care outreach setting. A business case is also in development to facilitate the move of further low-risk treatments to the community setting (outreach / home delivery). Two Clinical Support Workers have been introduced and are based within the day-case treatment area to assist with patient individual /personal needs.

Paracetamol Overdose Audit

Further to the recommendations from the College of Emergency Medicine (CEM) national audit, great efforts were made to further improve treatment and documentation for patients presenting with paracetamol overdose. This re-audit showed some increased areas of good practice and some areas still requiring some improvement which have resulted in the introduction of a new pathway to facilitate this.

The following audits to monitor compliance of current clinical practice in accordance with NICE clinical guidelines (CG), quality standards (QS) and public health guidelines (PH) were undertaken.

Audit of the Assessment and Management of Psoriasis (CG153)

The audit showed partial compliance with the guidance and subsequent actions include the introduction of Psoriasis packs to include the relevant validation tools [PASI, DLQI and PEST score] for scoring the severity and impact of Psoriasis. PASI scoring reference posters have also been displayed in clinical areas and smaller PASI reference cards provided to all clinicians.

Audit of Urinary Tract Infection (UTI) in Adults (QS90)

Good compliance with NICE guidance was identified, however one standard assessed achieved just 66% compliance; therefore, the audit demonstrated partial compliance with the guidance overall. To improve compliance clinicians will ensure that men, who have symptoms of upper UTI, are referred for urological investigation. The audit outcome has been discussed through delivered presentations with an aim to achieve full compliance in the re-audit.

Audit of Annual Assessments for Rheumatoid Arthritis Patients (QS33)

The audit showed partial compliance with the guidance. A proforma-style document has been introduced into the notes of all patients with established rheumatoid arthritis. This document includes all of the annual review elements specified in QS33 (Statement 7), with space for recording relevant outcome information, and dates of the last assessment for each element. Clinicians have been encouraged to refer to the document when dictating letters to GPs, in order to ensure the attainment of the NICE requirement for documentation of annual review elements.

Preventing contrast induced nephropathy (CG169)

The audit showed partial compliance with the guidance initially and following the implementation of a care pathway for improving contrast induced acute kidney injury on acute medical wards, compliance has improved and will continue to be monitored.

Smoking Cessation Guidance Advice for Paediatric Asthma (PH48)

The audit showed partial compliance with the guidance and specifically highlighted that documentation of smoking status was very poor. The results have been presented to the ED department staff and all doctors reminded of the importance of the documenting of smoking status, and to encourage smoking cessation and referral to stop smoking services if applicable.

“I cannot praise the consultant urologist highly enough. Their team of nurses and support staff on this ward also deserve merit. This is my second spell on this ward and I am still impressed by the quality of care. My thanks to all and I wish them all the best.”

2.2.3 Research and development

The number of patients receiving health services provided or sub-contracted by the Trust in 2015/16, which were recruited during that period to participate in research approved by a research ethics committee, was 1376. Dermatology has continued to flourish as a successful research specialty, so much so that it was possible to employ a second research nurse in June 2015 using income received from commercial studies. This extra resource has enabled the team to open a broader portfolio of academic studies, both observational and interventional.

During 2015/16 the Diabetes team was selected to run its first commercial study while continuing to recruit to academic observational studies and two academic clinical trials. From 01/01/2016 we have a full time senior research nurse working on diabetes studies. We are particularly pleased to be recruiting to a study which provides continuous glucose monitoring for pregnant women with Type 1 diabetes (CONCEPTT).

Cardiology continues to recruit well to commercial studies and is also venturing into the world of academic studies related to cardiac implantable electronic devices. The income generated by studies supports 2.6 WTE research nurses. Orthopaedics recruits to both academic and commercial studies.

The Trust's generic research nurses have succeeded in recruiting to a number of Anaesthetics, Critical Care, Gastroenterology and Stroke studies. The Clinical Research Unit's biomedical scientists have contributed significantly to study accruals this year. They run their own phlebotomy research clinics, recruiting to large national diagnostic studies that identify specific gene mutations with a view to providing treatment for very rare diseases.

Despite staffing challenges since July 2015, cancer research staff continue to recruit well to haematological malignancy trials: e.g. first line treatment in chronic lymphocytic leukaemia (FLAIR), and observational studies. Recruitment to rheumatology studies slowed down, affected by the departure of a research registrar and research nurse redeployment to cover maternity leave.

Locally designed studies are being developed by Trust staff in a number of specialties including Critical Care, Acute Medicine and Ophthalmology with a view to obtaining recognition as nationally recognised studies.

The Trust continues to host several research fellows and PhD students from local universities. One rheumatology researcher was recently awarded his PhD; another continues to write up her doctoral thesis. Pain management also hosts PhD research.

Trust publications for the calendar year 2015, including conference posters, stand at 151. A member of the R&D admin team is now an accredited trainer of Good Clinical Practice, providing training workshops for researchers in Dudley and further afield. The office staff offer advice to new and established researchers and have been preparing for national changes to research set up procedures by attending meetings and workshops.

Research has led to several changes in clinical practice in Dudley:

- Staff training in ultrasound scanning techniques for Giant Cell Arteritis for the TABUL study means that ultrasound is now used regularly in the diagnostic pathway for these patients.
- As a result of the APIPPRA study the outcomes of all anti-cyclic citrullinated peptide antibody positive patients have been reviewed. This led to the identification of several more patients with new onset of Rheumatoid Arthritis (RA).
- The OUTPASS study has strengthened links between Dermatology and Rheumatology for patients on biologic treatment. Mutual understanding of each department's current studies has broadened the scope of treatment options for patients.
- Running the TACERA study meant that patients with a new diagnosis of RA were seen more quickly and initiated on DMARD treatment.
- The PREVENT-RA study is educating patients that their first degree relatives may be at risk of the disease and preventative advice is given.
- Siblings of patients with type 1 diabetes are at greatly increased risk of also getting disease. In the UK, this is up to 5% (1 in 20) over lifetime. Through the TrialNet Natural History Study (UKCRN: DRN100), The Dudley Group offer screening of family members to patients with type 1 diabetes. Of 100 screened individuals, three identified as positive; one has progressed to insulin treatment. The difference here is that by picking up disease process early we are preventing patients presenting in life-threatening diabetic ketoacidosis, as well as the psychological shock which affects adjustment to disease. The corollary is that in subjects who tested negative for antibodies, we are able to reassure them that their risk of developing disease returns to what it would be for rest of population (1 in 1000).



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 2015/16 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 2015/16 and for the following 12 month period are available electronically at:

<http://www.england.nhs.uk/nhs-standard-contract/>
<https://www.england.nhs.uk/wp-content/uploads/2015/03/9-cquin-guid-2015-16.pdf>

CQUIN is a quality increment that applies over and above the standard contract. The sum is variable based on 2.5% of our activity outturn and conditional on achieving quality improvement and innovation goals.

The value of CQUIN in 2015/16 is £6.3m 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 2015/16 with a combination of locally and nationally agreed goals.

At the end of the financial year we have achieved, or it is forecast that we will achieve the majority of the indicators. Validation of data for the Cancer Survivorship CQUIN for Quarter Four is still in progress but the indication given is that the target has been achieved. Part A of the Dementia CQUIN in Quarter Two and Part B of the Sepsis CQUIN in Quarters Three and Four were not fully achieved.

Mitigating actions have been put in place to ensure the quality of care is improved in those areas where goals are partially achieved.

The final settlement figure for 2015/16 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 95%, which is approximately £6.0m, based on secured and expected income. In the previous financial year 2014/15, the final settlement figure based on achievement of CQUIN schemes was £6.0m.

Learning lessons: initial care of patients arriving by ambulance

Following a reconfiguration of available rooms in the Emergency Department, there is now a designated Ambulance Triage Room staffed by a dedicated team with appropriate equipment for patients brought in by ambulance.

CQUINs 2015/16

The CQUINs for 2015/16 have been rated on a RAG (red/amber/green) basis dependent on achievement to date as detailed in the tables below:

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

	Achieved
	Partially achieved

CQUINs 2016/17

In 2016/17, the amount the Trust is able to earn is 2.5% (2% from NHS England specialised services) on top of the actual outturn value. The estimated value of this is approximately £6.4m.

Acute and community 2016/17

Goal No.	CQUIN targets and topics	Quality domains
1	NHS Staff health and well-being	Effectiveness
2	Timely identification and treatment of Sepsis	Safety Effectiveness
3	Antimicrobial Resistance and Antimicrobial Stewardship	Safety Effectiveness
4	Consultant time input to enhance community care	Effectiveness
5	Cancer 62 day waits – root cause analyses	Safety Effectiveness
6	Dementia Screening	Effectiveness
7	E-referral Consultant Review Process	Effectiveness
8	Maternal Smoking at Delivery	Safety

NHS England Specialised services, Public Health & Dental 2016/17

Goal No.	CQUIN targets and topics	Quality domains
1	Adult Critical Care	Effectiveness
2	Optimal Device	Effectiveness
3	Preventing term admissions to Neonatal Intensive Care	Safety Effectiveness
4	eGFR Monitoring System	Safety Effectiveness
5	AAA Screening – improving access and uptake	Effectiveness
6	Secondary Care Clinical Attachment in Oral Surgery	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 2015/16. The Trust has not participated in any special reviews or investigations by the Care Quality Commission during the reporting period. The last inspection of the Trust by the CQC was in March 2014. Both a summary and full report of that inspection has been published and is available from www.cqc.org.uk/provider/RNA All required actions identified from that inspection have been taken by the Trust and assurance provided to the CQC.

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.

2.2.6 Quality of data

The Trust submitted records during 2015/16 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%	99.2%
Outpatient care	99.8%	99.4%
Accident and Emergency care	99.2%	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%	99.8%
Accident and Emergency care	100%	99.5%

All above Trust figures are for April 2015 to Dec 2015 with national figures to Dec 2015.

The Trust's Information Governance Assessment Report overall score for 2015/16 was 76% and was graded 'Green'.

The Trust was not subject to the Payment by Results clinical coding audit during 2015/16 by the Audit Commission.

During 2015/16, the Trust has been required to report one data protection incident to the Information Commissioner's Office, which identified access to the records of colleagues and their relatives without consent.

The Trust will be taking the following actions to improve data quality:

- The Trust continually monitors data quality externally via Secondary Uses Service (SUS) reporting, and University Hospitals Birmingham Hospital Evaluation Data tool (HED).
- As part of the continuous cycle of data quality review for the Information Governance Toolkit, the Trust has measured very well against 40 key data quality items covering inpatient and outpatient activity scoring the maximum 10 for 38/40. The remaining items both scored 8 and action plans are being developed to address these remaining minor issues.

Learning lessons: patients at risk of falls wearing anti-embolic stockings
We have purchased special grip anti-embolic stockings which are to be used Trust-wide for all appropriate patients.

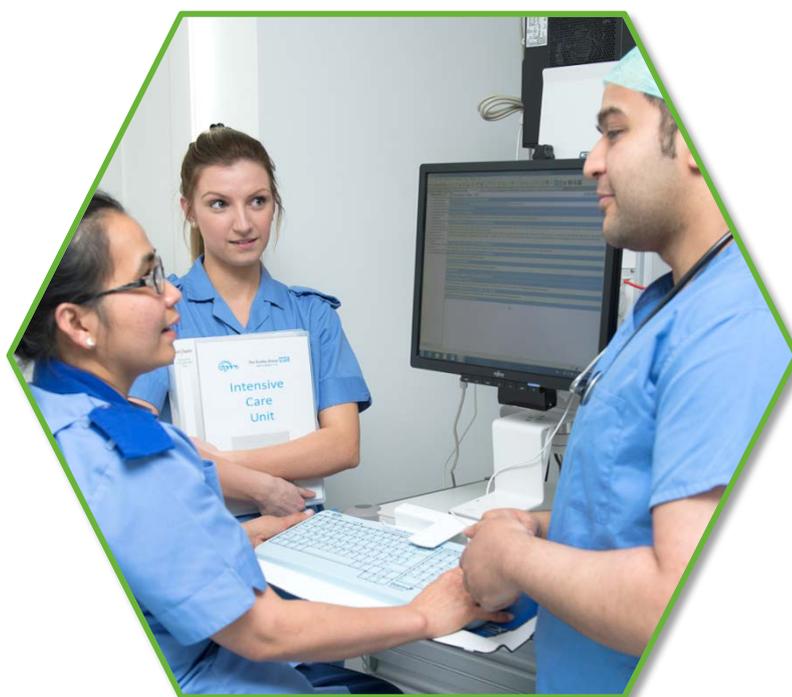
2.2.7 Core set of mandatory indicators

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: Oct 2014 - Sept 2015		Previous reporting period: Jul 2014 - June 2015		Statements
Summary Hospital-level Mortality Indicator (SHMI) value and banding	Value		Value		<p>The Trust considers that this data is as described for the following reasons:</p> <ul style="list-style-type: none"> The Trust is pleased to note that the Trust's SHMI values are within the expected range <p>The Trust has taken the following action to improve this indicator and so the quality of its services by:</p> <ul style="list-style-type: none"> Continuing to improve case note reviews of deaths in hospital
	Trust	1.020	Trust	1.029	
	National average	1	National average	1	
	Highest	1.177	Highest	1.209	
	Lowest	0.652	Lowest	0.661	
	Banding		Banding		
	Trust	2	Trust	2	
	National average	2	National average	2	
Highest	1	Highest	1		
Lowest	3	Lowest	3		
Percentage of patient deaths with palliative care coded at either diagnosis or specialty level (Context indicator)	Trust	26.6%	Trust	25.9%	<p>The Trust considers that this data is as described for the following reasons:</p> <ul style="list-style-type: none"> 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.
	National average	26.6%	National Average	26%	
	Highest	53.5%	Highest	52.9%	
	Lowest	11.7%	Lowest	12.4%	

Patient Reported Outcome Measures (PROMS)

Topic and detailed indicators	Immediate reporting period: 2014/15 Provisional		Previous reporting period: 2013/14 Final		Statements
Groin Hernia Surgery	Trust	0.05	Trust	0.04	<p>The Trust considers that this data is as described for the following reasons:</p> <ul style="list-style-type: none"> • 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: 90% (<i>national = 94%</i>), • Hip replacement: 96% (<i>national = 95%</i>), • Knee replacement: 88% (<i>national = 89%</i>), • Varicose veins: 89% (<i>national = 88%</i>) <p>The Trust has taken the following actions to improve these scores, and so the quality of its services by:</p> <ul style="list-style-type: none"> • Although we are below the national average we are pleased that the health gain score for Groin Hernia Surgery has increased from 2013/14 to 2014/15. For the provisional 2014/15 data we are now back within the 99.8% national control limits. • An audit of the reasons for Groin Hernia Surgery will be completed to provide assurance on the appropriateness of cases proceeding to an operation.
	National average	0.08	National average	0.08	
	Highest	0.15	Highest	0.14	
	Lowest	0.00	Lowest	0.01	
Varicose Vein Surgery	Trust	0.10	Trust	0.03	
	National average	0.09	National average	0.09	
	Highest	0.15	Highest	0.15	
	Lowest	0.00	Lowest	0.02	
Hip Replacement Surgery	Trust	0.43	Trust	0.42	
	National average	0.44	National average	0.44	
	Highest	0.52	Highest	0.54	
	Lowest	0.33	Lowest	0.31	
Knee Replacement Surgery	Trust	0.32	Trust	0.31	
	National average	0.31	National average	0.32	
	Highest	0.42	Highest	0.42	
	Lowest	0.20	Lowest	0.21	



Readmissions (Latest available data and next release in August 16)

Topic and detailed indicators	Immediate reporting period: 2011/12		Previous reporting period: 2010/11		Statements
% readmitted within 28 days Aged 0-15	Trust	9.09	Trust	9.34	<p>The Trust considers that this data is as described for the following reasons:</p> <ul style="list-style-type: none"> 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%, 2014/15 7.69%, 2015/16 ytd.** 7.98%) (Age 0-15: 2012/13 10.3%, 2013/14 9.7% 2014/15 10.05%, 2015/16 ytd.** 10.04%)
	National average	10.15	National average	10.15	
	Highest	NA*	Highest	NA*	
	Lowest	NA*	Lowest	NA*	
% readmitted within 28 days Aged 16 and over	Trust	11.62	Trust	11.55	<p>The Trust intends to take the following actions to improve this percentage, and so the quality of its services by:</p> <ul style="list-style-type: none"> Adults: Improving and developing our ambulatory care facilities Children: Further review our assessment processes for those that require a specialist paediatric assessment Children: Working closely with commissioners to develop services for those patients requiring on going CAMHS support
	National average	11.45	National average	11.42	
	Highest	NA*	Highest	NA*	
	Lowest	NA*	Lowest	NA*	

*comparative figures not available. **2015/16 ytd. = April 2015 to January 2016

Responsiveness to inpatients' personal needs

Topic and detailed indicators	Immediate reporting period: 2014/15		Previous reporting period: 2013/14		Statements
Average score from a selection of questions from the National Inpatient Survey measuring patient experience (Score out of 100)	Trust	66.8	Trust	66.5	<p>The Trust considers that this data is as described for the following reasons:</p> <ul style="list-style-type: none"> the Trust notes that it is only slightly lower than the national average and is making year on year improvements, <p>The Trust intends to take the following actions to improve this score, and so the quality of its services by:</p> <ul style="list-style-type: none"> 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	68.9	National average	68.7	
	Highest	86.1	Highest	84.2	
	Lowest	59.1	Lowest	54.4	

Staff views

Topic and detailed indicators	Immediate reporting period: 2015		Previous reporting period: 2014		Statements
Percentage of staff who would recommend the Trust to friends or family needing care (Comparison is with all combined Acute and Community Trusts)	Trust	75%	Trust	72%	The Trust considers that this data is as described for the following reasons: <ul style="list-style-type: none"> the Trust is pleased to see an increase in the percentage of staff who would recommend the Trust as a place to receive treatment.
	National average	67%	National average	67%	
	Highest	89%	Highest	89%	The Trust intends to take/has taken the following actions to improve this percentage, and so the quality of its services by: <ul style="list-style-type: none"> multidisciplinary groups focusing on action planning for improvements. communicating with and supporting managers to understand their data broken down by division and area and take actions where necessary. involving and communicating with staff though adopting the Listening in Action programme.
	Lowest	46%	Lowest	38%	

For a full review of the results of the latest NHS Staff Survey, in particular, those related to the Workforce Race Equality Standard, please see the Annual Report.

Venous Thromboembolism (VTE)

Topic and detailed indicators	Immediate reporting period: Q3 Oct – Dec 2015		Previous reporting period: Q2 Jul – Sep 2015		Statements
Percentage of admitted patients risk-assessed for Venous Thromboembolism	Trust	96.4%	Trust	96.5%	The Trust considers that this data is as described for the following reasons: <ul style="list-style-type: none"> the Trust is pleased to note that it is above the national average in undertaking these risk assessments.
	National average	95.4%	National average	95.8%	
	Highest	100%	Highest	100%	The Trust intends to take the following actions to improve this percentage, and so the quality of its services by: <ul style="list-style-type: none"> continuing the educational sessions with each junior doctor intake continuing with a variety of promotional activities to staff and patients
	Lowest	78.5%	Lowest	75%	

Infection control

Topic and detailed indicators	Immediate reporting period: 2014/15		Previous reporting period: 2013/14		Statements
Rate of Clostridium difficile per 100,000 bed days amongst patients aged 2 or over	Trust	15.6	Trust	19.3	<p>The Trust considers that this data is as described for the following reasons:</p> <ul style="list-style-type: none"> ● the Trust is pleased to note the improvement in the latest available figures which are comparable to the national average <p>The Trust intends to take/has taken the following actions to improve this rate, and so the quality of its services by:</p> <ul style="list-style-type: none"> ● the process for reviewing individual C. diff cases is continuing and has developed further to enable particular themes to be identified/ ● The antimicrobial guidelines are functioning well on the smart phone app and this has enabled guidelines to be updated easily. ● Treatment protocols for C. diff continue to be updated to ensure they reflect current evidence-based practice.
	National average	15.1	National average	14.7	
	Highest	62.2	Highest	37.1	
	Lowest	0	Lowest	0	

Clinical incidents (Please see note in Section 3.3.3 regarding this data)

Topic and detailed indicators	Immediate reporting period: Apr 2015 – Sep 2015		Previous reporting period: Oct 2014 – Mar 2015		Statements
Rate of patient safety incidents (incidents reported per 1000 bed days) (Comparison is with 140 acute Trusts)	Trust	45.47 <small>(number 6408)</small>	Trust	44.19 <small>(number 6193)</small>	<p>The Trust considers that this data is as described for the following reasons:</p> <ul style="list-style-type: none"> ● 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 in line with the national average. <p>The Trust has taken the following actions to improve this rate and the numbers and percentages, and so the quality of its services by:</p> <ul style="list-style-type: none"> ● 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.
	Average	39.2	Average	37.2	
	Highest	74.67	Highest	82.21	
	Lowest	18.07	Lowest	20.01	
Percentage of patient safety incidents resulting in severe harm or death	Trust	0.1% <small>(number 7)</small>	Trust	0.1% <small>(number 7)</small>	
	National average	0.4%	National average	0.5%	

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, continual 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. To ensure quality improvement, the Trust has multiple organisation-wide frameworks from which it shares learning from patient feedback, clinical reviews and incidents. These include:

- **Quarterly Learning Events** Four case studies are presented at each event which are identified from incidents, complaints or safeguarding events. The attendees are drawn from all disciplines from across the organisation and participate in a lively question and answer session that explores the cases being presented.
- **Quarterly Learning Report** A quarterly learning report is produced outlining learning that has occurred across the organisation from all sources; incidents, complaints and reviews. This is presented to the directors and uploaded to the Trust intranet for all staff and shared with Dudley Clinical Commissioning Group.
- **Incident Reporting Database** Every incident that occurs is reported in a central database which is designed to capture changes in practice, learning and good practice to share across the organisation. This data is included in the quarterly learning report and cascaded through Divisional meetings.
- **Intranet Learning Page** The Trust has a designated intranet page to which all staff have access.

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 final section includes indicators and performance thresholds set out by Monitor, the Foundation Trust regulator, in its Risk Assessment Framework.

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 and Patient Opinion online reviews
- Mi Experience smartphone app
- National surveys including the National Inpatient Survey
- Comment cards
- Complaints, concerns and compliments
- Quality and safety reviews
- Targeted surveys on specific topics such as food, dementia and bereavement
- Lead nurse walkrounds

Below are some examples of the quantity of feedback we received during the year and more detailed information about some of the methods. These methods alone highlight more than 32,131 opportunities for us to listen to our patients' views.

Method	Total	Method	Total
FFT – Inpatient (inc. daycase)	13440	Real-time surveys (inpatient 1952, EAU 83, maternity 91)	2126
FFT – Emergency Department	3529	NHS Choices/Patient Opinion	215
FFT – Maternity	3151	National surveys	1150
FFT – Community	1889	Surveys of carers of people with dementia	214
FFT – Outpatients	4090	Discharge surveys	166
Community Patient Experience	191	Bereavement surveys	301
Outpatients Patient Experience	187	Inpatient food surveys	1482

Real-time surveys

During 2015/16, 2,126 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.

Patient stories

The continued use of patient stories at Board of Directors meetings during the year enables the patient voice to be heard at the highest level. These stories are circulated to managers and staff and used for service development planning and training purposes.

Friends and Family Test (FFT)

April 2015 saw the roll out of the FFT survey to all patients accessing care and treatment at the Trust. The results are published on the national NHS Choices website as: Normal, Better or Worse compared to others. The 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 "Please tell us why you gave that response".

This table shows our FFT scores for 2015/16 which indicates, for the majority of months, the Trust was above the national average and a high scorer in the Black Country region.

Where organisations have collected fewer than five response, figures are not published.

Inpatient FFT	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
Sandwell and West Birmingham	95%	95%	95%	96%	95%	96%	95%	93%	96%	96%	95%	95%
The Dudley Group	96%	97%	98%	97%	96%	97%	97%	97%	99%	98%	97%	97%
Royal Wolverhampton	91%	91%	92%	92%	91%	90%	90%	90%	91%	89%	90%	92%
Walsall Healthcare	95%	95%	95%	97%	97%	97%	95%	96%	93%	95%	95%	94%
Worcester Acute	97%	98%	98%	97%	98%	96%	98%	97%	99%	97%	94%	95%
National Average	95%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%

A&E FFT	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
Sandwell and West Birmingham	80%	80%	80%	84%	83%	83%	81%	82%	80%	80%	74%	74%
The Dudley Group	90%	90%	92%	90%	95%	90%	95%	91%	88%	95%	92%	98%
Royal Wolverhampton	84%	83%	81%	85%	83%	80%	79%	82%	80%	83%	79%	81%
Walsall Healthcare	93%	94%	94%	97%	92%	89%	92%	86%	90%	93%	96%	94%
Worcester Acute	94%	97%	95%	92%	92%	92%	94%	95%	95%	93%	90%	90%
National Average	88%	88%	88%	88%	88%	88%	87%	87%	87%	86%	85%	84%

Maternity Antenatal FFT	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
Sandwell and West Birmingham	-	100%	100%	89%	96%	94%	92%	100%	100%	95%	100%	95%
The Dudley Group	95%	96%	99%	93%	99%	97%	96%	98%	90%	98%	97%	98%
Royal Wolverhampton	83%	99%	99%	98%	95%	100%	97%	100%	100%	100%	-	-
Walsall Healthcare	84%	-	-	92%	73%	87%	86%	95%	81%	100%	90%	87%
Worcester Acute	98%	99%	98%	99%	99%	99%	100%	99%	99%	100%	98%	96%
National Average	95%	96%	96%	95%	95%	95%	96%	96%	95%	96%	95%	95%

Maternity Birth FFT	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
Sandwell and West Birmingham	-	100%	-	-	96%	97%	95%	86%	80%	90%	94%	93%
The Dudley Group	100%	100%	100%	99%	99%	100%	99%	99%	100%	98%	99%	98%
Royal Wolverhampton	100%	100%	99%	100%	100%	100%	98%	100%	100%	100%	100%	99%
Walsall Healthcare	98%	96%	100%	100%	95%	97%	98%	92%	93%	97%	95%	98%
Worcester Acute	99%	100%	99%	99%	100%	100%	100%	98%	98%	99%	98%	98%
National Average	97%	97%	97%	97%	97%	97%	94%	96%	97%	97%	96%	96%

Maternity Postnatal Ward FFT	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
Sandwell and West Birmingham	95%	94%	97%	91%	95%	91%	95%	95%	97%	95%	91%	94%
The Dudley Group	100%	100%	99%	98%	99%	100%	98%	98%	98%	98%	99%	98%
Royal Wolverhampton	84%	89%	84%	87%	93%	93%	89%	90%	92%	94%	84%	87%
Walsall Healthcare	98%	70%	96%	96%	97%	99%	96%	96%	95%	97%	95%	92%
Worcester Acute	99%	98%	94%	98%	98%	99%	98%	97%	97%	97%	89%	93%
National Average	94%	93%	93%	94%	94%	93%	95%	94%	94%	94%	94%	94%

Maternity Postnatal Community FFT	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
Sandwell and West Birmingham	-	100%	96%	97%	96%	99%	99%	97%	98%	96%	99%	99%
The Dudley Group	100%	100%	96%	94%	92%	100%	100%	100%	100%	91%	97%	100%
Royal Wolverhampton	95%	100%	99%	99%	99%	98%	100%	98%	100%	98%	96%	98%
Walsall Healthcare	100%	-	100%	100%	100%	-	100%	100%	100%	100%	100%	93%
Worcester Acute	100%	99%	96%	99%	99%	100%	100%	99%	100%	100%	100%	98%
National Average	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%

Community FFT	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
Sandwell and West Birmingham	-	-	-	-	-	-	-	-	-	-	-	-
The Dudley Group	97%	98%	96%	96%	96%	93%	97%	95%	99%	97%	98%	95%
Royal Wolverhampton	90%	90%	91%	91%	81%	87%	84%	88%	86%	86%	87%	88%
Walsall Healthcare	96%	95%	97%	95%	98%	94%	95%	96%	96%	98%	96%	94%
Worcester Acute	96%	100%	-	-	96%	97%	97%	97%	98%	96%	98%	98%
National Average	94%	95%	95%	95%	96%	95%	95%	95%	95%	95%	95%	95%

Outpatients FFT	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
Sandwell and West Birmingham	87%	89%	88%	89%	90%	88%	86%	87%	87%	90%	88%	87%
The Dudley Group	84%	82%	82%	88%	90%	89%	88%	84%	88%	90%	84%	89%
Royal Wolverhampton	92%	90%	91%	91%	92%	91%	92%	92%	92%	93%	92%	92%
Walsall Healthcare	97%	97%	97%	97%	97%	97%	98%	98%	97%	97%	97%	97%
Worcester Acute	90%	93%	91%	90%	94%	92%	92%	91%	93%	92%	93%	91%
National Average	92%	92%	92%	92%	92%	92%	92%	92%	92%	93%	93%	93%

NHS Choices and Patient Opinion

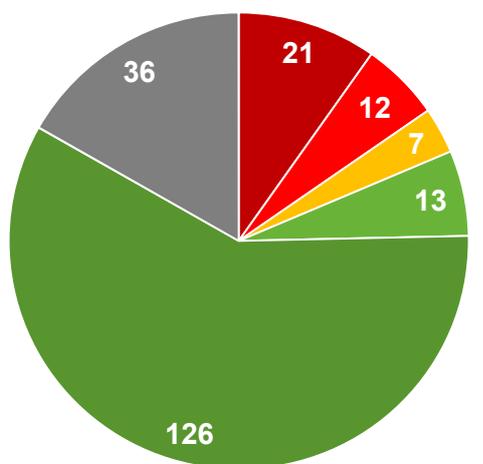
Patients can give feedback about their experience of any of our services on the NHS Choices and Patient Opinion websites. Patients can post comments anonymously or choose to give their name and all comments are responded to within 10 working days.

Throughout 2015/16 we received 215 pieces of feedback via NHS Choices and Patient Opinion. We actively encourage patients to engage in this way and consistently attract more comments than neighbouring trusts.

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. At the end of 2015/16 year, the average star rating for each of the Trust sites was 4.5 stars or better, as had been the case throughout the whole of 2015/16. Just under three quarters of the comments received have been positive.

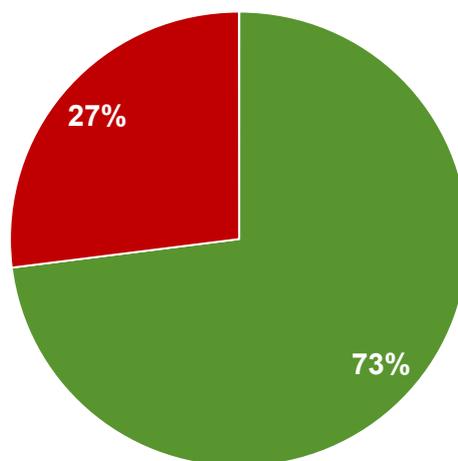
Location	Overall star rating
Russells Hall Hospital	★★★★☆ 4.5 stars
Corbett Outpatient Centre	★★★★☆ 4.5 stars
Guest Outpatient Centre	★★★★★ 5 stars
The Dudley Group NHS Foundation Trust (no location)	★★★★☆ 4.5 stars

Star ratings 2015/16



■ 1 star ■ 2 stars ■ 3 stars
■ 4 stars ■ 5 stars ■ None given

Positive/negative 2015/16



■ Positive ■ Negative

3.2.3 National survey results

In 2015/16, the results of two national patient surveys were published: Children and Young People's inpatient and day case survey and Women's Experiences of Maternity Services. An Adult Inpatient survey and a Cancer Patient Experience survey were also conducted in 2015 with results due in the new financial year.

Participants for all national surveys are selected against the sampling guidance issued for the months indicated in the table below:

Survey name	Survey sample month	Trust response rate	National average response rate
2014 Children and Young People's	July-Aug 2014	25%	27%
2015 Cancer Patient Experience	Sept-Nov 2015	65%	66%
2015 Adult Inpatient	July 2015	45%	N/A
2015 Women's Experiences of Maternity Services	February 2015	40%	41%

N/A = Not available at time of publication

What the results of the surveys told us

2014 Children and Young People's inpatient and day case survey

This is the first time this survey has been conducted and so there is no benchmarking data to compare to previous years. When compared to other organisations, the Trust performed about the same as other hospitals for making sure our patients:

- knew what would happen to them at hospital
- felt safe on the hospital ward and liked the food
- thought our staff talked to them in a way they could understand and about any worries they had
- had enough privacy when receiving care and treatment and were helped with any pain they had
- felt staff took the time to explain what would happen during an operation and procedure and afterwards explained how it went
- said our staff told them what to do and who to talk to if they were worried about anything when they got home
- thought that the people looking after them were friendly and listened to what they had to say
- said they had received a good overall experience of care in the hospital

An action plan has been developed for the areas where we scored below the national score.

Below are some examples of actions taken:

- Inpatient food – the menus have been refreshed as part of the improvement project for inpatient food and will be reviewed periodically by the Nutrition and Hydration Group using patient feedback
- Patient information – to ensure patients and their families know who to talk to if they are worried about anything when they get home, an advice leaflet is provided following an operation or procedure. We are currently working with our patients to develop patient information leaflets that are written in the style and language that is easier to understand
- Care and treatment plans – children, parents and carers are involved in decisions in the planning of care on admission and on a daily basis for those with longer term care needs

2015 Women's Experiences of Maternity Services survey

The national survey results were published in December 2015. The Trust received 120 survey responses giving a response rate of 40% (up from 37% in 2013) compared to 41% (down from 45% in 2013) nationally.

The results are reported in a total of eight sections that are benchmarked against all 133 trusts and denote whether our Trust is amongst the best performing trusts, about the same as other trusts or amongst the worst performing trusts.

The Trust has scored 'about the same' in all eight sections:

- The start of care in pregnancy
- Antenatal check-ups
- During pregnancy
- Labour and birth
- Staff
- Care in hospital after birth
- Feeding
- Care at home after the birth

2015 Adult Inpatient survey

The national results will be published in early June 2016 and provide a report on the performance of all trusts nationwide. The Trust's own results were available in February 2016 and provided a comparison on how we had performed against our own 2014 scores. The results identified those areas where we have improved compared to our results in the 2014 and where we need to focus on improvement, as well as highlighting any areas of success.

The survey has highlighted the many positive aspects of the patient experience in the following sections:

- ✓ Overall: 83% rated care 7 or more out of 10.
- ✓ Overall: 81% were treated with respect and dignity
- ✓ Doctors: 79% always had confidence and trust
- ✓ Hospital: 97% said the room or ward was very/fairly clean
- ✓ Hospital: 94% said toilets and bathrooms were very/fairly clean
- ✓ Care: 89% always had enough privacy when being examined or treated

We continue to use the feedback from national and local surveys to improve patient experience. Below are some examples of actions taken as a result of patient feedback:

“As a former staff nurse it's very easy for me to be over critical and often unsatisfied with hospital experiences. But this review is nothing but positive. The staff on Ward B1 deserve nothing but praise and my gratitude following my father's recent stay on the ward. Having been admitted for an elective procedure which went well, my father suffered life threatening complications and without doubt the attention and dedication to care on Ward B1 saved his life.”

Inpatients

You said...	We have/are...
More up to date information was needed about ward routines	Put up noticeboards outside each ward which contain information about ward routines and general information. New 'Your nurse' posters are displayed in each bay and side room containing information about the nurse on duty for the day and night shift. The 'Welcome to the ward' leaflet is being reviewed using feedback from our patients and staff.
You needed more notice about when you would be discharged	Embedded our 'Home for Lunch' discharge initiative across the Trust. Multidisciplinary team meetings are a part of the daily round on wards and increased use of the discharge lounge is encouraged. New leaflets to be devised in Acute Medical Unit to improve communication about discharge and what expectations are i.e. use of discharge lounge. There is a team whiteboard round daily on all wards which includes discharge plans. Information is shared with the patient and their families.
The mattresses in some of our inpatient assessment areas could be more comfortable	Replaced all of the mattresses with more comfortable ones.
Food served to inpatients could be hotter and the choice of sandwiches could be better	Introducing a pre-order service for inpatient meals to speed up service time and have provided plate covers to help keep food warm. The menus have been reviewed with extensive patient feedback and now have a wider sandwich choice.
Visiting times need to be more flexible and for longer periods each day	Reviewed visiting times and introduced new visiting times on some wards. Plans to review possibility of open visiting times across wards where appropriate.
More information was needed about the availability of interpreting services	Reviewed the information provided to patients to include details about availability of interpreting services.
We should provide a more relaxed homely environment	Improved the environment in our Midwifery Led Unit to make it more homely and installed music centres, artwork and specialist lighting.



3.2.4 Examples of specific patient experience initiatives

Admissions lounge and waiting area improvements

One of our 'You said, we have...' action plans included delivering improvements to the waiting area within the Trust that is shared by pre-operative assessment, renal and MRSA screening departments and also operates as an admissions lounge for day case surgery.

In response to feedback received from our patients, we identified a need for improvement and completed a number of actions to improve the patient experience:

Admissions lounge and waiting area	
You said...	We have/are...
We should provide more information about the length of time patients might need to wait	Developed a leaflet in conjunction with our patients that goes out with the appointment letter that explains the area is used for many different things
Signage for each of the four booking in counters was confusing and exit signs were needed	Installed new signage that clearly identifies the purpose of each counter
We should have a bleep system to enable patients to leave the area and be called when needed	Created new posters to advertise the existing bleep system facility and briefed staff to offer bleep units
We should provide TV or radio in that area	Arranged charitable funding to support the purchase and installation of a TV
It would be good to have up-to-date reading materials i.e. newspapers, magazines	Provided daily newspapers Monday to Friday and refresh the magazines weekly
The noticeboards were untidy and provided mixed messages	Reviewed all notice boards, leaflet racks and posters in that area and repopulated with useful patient information
More seating was needed to increase capacity	Completed a seating audit and provided additional waiting area facilities
There should be vending machine facilities in the waiting area	Agreed that it would be inappropriate to provide this facility as some patients awaiting tests should not eat or drink. Anyone requiring refreshments are now able to visit the main restaurant facility and be bleeped when needed

We continue to review feedback from our patients to monitor the effect of improvements made and take any further actions if needed.

Meeting the needs of children with learning disabilities

In November 2015 we hosted a Listening into Action (LiA) event for parents and carers of children with a learning disability to help us to identify those things that will make the experience of our young patients the best it can possibly be, when they visit our hospital. Using feedback from that session, we have completed or are soon to complete the actions:

- To reduce anxiety when patients come in to hospital, we have created a virtual tour in partnership with Autism West Midlands, funded by Dudley Autism Partnership Board, which enables children with learning disabilities and autism to view the inside of the hospital before they visit. The tour can be accessed via the learning disability web page which was formally launched in March 2016

- To provide more effective communication and enable children to be more involved in their consultations, Makaton signs (sign language) are now displayed in areas of the hospital where children frequently attend
- To support patient care and dignity, we have provided larger toilet facilities within the vicinity of Children's Outpatients Department
- To help those children who may find waiting in a large crowded waiting area distressing, we have identified an outside space within the vicinity of the Children's Outpatients Department as an additional waiting area and identified that the use of a bleep system will enable parents and carers to be called when needed, should they wish to take their child to another part of the hospital
- To reduce the number of interventions required at an outpatient appointment, we have an agreement with a school nurse based in local special schools, to pilot a system to use the last weights and measurements taken in school or weigh and measure a child in preparation for their next appointment

To ensure staff have a greater understanding of the unique needs of children with a learning disability and/or autism, we have included Learning Disability Awareness in-service training days for all staff who work on the Children's Ward and in the Children's Outpatients Department.

Dementia Forget-me-not Unit

Dementia is an increasingly common condition and many of us will come into contact with people living with dementia and their families. It now affects one in 14 of the population aged 65 years and over. In Dudley, it is estimated that over 12% of those over 80 years old now have this condition.

As part of our Dementia Strategy, we have developed the Forget-me-not Unit, a 16 bedded area within Ward C3 – our older people's ward. Its aim is to provide an area for people living with dementia who find the hospital environment challenging and need additional support during their stay. It encourages patients to be independent and involved in activities to provide stimulation and distraction.

On the unit we encourage patients, together with their families, to make choices about the care that they receive. This, along with our Dementia Care Bundle which is a systematic approach to care for this vulnerable group, helps us ensure that the care and treatment for each of our patients is tailored to their individual needs. The unit recognises the knowledge and role of family and carers and we involve them based on their wishes and keep them informed throughout their loved ones' stay in hospital.

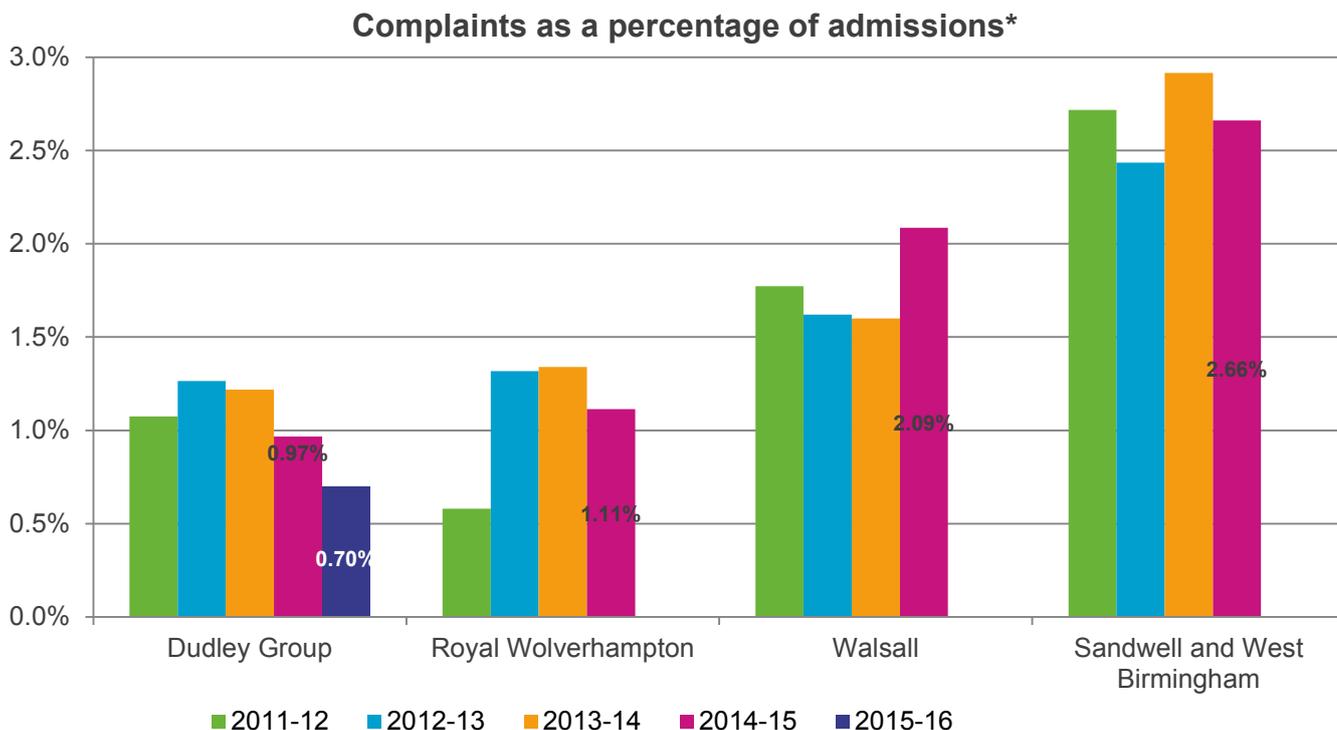
The staff working in the unit have a specific interest in working with people with dementia and receive support from the Older People's Mental Health Team. The unit has a daily consultant-led ward round as well as a daily multidisciplinary team meeting which includes a medical representative, the nurse in charge of the unit, therapy staff and a discharge facilitator. The Older People's Mental Health Team also visits the unit daily and are on hand to assess and review patients when required. The unit has specialised equipment, a dining and recreational area and has open visiting hours.

3.2.5 Complaints, concerns and compliments

Total number of complaints, PALS concerns and compliments

Complaints

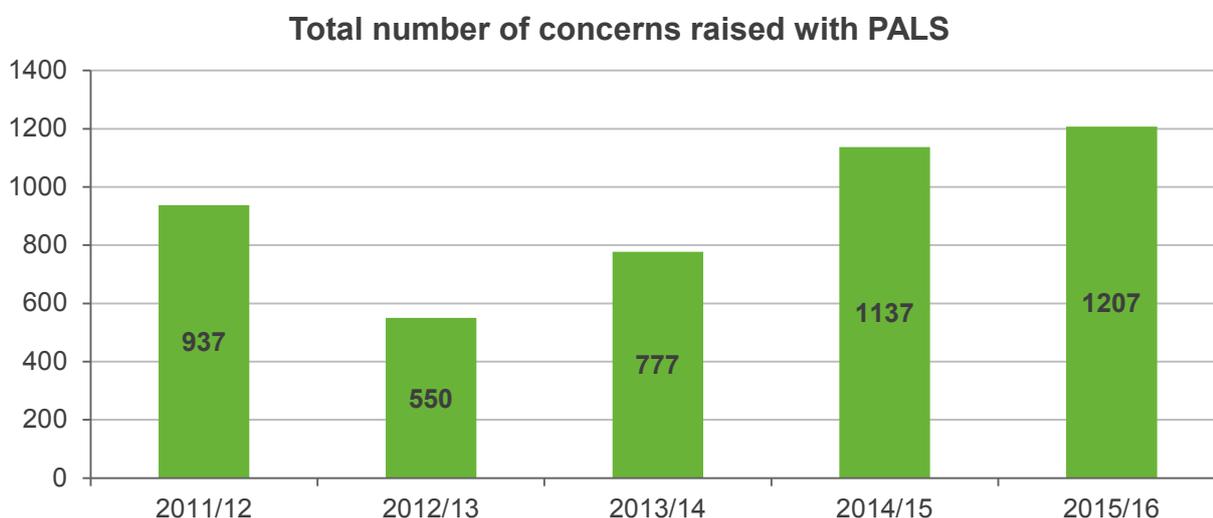
The graph below shows the number of complaints received expressed as a percentage of the number of admissions for the Trust and local trusts. It can be seen that the percentage of the complaints per number of admissions at the Trust has been reducing since 2012/13 and our figures compare well with those of our neighbours.



*Number of admissions is sourced from figures published on NHS England website: <https://www.england.nhs.uk/statistics/statistical-work-areas/hospital-activity/quarterly-hospital-activity/qar-data/>

Concerns

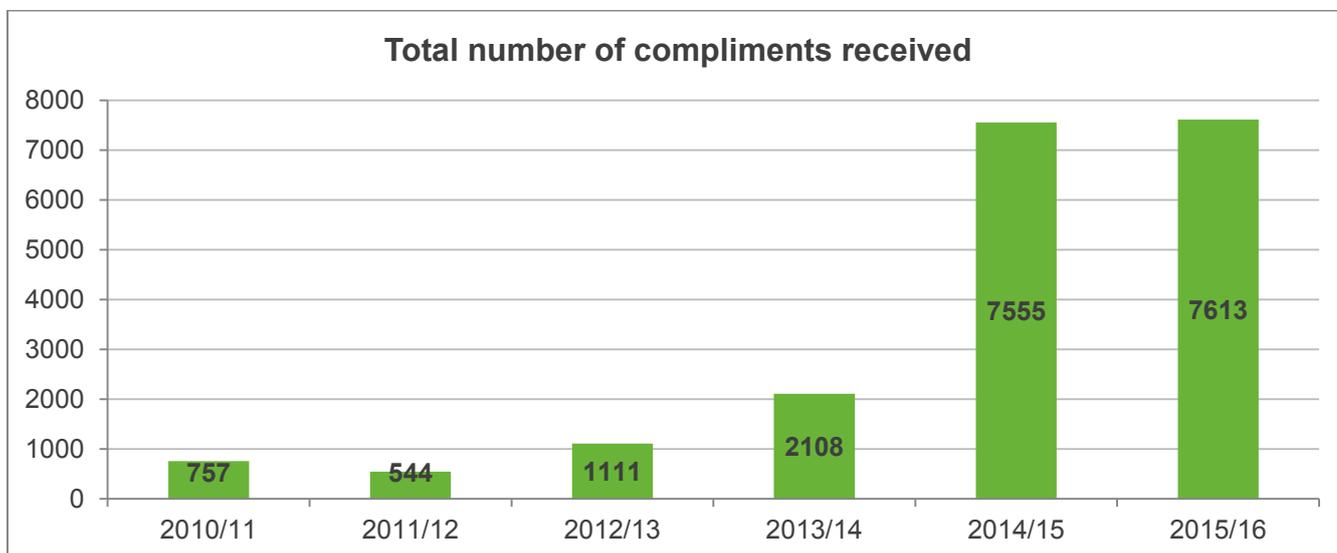
The graph below shows the total number of concerns raised with the Patient Advice and Liaison Service (PALS). There has been an increase of 6% in the number of concerns received by the PALS team in 2015/16 compared to the previous year. In line with national guidelines, we have worked hard to raise awareness of the PALS team to our patients, carers and their families.



Compliments

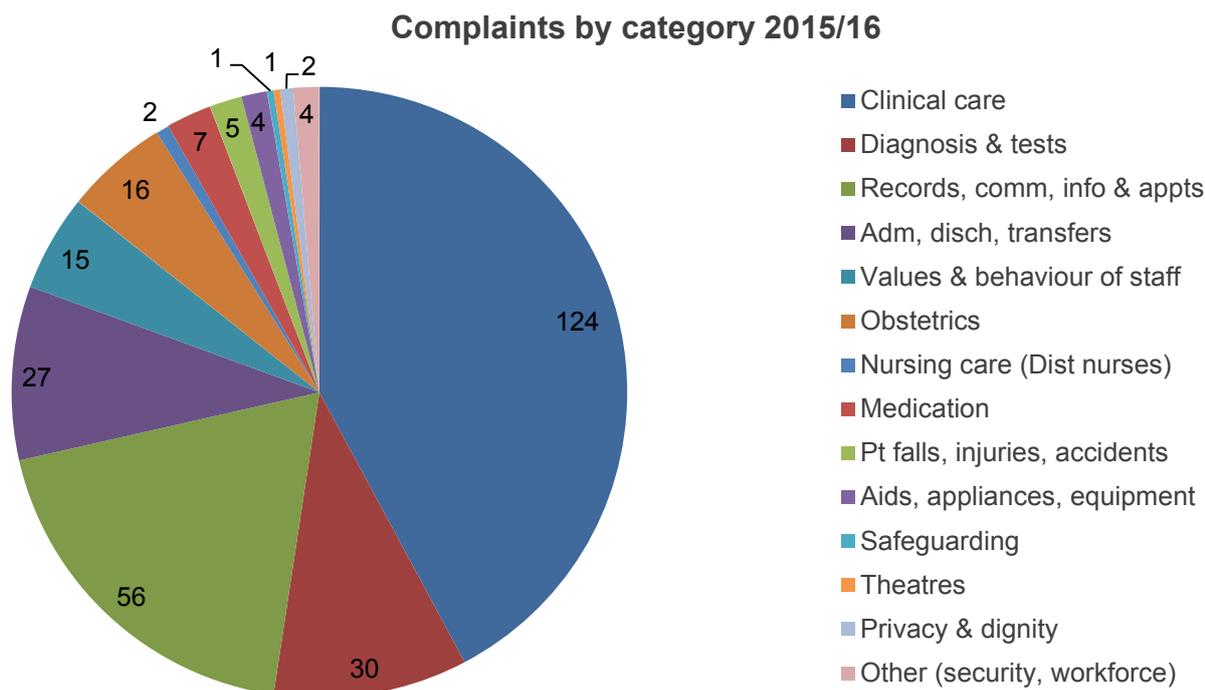
The graph below shows the total number of compliments received during the year compared with previous years.

It is very pleasing to see how many patients take the time to tell us of their good experiences, with 7,615 compliments received during the year. All compliments received are shared with staff so they can hear first-hand what our patients say about their particular area/ward or department.



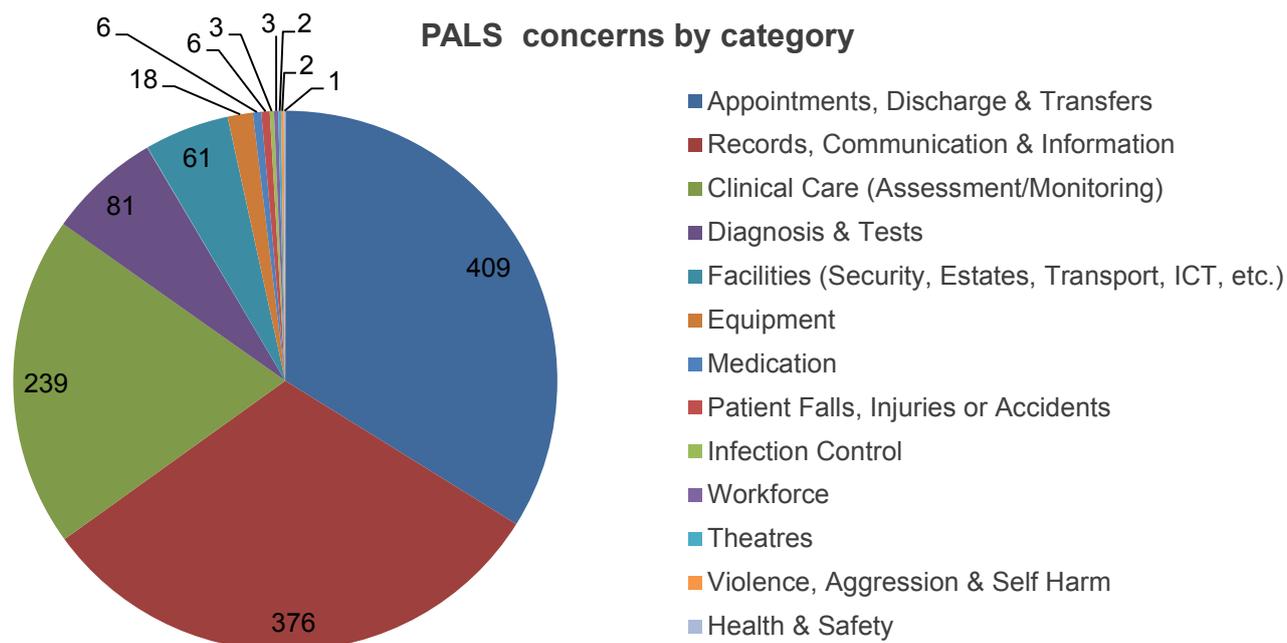
Types of complaints and PALS concerns throughout the year

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 later in this section.



Like complaint categories, the types of concerns raised remain similar year on year, reflecting the importance patients place on appointments, discharge and transfers closely followed by records,

communication and information. These top concerns are consistent with the types of comments made through other patient feedback methods.



Percentage of complaints against activity

The table below shows the percentage of complaints against total patient activity for each quarter in 2015/16 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 2014/15.

	2014/15 total	Q1 2015/16	Q2 2015/16	Q3 2015/16	Q4 2015/16	2015/16 total
Total patient activity	736,510	189,260	181,895	185,460	188,840	745,455
Complaints against activity	0.04%	0.03%	0.04%	0.03%	0.03%	0.03%

“My mom has been on Ward C3 for several weeks now and I have found all the staff very, very caring. They were also very caring towards the family of the patient. I got upset a few times and a carer would give me a hug. I can’t thank them enough for all they have done for my mom while she has been in there. Great ward and great staff.”

Examples of actions taken and changes in practice made in response to complaints and concerns

Issue raised by patient/carer	Actions taken/changes made
Talking over patient whilst patient in a sedated-like state	Raised with staff that this is not to occur and discussed at the anaesthetic and recovery meeting and developed a "Learning from events" forum whereby discussions and feedback take place in a multi-disciplinary environment.
Seven day ECG refused and filed in notes.	Changes made to the electronic request form to ensure better clarity of requests and to dispense with paper referral forms and more recorders were purchased to bring the wait down for these tests.
Delay in receiving colonoscopy results	National recruitment initiative in this area should improve turnover of procedures and reporting of results.
Inappropriate practice of agency nurse administering chemotherapy	All staff (substantive and agency) reminded to ask a colleague to check the patency of the cannula if the administration of treatment is taking longer than the normal time frame. Shift and lead nurse to actively walk around the unit asking patients undergoing treatment if everything is fine and to address any concerns re administration of treatment. Reminder of observation of agency staff during first shift within the area to ensure fully aware of Trust processes (currently the process).
Early discharge without medication and lack of follow up care following day surgery	Ensure two qualified members of staff are on duty to cover day case patients. Discharge medications to be taken to pharmacy in a timely manner to ensure they are available for the patient to take home. All specialities to be made aware of the paediatric open access policy (for children with exceptional circumstances). Review of current advice/information leaflets. Learning outcomes to be shared at the paediatric quality practice development meetings.
Transfer of cardiology patient to tertiary centre following initial assessment in ED.	Immediate change to ED policy regarding transfer of patients with chest pain with only patients under the age of 40 being eligible for transfer.
Slipped over in hydrotherapy changing rooms	The slip test was previously completed in September 2014 which identified that the floor was in good condition, the risk rating was 'medium' and considered acceptable for use. These tests are to now be carried out annually and it was repeated following the incident with no concerns noted. Bowls introduced in the changing room for patients to put wet clothing into to try to prevent pooling of water on the floor from wet swimwear. Introduced an induction checklist for patients prior to their use of the pool to give patients better information about the pool use and assistance that can be provided by staff, if they feel it is necessary.

3.2.6 Patient-led Assessments of the Care Environment (PLACE)

Patient-led Assessments of the Care Environment (PLACE) is the system for assessing the quality of the hospital inpatient environment.

All trusts are required to undertake these inspections annually to a prescribed timescale. Patient assessors make up at least 50% 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
- How the premises are equipped to meet the needs of patients with dementia

	Cleanliness	Food and Hydration	Privacy, Dignity & Wellbeing	Condition, Appearance & Maintenance	Dementia
Trust 2015	99.06%	86.08%	85.87%	94.97%	74.13%
National average 2015	97.7%	88.58%	85.1%	89.93%	70.09%
Trust 2014	99.69%	84.28%	89.77%	97.04%	Not Scored
Variance from national average	+1.36%	-2.5%%	+0.77%	+5.04%	+4.04%
Variance from 2014 score	-0.63%	+1.8%	-3.9%	-2.07%	Not Applicable

The Trust scored above the national average in the categories of Cleanliness, Privacy, Dignity and Wellbeing, Condition, Appearance and Maintenance and Dementia with a below average score for Food and Hydration.



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 reported four breaches of same-sex accommodation. All of these patients were those who were initially cared for in a specialised unit, such as the intensive care unit or high dependency unit. Following improvement in their condition, the patients were assessed as being able to be moved to a general ward but had to stay in the specialised unit longer than necessary due to there being no general ward beds immediately available.

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 1,591 patients who responded to this question, 36 (less than three%) had the perception that they shared a room/bay with members of the opposite sex was. This excludes emergency and specialist areas.

3.2.8 Patient experience measures

	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16	Comparison with other trusts 15/16
Patients who agreed that the hospital room or ward was clean	8.7	8.8	9.0	8.9	9.0	8.2-9.7*
Patients who would rate their overall care highly**	7.4					7.5-9.0*
Rating of overall experience of care (on a scale of 1-10)**		7.6	7.7	7.8	8.0	
Patients who felt they were treated with dignity and respect	8.6	8.7	8.6	8.7	8.9	8.5-9.7*

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 Quality and Safety Reviews

The Trust is committed to the delivery of high quality patient care and has established a framework of Quality and Safety Reviews that enables it to review if it is Safe, Effective, Caring, Responsive and Well-led (CQC Fundamental Standards) and provide assurance in these areas to the Board. These reviews utilise a standard set of tools (Patient Safety Discussion, Observation Tool, Staff Questionnaire and Patient Questionnaire) that enable a full review of a clinical area and aid in the identification of both good practice and topics where improvement is required.

The review of each clinical area is undertaken by a team of people, which consists of executives, non-executives, managers, governors, pharmacists, doctors, nurses and other clinical and governance staff. The diversity of the team members is an asset as it allows a broad professional and lay perspective to be gained of the area under review. Feedback is provided on the same day following aggregation of the review team's findings. In addition, identified areas of good practice are shared across the organisation and for topics requiring improvement an action plan is developed.

The following provides some examples of good practice identified at the reviews:

- Monthly publication of local newsletters keeping staff aware of good practice and issues for improvement both in their area and across the Trust
- Staff welcoming and attentive during reviews; staff being proud of where they work and showing cohesive and strong teamwork
- Observed care to patients described by one of the reviewers as 'outstanding'
- Communication boards for both patients and staff, for the latter acting as aide memoires disseminating useful information to the team
- Education boards for staff and patients on ward specialty clinical conditions. For patients, these help them to manage their conditions more effectively and for staff, the inclusion of a framework enables them to assess their knowledge of the topics
- Staff expressing support provided by managers
- Posters outside each patient bay indicating the specific needs of each patient, which assist in ensuring safe and effective care

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.”

As a Trust we are committed to learning from incidents, this is supported by an open culture which encourages any incident regardless of the level of harm (including ‘near misses’) to be reported through the Trust’s electronic incident management system “Datix”.

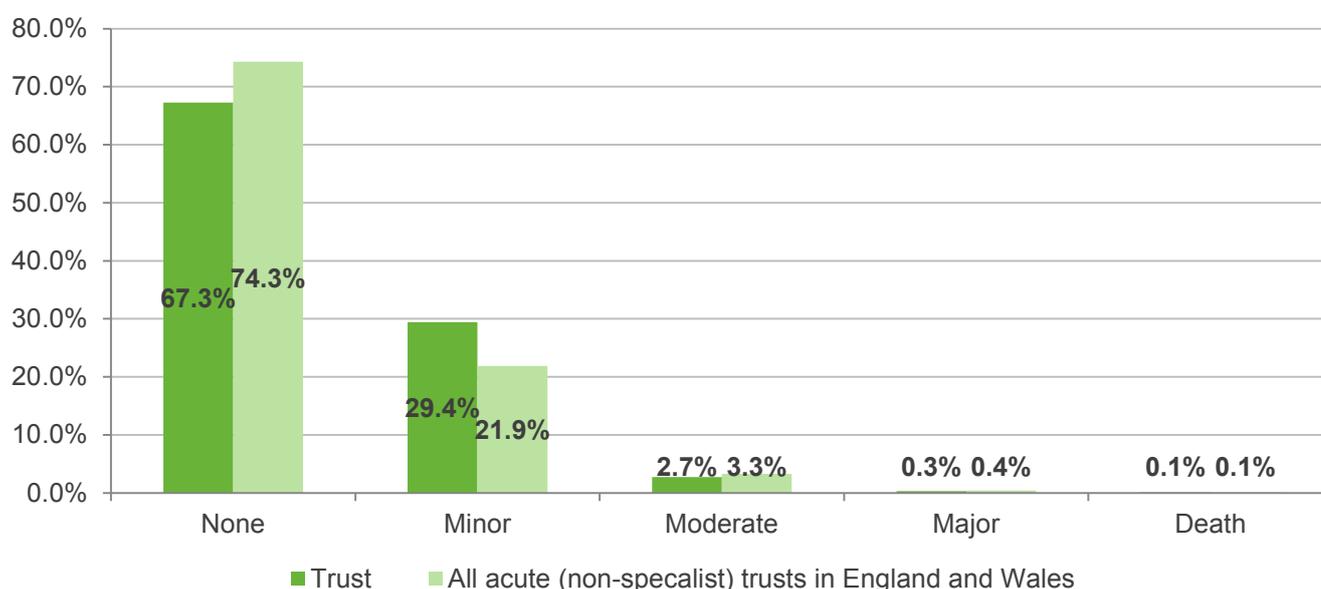
During 2015/16 the Trust upgraded this system and as part of its roll out to our staff, emphasis was placed on the enhancement made within the system in relation to the tracking of learning and changes in behaviour and practice as a result of the incident investigations undertaken. As part of this roll out, we identified that further support and work is needed to assist our staff in fully developing root cause analysis action plans, which enable more measureable improvements to be made to services which include the patient experience of these services within the developed action plans. This work is on-going at this time but will be concluded shortly, with the improvements then being tracked and reported in our feedback on the results of the investigation to patients, our Board and commissioners.

The latest national comparative figures available of incidents are for the period 1st April 2015 to 30th September 2015. Organisations are compared against other 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, 74.3% of incidents are reported as no harm (the Trust reported 67.3%) and 0.1% as severe harm or death (the Trust reported 0.1%).

The chart below shows the percentage of incidents reported by degree of harm for the Trust and for all acute (non-specialist) trusts in England and Wales, from 1st April 2015 to 30th September 2015.

Incidents reported by degree of harm (01/04/2015 to 30/09/2015)



During the year the Trust experienced a failure in its electronic processes for ensuring the data uploaded was actually received and recorded at the national centre. As a result, a significant number of incidents for one quarter (one upload) were not recorded within the national system.

The issue was identified at the next upload and was discussed with the national team, who then visited the Trust to check through the code mappings and suggested some changes. These changes were made and the incidents were all resent so that the national centre had the full data relating to the Trust. However, the identification of the error was outside the period the centre had their system open for updates and therefore the corrected information is not in the nationally available reports.

Following this our upload processes have been amended, which include more frequent uploads (now every two weeks rather than quarterly). This minimises the amount of data that could be lost and in addition, pre-upload and post-upload reconciliations are done independently of the operational incident team.

During the 2015/16 financial year, the Trust has had one Never Event (a special class of serious incident that are generally preventable). The patient was treated immediately and made a full recovery. The Trust had 337 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:

- Medical consultants to carry out further teaching with junior doctors, with relevance of mental capacity assessments needing to be carried out in a timely manner.
- Nurses to liaise with doctors when they think that a mental capacity assessment is needed.
- Lead for Mental Health at Russells Hall Hospital to carry out teaching sessions, to improve the understanding of the Mental Health Act.
- Pause and check posters produced by the Society of Radiographers have been placed in all the rooms in the X-ray departments as a reminder to staff to ensure the right test is undertaken on the right patient.
- Staff made aware of the importance of completing discharge documents prior to patient leaving the ward.
- Staff made aware of the requirement for accurate tissue viability assessments.
- When oxygen is in situ, the skin condition next to the tubing is checked as part of the skin bundle.
- All equipment packs on maternity unit to be reviewed and agreement for contents change to be implemented i.e. the same amount/ size/type of swabs in each pack.
- The importance of swab counting to all maternity, surgical areas and theatres has been reiterated to staff.

Learning lessons: patients with dementia at risk of falls

Wellbeing Workers have been appointed to assist in one-to-one support for the prevention of falls, as well as additional Clinical Support Workers on some wards acting as a 'floating resource' for such patients.

3.3.4 Duty of Candour

The Care Quality Commission (CQC) in November 2014 implemented Regulation 20: The Duty of Candour. The aim of this regulation is to ensure that clinicians are open and honest with a patient when things go wrong with their care and treatment. This includes any event when a patient has been harmed. To ensure compliance to the new regulation and to ensure this framework is embedded in the organisation, the Trust has taken the following actions:

- The development of a dedicated page for staff on the Trust intranet with this being promoted by a link to the information on the opening page of the intranet
- Posters developed and displayed across the organisation
- Notification of the new regulation attached to all staffs' salary slips
- Development of a prompt sheet, acting as an aide memoire, for staff who have to deliver Duty of Candour
- Development of a policy to support the framework
- Development of teaching materials bespoke to the different roles of individual staff
- Weekly teaching and awareness sessions delivered both in the classroom setting and to individual clinical areas as part of incident reporting and investigation training
- Training sessions for medical staff delivered at the Trust by General Medical Council representatives



3.3.5 Nursing and Midwifery Care Indicators

Every month, ten nursing records and supporting documentation are checked at random in all general inpatient areas and specialist departments in the hospital and in every nursing team in the community. A total of approximately 415 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, both the audit template as well as the RAG ratings were amended in the year to encourage improvements in care and therefore in the scores (for instance, wards now have to achieve 95% or higher to become 'Green' rather than the previous 93%).

We have an escalation framework to ensure that issues that are below standard are addressed by the lead nurse and matron for that area. We are also undertaking weekly spot checks in all areas alongside the wider Quality and Safety reviews (see Section 3.3.2).

We have also restructured the Nursing and Midwifery page on the Trust intranet to ensure that all audit results are available immediately to all staff in the Trust.

Community results

The Community Audit tool was reviewed in April 2015. The table below shows the year-end results for each of the criteria assessed by the community teams. Community results are very stable with little fluctuation month on month. The new community matron will be leading on a further review of the audit framework in the new financial year.

	Patient Observations	Manual Handling	Tissue Viability	Medications	Nutrition
2011	97%	94%	95%	99%	97%
2012	97%	97%	97%	99%	97%
2013	97%	97%	99%	98%	98%
2014	99%	97%	100%	98%	99%
2015	100%	99%	99%	100%	99%
Difference 2014 to 2015	▲ 1%	▲ 2%	▼ 1%	▲ 2%	=
Difference 2011 to 2015	▲ 3%	▲ 5%	▲ 4%	▲ 1%	▲ 2%

General Inpatient results

The Inpatient Audit tool was reviewed in September 2015. This review, and the introduction of the matrons undertaking the audits, did result in some initial falls in the scores over the months after September which improved later in the year but this has had an effect on the whole year scores.

The table below shows the year-end results for each of the criteria assessed for all general inpatient wards. Results show a slight improvement in Tissue Viability (1%) with the other topic results being covered by the explanation above. In addition, the table shows the gradual general improvement over time since the indicators commenced in 2010.

	Patient Observations	Manual Handling	Tissue Viability	Medications	Nutrition	Falls
2010	77%	71%	86%	92%	68%	
2011	83%	79%	93%	94%	77%	
2012	86%	85%	95%	94%	82%	
2013	92%	91%	95%	97%	89%	
2014	96%	93%	97%	99%	92%	94%
2015	94%	88%	98%	98%	87%	93%
Difference 2014 to 2015	▼2%	▼5%	▲1%	▼1%	▼5%	▼1%
Difference 2011 to 2015	▲17%	▲17%	▲12%	▲6%	▲19%	-

The audit results have triggered in a number of changes in practice. For example, one of the issues that has required improvement in Nutrition is the completion of the nutritional assessments of patients on admission to the Trust. As a result we have now implemented training for ward staff, delivered by the practice development nurses for the Surgical and Medical divisions. We have also created a page on the Trust intranet on Nutrition and Hydration to raise awareness of the importance of this subject. To show the importance the Trust places on this topic, the existing Trust Nutrition priority has been expanded to include monitoring of the nutritional assessment on admission for 2016/17 (see Section 2.1.3).

The Manual Handling department has also developed low risk and high risk care plans (in August 2015) to help ensure more appropriate patient assessments take place.

Ongoing developments

During 2015/16, all the specialist areas (e.g. critical care, paediatrics etc.) in the Trust have developed and now reviewed their own care indicators so reflecting the particular circumstances of their areas. The results of these areas will be included in next year's quality account together with the community and general inpatient scores.



3.3.6 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.

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

3.3.7 Sign Up to Safety Campaign

The Board of Directors signed up to this national campaign at the end of 2015. A coordinating group has been set up and the key themes of the campaign at the Trust are:

- Improve levels of avoidable harm in pressure ulcers
- Improve levels of avoidable harm in patient falls
- Improve levels of avoidable harm in healthcare associated infections
- Mortality to be maintained within agreed limits
- Robust recognition and escalation of the deteriorating patient
- Safety in the administration, storage and prescription of medicines
- Safety culture in the organisation is visible to all visitors and public

Some of the key themes are reflected in the contents of this report but will be further expanded on next year as the campaign develops.

“Our time spent at the hospital, together with the staff, was amazing! We were so well looked after and still are with my wife and new (twin) babies still being cared for. I cannot thank enough the midwives and the ICU staff for taking care of us all. What a great job you guys do.”

3.3.8 Examples of specific patient safety initiatives

Ensuring knowledgeable and skilled junior medical staff

With junior doctors often being the initial point of contact with patients in terms of their medical care, patient safety is enhanced by ensuring that they are effectively supervised, knowledgeable and skilled. The Trust has been performing extremely well as a place to work and train them according to our newly qualified medical staff. The Trust has been listed in the 'Top 10 Trusts in the UK' for Education and Training in the annual medical professional body's trainee's survey in two successive years for first and second year newly qualified doctors.

In 2014, the Trust was named the best in UK overall for clinical supervision of first year doctors. This is a very important time in their careers - when they are starting work and establishing themselves in clinical practice. They need to feel comfortable about asking for help when they are unsure.

Excellence in clinical supervision is crucial for patient safety and it is pleasing that the Trust is leading the way nationally. Another important aspect of safe clinical care is robust handover, and for our second year doctors the Trust was named in the top five for this in the UK in 2015. The Trust has been asked to share its good practices nationally.

Improved outcomes for patients requiring emergency laparotomy

Significant variations in mortality following emergency general surgery exist between UK Acute Trusts. Contributing factors to this may include how a service is delivered and if delays occur within it. Such delays are known to exist in initial senior assessment, at the interface between specialty teams (e.g. between the emergency department and the surgical specialists), waiting to have CT scans and/or anaesthetist assessments and gaining access to theatre.

For many patients, the underlying pathology is time-critical so the time from arrival to the hospital to arriving in the operating theatre (known as the 'Door to Theatre (DtT)' time) is an important factor influencing the outcome of surgery. As reported in last year's Quality Account the Trust introduced our Emergency Laparotomy pathway (EmLap) in February 2015, with the aim of breaking down these interface barriers and delivering detailed, timely care.

We are now able to report on the positive audited results of this initiative. For instance, management of patients on the EmLap pathway is associated with a significant reduction in both DtT and CT scan times, with the median DtT and CT times reducing by 29.1 and 3.75 hours respectively. Indeed our median time from ordering to reporting a CT scan is 2.3 hours (national target is 3 hours) and our median time from decision to operate to arrival in theatres is 4 hours (national target is 6 hours).

Most importantly in terms of outcomes for patients, mortality associated with emergency laparotomy has been reduced from about 15% to 11%. The audit describing this project won second prize when presented at the January 2016 Association of Anaesthetists of Great Britain and Ireland Winter Scientific Meeting.

3.3.9 Patient safety measures

	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16
Patients with MRSA infection per 1000 bed days*	0.009	0.005	0.004	0	0.009
Never events – events that should not happen whilst in hospital Source: adverse incidents database	0	1	1	1	1
Number of cases of deep vein thrombosis presenting within three months of hospital admission	143**	117**	116**	102**	130**

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.

*Data source: Numerator data taken from infection control data system and denominator from the occupied bed statistics in patient administration system.

**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.

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

Nursing Times Award – Nurse Leader of the Year

Sarah Causer was crowned national Nurse Leader of the Year at the prestigious Nursing Times Awards for her outstanding work in her role as Lead Nurse for Older People. Dawn Wardell, Chief Nurse for the Trust, said: “This is a wonderful achievement and Sarah should be very proud. Sarah is already a highly regarded leader within the organisation, but to be recognised at a national level at such a prestigious event really is fantastic. I want to say on behalf of everyone at the Trust – well done Sarah!”



Sarah was put forward for the award by her matron, Rachel Tomkins, after taking on the role of Lead Nurse for Older People at the end of last year. Rachel indicated that Sarah inspires and motivates the nursing teams she leads, her

compassion for her vulnerable patients and her drive to ensure they receive quality patient-centred care is exemplary. Jenni Middleton, editor of Nursing Times, said, “The nurses who have won this year – and those who are finalists – are smart, innovative and making real changes to the way that patients are cared for. Nursing care is no longer about bedpans and bandages – nurses contribute much more than that and influence every aspect of care and we need to make sure that the public, the media and the policymakers understand that.”

Midwife of the Year

Community Midwife Claire South has won a prestigious midwifery award for being a ‘guardian angel’ to a mother throughout two pregnancies. Claire was named Emma’s Diary Mums’ Midwife of the Year 2016 for the Midlands and East Region as part of the Royal College of Midwives’ Annual Midwifery Awards. She was nominated by Lucy Goodway who was helped by Claire throughout two of her pregnancies.

Claire sadly discovered Lucy’s baby had no heartbeat in July 2014. Two days later Lucy delivered a baby boy. Claire stayed by Lucy’s side following the stillbirth to remember her baby and support her family through such a difficult time. Seven weeks later Lucy discovered she was pregnant again and was terrified about what was to come but Claire’s support and encouragement is what helped her through the pregnancy. Lucy gave birth to a baby boy named Archie Jack Goodway, after his big brother in June 2015.



Health Service Journal Award



The Trust was awarded a prestigious Health Service Journal Award for work in improving patient flow and exceeding the four-hour emergency access target. A team of representatives from across the Trust received their award for Acute, Community and/or Primary Care Services Redesign at a ceremony in London.

The success came after a very difficult winter in 2013/14 which saw hundreds of patients waiting longer than four hours to be seen in A&E, staff under severe pressure and the Trust consistently failing to meet the four-hour emergency access target. Determined not to repeat the same experience the following winter, the Trust started on its mission to rethink and redesign the way it dealt with an ever increasing number of patients and improve the working environment for staff.

After much hard work across the organisation, The Dudley Group bucked the trend and has been amongst the best performers a number of times through the year, often with more than 99% of patients seen, treated, admitted or discharged within the government set target of four hours.

QuDOS (recognising quality in the delivery of services) in multiple sclerosis

Michael Douglas, Consultant Neurologist and Honorary Professor of Neurology, was the winner of the outstanding neurologist in Multiple Sclerosis (MS) treatment category at the first ever 2015 QuDoS (Recognising Quality in the Delivery of Services) in MS Awards. The success was due to his establishment of the Trust's MS service, which provides support for patients with all forms of MS. He leads the service, which provided 1,504 outpatient consultations, undertook 1,726 telephone consultations and managed 61 MS relapses between April 2012 and August 2014.

The Dudley MS service, which is largely down to the efforts of Professor Douglas, was seen to be an excellent example of a first-class specialised service provided in a decentralised manner to optimise responsiveness to patient needs, while maintaining patient safety and convenience. The service has proved popular, effective and successful and is fully compliant with NICE guidelines, with excellent support from allied neurological (particularly Tracy Dean, MS nurse) and rehabilitation services (the Dudley Rehabilitation Group).



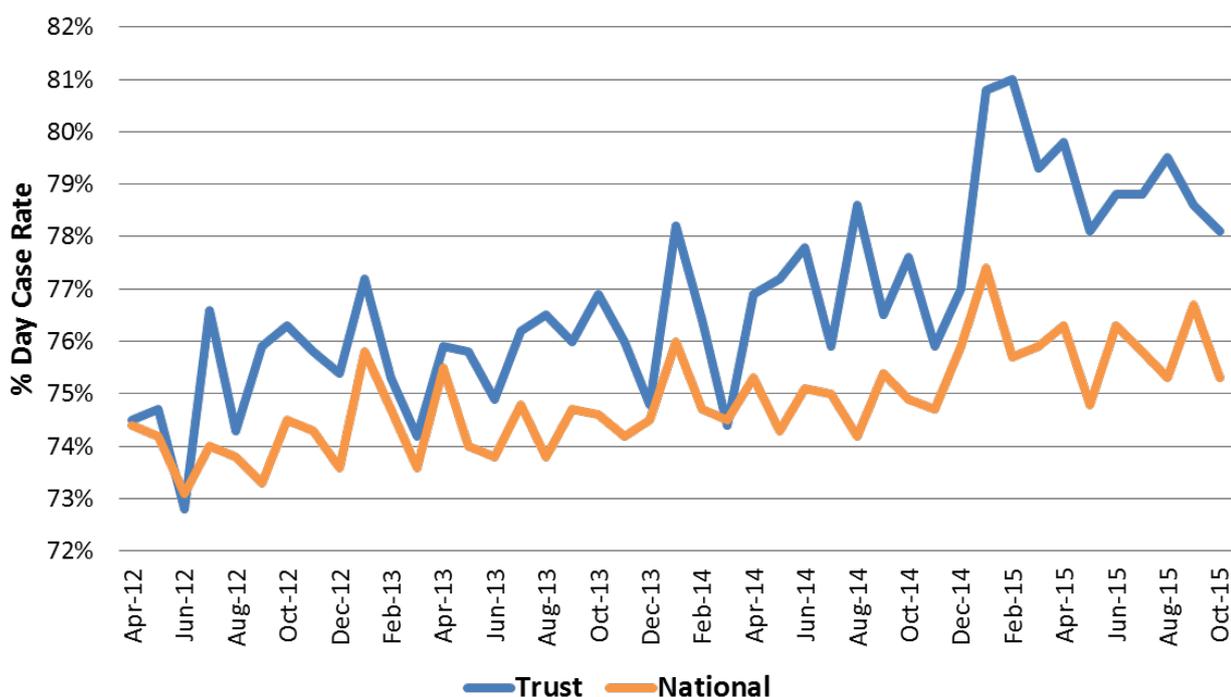
3.4.3 Examples of innovation

Day Surgery Ward Patient Pathway

As the NHS Institute for Innovation and Improvement has pointed out patients have a preference to be treated on a day case basis with minimum disruption to their lives, waiting times are reduced due to better utilisation of hospital capacity and there is much lower risk of cancellation and hospital associated infection.

Changes in practice and in the bed/chair configuration in the Day Surgery unit have resulted in great improvements in privacy and dignity, overall patient experience, more focused starvation times and overall time patients spend on the unit. They have also resulted in a reduced risk of cancellation on the day due to capacity

The unit has now been able to take an additional 2622 patients in the year up to December 2015. This has freed up pressure on inpatient beds. For the top ten most common surgical procedures, the Trust now has better day case surgery rates than comparable hospitals. The improvement in our day case rates compared to national figures can be seen in the graph below.



Establishment of a multidisciplinary children's hearing clinic at a specialised school unit

With the size of the population in Dudley, there are typically around 350-400 children of school age needing hearing aids, a minority of whom are not suitable for education in a mainstream school. Locally, Ashwood Park Primary School has a resource base for such children of primary school age. The separate unit accommodates between 20-25 youngsters. Often these children have multiple behavioural and social problems and visits to hospital can be traumatic for them. In particular, given that very often on arrival they need to have their ears cleaned and assessed, they cannot easily be treated in the small ENT section of the general paediatric outpatient department.

Due to the above, the Trust has set up a service at the school itself where our medical staff, the teachers of children with hearing difficulties, speech therapists and other education staff are all involved in a multidisciplinary clinic. This means these children are spared what can be several stressful trips to hospital each year and it allows a more rounded and effective assessment in a familiar, non-threatening environment. Improved assessment results in more appropriate referrals for cochlear implant surgery which is required by many of these children.

Innovations in ophthalmology

The specialty has been introducing a number of innovative treatments and ways of working this year. Myopia and diabetic retinopathy are both severe vision-threatening diseases. Mr Shafquat, Consultant Ophthalmologist and Retina lead, has introduced the innovative treatments of intravitreal ranibizumab injections for the former condition and intravitreal Iluvian implants for the latter. In addition, Mr Raj, Consultant Ophthalmologist and Glaucoma Lead has become one of the handful of surgeons in the UK undertaking iStent glaucoma tube implants (smallest human implant), with the initial outcomes at the very high end of those published across the world.

In line with improving care to patients, the department has obtained a state-of-the-art OCT scanner and angiography system this year. This is the most sophisticated tool available for assessing eye health and managing eye conditions including macular degeneration and diabetic retinopathy. Another development is the commencement of nurse-led virtual macula clinics which allow patients attending these clinics to have more time to discuss their condition with a specialist nurse and also enables medical staff to concentrate on other patients who require their specific expertise.

Finally, patients are kept fully informed of these and other new treatments and techniques at the local Macula Society meetings. This is an active, well attended and popular service users group.

Improving outcomes for patients receiving Non Invasive Ventilation (NIV)

NIV is the artificial ventilation of a patient without having to intubate or perform a tracheostomy. It is usually delivered via a nasal, or face, mask. It helps the breathing ability of patients who have respiratory problems, particularly those with chronic obstructive pulmonary disease (COPD). Up until 2013, any senior doctor could initiate NIV on a patient if it was deemed necessary. It was noted that in a small number of cases, the use of NIV was not appropriate and so a new guideline was implemented within the Trust whereby all decisions to start patients on NIV must be discussed with and approved by the respiratory consultant on-call, an expert in the field. A study was undertaken to evaluate the impact of this change. A total number of 280 patients treated with NIV were identified over a two year period, one year before and one year after the implementation of the new guideline. Comparison was drawn between the data for all-cause mortality and mortality specifically in those with COPD.

All-cause mortality was found to be lower overall in the post-intervention group (38.9% post-intervention compared to 48.3% pre-intervention). This was further analysed based on whether or not patients had COPD. Overall there was statistically significant higher mortality in non-COPD patients compared to COPD patients both before and after intervention. There was significantly lower mortality in COPD patients post-intervention compared to pre-intervention. There was also lower mortality in non-COPD patients after intervention but this was not statistically significant. This work at the Trust shows that respiratory consultant-led decisions enable more appropriate use of this treatment and better outcomes for patients.

“The nurses and receptionists are all brilliant in the Diabetes and Endocrinology Department. The doctor who I've been given at the moment is just brilliant they listen to what you say, they are brilliant!”

3.4.4 Examples of specific clinical effectiveness initiatives

Systematic treatment process (pathway) for Temporal Arteritis

Temporal arteritis (TA) is a condition in which the temporal arteries, which supply blood to the head and brain, become inflamed and damaged. As an emergency, the diagnosis requires both rapid medical assessment and urgent biopsy. If not treated quickly, loss of vision can occur. The aim of this initiative was to improve quick local access for patients referred from GPs and acute medical services and co-ordinate the patient pathway between the key specialties of ophthalmology, vascular surgery and rheumatology.

A clear patient pathway was devised between all key specialties that allows rapid faxed referral to the specialties of rheumatology and ophthalmology, depending on the absence and presence of significant visual symptoms, to enable speedy assessment by the most appropriate specialty first. Referrals to rheumatology are reviewed and scheduled for a first clinical assessment on a daily basis during the week. A clinical diagnosis and decision is made regarding any need for biopsy, which is via same-day referral to the on-call surgeon. A key improvement has been working better together across specialties to ensure rapid access for this important multidisciplinary condition. We have audited the pathway and found that the median time from referral to first appointment and from start of high-dose steroids to biopsy has improved to 4 days and 8 days, respectively. The pathway optimises care for referred patients and has fostered excellent working relationships between the involved specialties. It has been shortlisted for the British Society for Rheumatology Best Practice Awards 2015/16.

Introduction of high sensitivity troponin for chest pain

A large proportion of patients attending hospital as an emergency are those with chest pain and a suspected heart attack. In the past, many of these patients had to be admitted to undergo tests that required a wait of 12 hours for a result, only for most of them to be sent home after a sometimes lengthy and anxious stay as the chest pain was found not to be heart-related. In August 2015, following the purchase of a new blood analyser and collaborative work between consultants in the emergency department, cardiology and biochemistry, the Trust introduced a new blood test that has revolutionised the care of these patients. The test produces a result within three hours, indicating whether there has been heart damage or not, so this eliminates any long anxious wait and unnecessary admissions to hospital that have occurred in the past. It does not compromise patient safety and allows a more effective use of resources



3.4.5 Clinical effectiveness measures

	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16 YTD
Trust readmission rate for Medicine and Integrated Care Division Vs. National peer group (acute and specialist trusts)	6.67% Vs. 7.64%	7.14% Vs. 8.61%	8.78% Vs. 6.38%	8.88%* Vs. 8.56%*
<i>Source: UHB Hospital Healthcare Evaluation Data (HED)</i>				
Number of cardiac arrests	126	158	189	106**
<i>Source: Logged switchboard calls</i>				
% of patients admitted as emergency for fractured neck of femur operated on within 48 hours Vs. National average	87.60% Vs. 76.40%	84.04% Vs. 77.31%	83.97% Vs. 78.59%	85.05%* Vs. 79.49%*
<i>Source: UHB Hospital Healthcare Evaluation Data (HED)</i>				

As stated in last year's report, the Trust no longer contracts to CHKS Ltd for benchmarking information. This has meant for the two previously used indicators of 'Readmission rate for surgery' and 'Elective admissions where the planned procedure was not carried out (not patient decision)' there is now no comparable data to previous years. The Trust has therefore introduced two new indicators with data from the new HED benchmarking system.

*April 2015 to January 2016. Latest HES period available

**April to December 2015

3.5 Our performance against key national priorities across the domains of the NHS outcomes framework

National targets and regulatory requirements	Trust 2011/12	Trust 2012/13	Trust 2013/14	Trust 2014/15	Target 2015/16	National 2015/16	Trust 2015/16	Target Achieved?
Maximum time of 18 weeks from point of referral to treatment (admitted patients)	95.7%	96.1%	93.95%	91.59%	90%	+	94.18%	☺
Maximum time of 18 weeks from point of referral to treatment (non-admitted patients)	99.2%	99.5%	99.18%	98.71%	95%	+	97.68%	☺
Maximum time of 18 weeks from point of referral to treatment (incomplete pathways) [Ⓐ]	N/A	98.1%	96.74%	95.43%	92%	92.5%	95.06%	☺
A&E: Percentage of patients admitted, transferred or discharged within 4 hours of arrival [Ⓐ]	97.27%	95.4%	93.74%	94.68%	95%	91.9%	96.92%	☺
A maximum wait of 62 days from urgent referral to treatment of all cancers	88%	88.7%	89%	85.6%	85%	82.4%	84.3%	☹
All cancers: 62 day wait for first treatment from national screening service	96.6%	99.4%	99.6%	97.3%	90%	93.1%	96.2%	☺
All cancers: 31 day wait for second or subsequent treatment: surgery	99.6%	99.2%	100%	99.6%	94%	95.6%	99.5%	☺
All cancers: 31 day wait for second or subsequent treatment: anti-cancer drug treatments	100%	100%	100%	100%	98%	99.5%	100%	☺
A maximum wait of 31 days from diagnosis to start of treatment for all cancers	99.7%	99.5%	99.9%	99.7%	96%	97.6%	99.8%	☺
Two week maximum wait for urgent suspected cancer referrals from GP to first outpatient appointment	97.2%	96.2%	97.5%	97.1%	93%	94.1%	95.7%	☺
Two week maximum wait for symptomatic breast patients	99%	98.1%	98.2%	96%	93%	93.2%	98.3%	☺
Certification against compliance with requirements regarding access to healthcare for people with a learning disability	Compliant	Compliant	Compliant	Compliant	Compliant	-	Compliant	☺
Data Completeness for community services: Referral to treatment information#	N/A	97.3%	98.4%	99.6%	50%	+	99.1%	☺
Data Completeness for community services: Referral information#	N/A	65.6%	64.6%	90.7%	50%	+	93.1%	☺
Data Completeness for community services: Treatment activity information#	N/A	99.1%	100%	100%	50%	+	100%	☺

N/A Targets not in place at that time
 - National figures not being appropriate
 + National figures not available

☺ = Target achieved
 ☹ = Target not achieved
 Ⓐ = Data quality tested by external auditors

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
APIPPRA	Arthritis prevention in the pre-clinical phase of rheumatoid arthritis with Abatacept Study
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 surface 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
DMARD	Disease-modifying antirheumatic drugs
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
HOSC	Health Overview and 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	Methicillin-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
OUTPASS	Outcomes of Treatment in Psoriatic Arthritis Study Syndicate
PFI	Private Finance Initiative
PLACE	Patient-led Assessments of the Care Environment
PROMs	Patient Reported Outcome Measures
PREVENT	Pre-clinical Evaluation of Novell Targets in Rheumatoid Arthritis
RAG	Red/Amber/Green
RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013
SHMI	Summary Hospital-level Mortality Indicator
SLT	Speech and Language Therapy
SUS	Secondary Uses Service
TABUL	Temporary Artery Autopsy vs. Ultrasound in Diagnosis of Giant Cell Arteritis Study
TACERA	Towards a Cure for Early Rheumatoid Arthritis Study
TARN	Trauma Audit and Research Network
VTE	Venous Thromboembolism
WHO	World Health Organisation

Comment from the Trust's Council of Governors (received 21/04/2016)

During 2015/16, governors have worked with the Trust and held the Non-executive Directors (NEDs) to account for the performance of the Board during a year of continuing financial austerity and increasing demands on Trust services.

Governors fully support the Chief Executive's Statement in Section 1 of this report and note, in particular, comments on the good progress with the majority of the Trust's 2015/16 Quality Priorities together with good performances in the national Friends and Family Tests (FFTs) for inpatient and community patients.

The process used to ratify the Trust's choice of Quality Priorities gives a wide range of patients, members, governors, staff interest groups and the public the opportunity to be involved and to influence choice of priorities. Detail of the continuing good progress in the majority of targets is given in section 2 of this report. Governors are pleased to note that there will be continued development towards consistent achievement of an increased Nutrition and Hydration target in 2016/17. Also that action is being taken to bring the Outpatients FFT score in line with inpatient and community scores. Commendably, the Trust has met all other key national priority targets.

In addition to meetings of the Council of Governors and its committees, governors have further embedded their involvement in Trust governance activity, including ward and service reviews with Trust directors and membership of Board working groups for Patient Experience and for Quality and Safety, both of which report directly to Board committees. Governors meet Executive and Non-Executive Directors regularly and are kept informed by the Board about all aspects of Trust activity and performance.

During the 2015/16 year, the Council of Governors Appointments Committee led the appointment process leading to the appointment of two non-executive directors (NEDs) including the new Trust chairman.

We are pleased to note the continuing 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. Formal feedback is very positive. Improvements made in response to patient experience feedback during the year include the establishment of an admissions lounge and waiting area improvements, and significant developments in meeting the needs of children with learning disabilities and dementia patients. It should be noted that wards and staff receive numerous verbal and written compliments, commenting particularly on caring staff and good treatment.

Governors meet many patients, members of the public and community groups during the year and gain 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.

The continuing outstanding performance of the Emergency Department and the whole Trust in achieving the standard to see, treat, admit or discharge all emergency patients within four hours is commendable. The Trust was frequently among the top performers in the country. Additionally, the Urgent Care Centre is now embedded at the Russells Hall site.

Governors also note the very good financial performance of the Trust, achieved in an austere regime of overall NHS financial and performance requirements, and achieved through the support of all staff.

The reorganised governor committee responsibilities giving more emphasis on patient experience and the quality and safety of services has been effective. Governors have maintained their focus on Trust governance, performance and strategic direction at a time of significant developments including the Black Country Alliance and the Dudley Vanguard Project. All Council committees will continue to ensure that governors have the information and assurance they need to hold the Board of Directors to account through its non-executive directors.

In summary, this report affirms that the Trust continues to be a listening and learning organisation, focussed on patient care and experience. It has operated effectively during 2015/16 under the continuing financial pressures and increasing demand for services. Trust staff continue to demonstrate commendably high levels of care and commitment. 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 the Dudley Clinical Commissioning Group (received 25/04/2016)

Dudley CCG is committed to working with all our providers to ensure that patients have a positive, safe and high quality experience when using the services which we commission on their behalf.

This year we have been encouraged by the commitment from The Dudley Group Foundation Trust to improve the quality of services for Dudley people. We have worked in collaboration on many areas and are pleased to have seen improvements in these. Highlights for us this year have been:

Ensuring effective communication between health professionals

Good communication between health professionals is central to the quality and safety of patient care. To ensure vital information was being shared with GPs within 18 hours of patients discharge from hospital, we worked together to do a detailed audit. The audit was to ensure quality, accuracy and timeliness of information being shared with GPs. It demonstrated that 96% of discharge letters were received in Primary Care within 24 hours and 98% had satisfactory clinical information within them. Over the next twelve months we hope to focus on improving the processes of handling electronic letters within Primary Care; and for improving other electronic communications between the Trust and GPs in order to improve the efficiency and effectiveness of care.

Valuing patient experience

Throughout the year more and more emphasis has been placed on ensuring we are capturing information about patient experience. The Trust has worked with us to lead the introduction of an integrated reporting system, identified learning and taken action to improve the experiences of Dudley people using the hospital services. The development and implementation of the Mi Experience Smart Phone application is further testament to the Trust commitment to this.

Valuing and supporting staff

From 1 April 2016 nurses and midwives in the United Kingdom are required to comply with a new Nursing and Midwifery Council (NMC) revalidation process to demonstrate their compliance with enhanced regulatory standards. These changes have been implemented to safeguard patients by ensuring nurses and midwives undertake appropriate training and education throughout their career. We have been grateful for the support that the Trust has offered to the wider health and care economy in this area. Supporting staff towards revalidation is clearly a priority for the Trust.

Infection prevention and control

The Trust has offered system leadership in relation to infection prevention and control. The Trust has had a clear focus on minimising the risk of infection and continued efforts in the area is required to ensure positive results for Dudley people.

Whilst we are pleased with the work undertaken by the Trust in the four areas above, it is important that we recognise the areas where there is a need for improvement. In particular:

Learning from serious incidents

A key priority for the next twelve months will be to ensure that a rigorous root cause analysis process is fully and systematically embedded within the Trust to review each case or situation where a patient comes to harm. We have shared understanding on the vital importance of working together to ensure that everything possible is done to learn the lessons from serious incidents, in order to avoid the potential for any future reoccurrences; and that the Trust has the necessary governance arrangements in place to provide assurance that this process works effectively to the benefit of our patients.

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. This is our commitment to Dudley people and we look forward to working with The Dudley Group to achieve this.

Paul Maubach

Chief Executive Officer, Dudley Clinical Commissioning Group

Comment from Healthwatch Dudley (received 19/04/2016)

Healthwatch Dudley has reviewed the 2015/16 Dudley Group NHS Foundation Trust annual Quality Report and Account, once again we are reassured to see a strong commitment to maintaining and improving patient experience through the Trust's quality priorities.

We are pleased to see Friends and Family Test results showing trends equal to or above the national average, with patients saying that they would recommend hospital inpatient and community services to friends and family.

It is disappointing however, to see the Friends and Family Test score for outpatients highlighted as being consistently below the national average but we welcome the range of activities that are taking place to address this.

We anticipate the impact of the new Friends and Family Test mobile app, patient text response system, advice leaflets, refreshed website options to receive patient feedback and most importantly, analysis of feedback being shared with lead staff in each outpatient area, will lead to measurable improvements in patient experience by the Trust.

During 2015/16 our organisation has listened to patients through two in depth patient experience studies and one enter and view exercise at Russells Hall Hospital.

Our activities took place both on wards and in the Emergency Department and throughout these studies, The Dudley Group has been supportive of our involvement and have recognised our findings. We are pleased that our independence has been valued and complements the engagement activities that the Trust itself carries out.

Looking forward to 2016/17 we are pleased to see the Trust has made a continued commitment to improving patient experience and expect that it will take action on information it receives from patients. Healthwatch Dudley is committed to listening to the views and experiences of patients and carers and sharing our evidence based reports to enable the Trust to continue to improve patient experience across all areas of service.

Jayne Emery

Chief Officer, Healthwatch Dudley

Comment from Dudley MBC Health Overview and Scrutiny Committee (received 19/04/2016)

Dudley MBC Health Overview and Scrutiny Committee (HOSC) welcomes the opportunity to participate in the assurance process for The Dudley Group NHS Foundation Trust.

Throughout 2015/16 HOSC has continued to work closely with the Trust to further strengthen relationships and opportunities for quality improvement. Partnership working is crucial to improving the quality and safety for our communities and the Trust has demonstrated its commitment to strengthening the collaborative model with commissioners, sector scrutineers and patient groups, ensuring they are driven by need. The Urgent Care Centre is a good example of this.

We are pleased to note that the Trust's quality account sets out the commitment to improve the quality of care provided, determination to further develop understanding through more incisive engagement and the recognition of all staff to support this ambition.

In setting future priorities the Trust has considered a range of feedback internally and across stakeholders. The Trust has introduced at the request of governors and commissioners additional priorities attached to medicines management and pain control. HOSC endorses the inclusion of these priorities instead of mortality as this better reflects the focus for improvement particularly in light of acceptable improvements in mortality data processes. We note the challenging targets that the Trust has set itself and look forward to monitoring how it progresses with these through the year.

We recognise the value of senior leadership and operational engagement in improving quality and there is evidence of good working relationships through Clinical Review Meetings, board to board meetings and regular commissioner visits; assuring the development of quality outcomes. Moreover members are encouraged to see the level of independent reviews by a range of organisations used to demonstrate quality for patient safety, experience and clinical effectiveness. This provides an important 'reality check' on quality matters enabling integration of external assurance in priority setting.

In future reports the Trust may wish to consider inclusion of a statement on how priorities and recommendations from key national quality reviews (such as Keogh, Berwick and Francis) are reflected in their priorities and quality assurance processes.

The Trust is now performing well on its FFT pledge with inpatients and community patients generally scoring above national averages; we hope this trend continues for outpatients. We are assured the Trust will work collaboratively to ensure appropriate methods are used to capture sufficient feedback providing meaningful data.

Overall the Trust has demonstrated some positive achievements in the 2015/16 targets, for example performance with Clostridium Difficile cases and prevalence of avoidable Stage 3 pressure ulcers continue to fall. We were also pleased to note it was the first year without a single patient with a Stage 4 avoidable pressure ulcer in either the hospital or in our community services. However the Trust has faced some specific challenges in the year. It has reported a high level of alerts, fluctuations in delivering some performance targets and inability to meet all the quality aspirations set.

It is essential that the focus on quality remains a top priority and the Trust remains watchful in identifying quality concerns at the earliest opportunity to ensure that appropriate interventions are timely and robust.

We appreciate the transparency and honesty on quality issues demonstrated at our scrutiny meetings attended by the Trust's Chief Executive and Chief Nurse; and remain satisfied that direct methods for discussing quality issues remain effective.

The Committee looks forward to maintaining the 'critical friend' relationship in 2016/17 to address priorities in this report; and other challenges facing both the organisation and health system as a whole.

Statement of directors' responsibilities in respect of the Quality Report 2015/16

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:

- the content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2014/15 and supporting guidance;
- 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 2015 to March 2016
 - papers relating to Quality reported to the board over the period April 2015 to March 2016
 - feedback from commissioners dated 25/04/2016
 - feedback from governors dated 21/04/2016
 - feedback from the local Healthwatch organisation dated 19/04/2016
 - feedback from Overview and Scrutiny Committee dated 19/04/2016
 - the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated April 2016
 - the latest national patient survey sampling patients from July 2015
 - the latest national staff survey dated 2015
 - the Head of Internal Audit's annual opinion over the Trust's control environment dated 31/3/2016
- CQC Intelligent Monitoring Report dated May 2015
- the Quality Report presents a balanced picture of the NHS Foundation Trust's performance over the period covered;
- 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) as well as the standards to support data quality for the preparation of the Quality Report (both 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: 24th of May 2016

Signed

Date: 24th of May 2016


Jenni Ord, Chairman


Paula Clark, Chief Executive

Independent Auditor’s Report to the Council of Governors of The Dudley Group NHS Foundation Trust on the Quality Report

Independent Auditors’ Limited Assurance Report to the Board of Governors of The Dudley Group NHS Foundation Trust on the Annual Quality Report

We have been engaged by the Board 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 2016 (the ‘Quality Report’) and specified performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2016 subject to limited assurance (the “specified indicators”) marked with the symbol **A** in the Quality Report, consist of the following national priority indicators as mandated by Monitor:

<i>Specified Indicators</i>	<i>Specified indicators criteria</i> (exact page number where criteria can be found)
Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways	<ul style="list-style-type: none"> The indicator is expressed as a percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the period; The indicator is calculated as the arithmetic average for the monthly reported performance indicators for April 2015 to March 2016; The clock start date is defined as the date that the referral is received by the Foundation Trust, meeting the criteria set out by the Department of Health guidance; and The indicator includes only referrals for consultant-led service, and meeting the definition of the service whereby a consultant retains overall clinical responsibility for the service, team or treatment.
Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge	<ul style="list-style-type: none"> Total number of patients who have a total time in A&E over 4 hours from arrival to admission, transfer or discharge; The clock starts from the time that the patient arrives in A&E and stops when the patient leaves the department on admission, transfer from the hospital or discharge; For ambulance cases, arrival time is when hand over occurs or 15 minutes after the ambulance arrives at A&E, whichever is earlier. In other words if the ambulance crew have been unable to hand over 15 minutes after arrival that patient is nevertheless deemed to have arrived and the total time clock started; and Patients should be counted where their total time in A&E is 04:00:01 hours or greater. Patients with a total time of 04:00:00 hours or lower should not be counted.

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 specified indicators criteria referred to on pages of the Quality Report as listed above (the “Criteria”). The Directors are also responsible for the conformity of their Criteria with the assessment criteria set out in the NHS Foundation Trust Annual Reporting Manual (“FT ARM”) and the “Detailed requirements for quality reports 2015/16” issued by the Independent Regulator of NHS Foundation Trusts (“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 does not incorporate the matters required to be reported on as specified in Annex 2 to Chapter 7 of the FT ARM and the “Detailed requirements for quality reports 2015/16”;
- The Quality Report is not consistent in all material respects with the sources specified below; and
- The specified indicators have not been prepared in all material respects in accordance with the Criteria set out in the NHS Foundation Trust Annual Reporting Manual (“FT ARM”) and the “2015/16 Detailed guidance for external assurance on quality reports”.

We read the Quality Report and consider whether it addresses the content requirements of the FT ARM and the “Detailed requirements for quality reports 2015/16; 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 following documents:

- Board minutes for the financial year, April 2015 and up to 7th April 2016 (the period);
- Papers relating to quality report reported to the Board over the period April 2015 to the date of signing this limited assurance report;
- Feedback from the Commissioners dated 25/04/2016;
- Feedback from Governors dated 21/04/2016;
- Feedback from Healthwatch Dudley dated 19/04/2016;
- Feedback from Dudley Metropolitan Borough Council Health Overview and Scrutiny Committee dated 19/04/2016;
- The Trust’s complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 31/03/2016;
- The latest national and local patient survey dated 2015;
- The latest national and local staff survey dated 2015;
- Care Quality Commission Intelligent Monitoring Reports dated 31/05/2015; and
- The Head of Internal Audit’s annual opinion over the Trust’s control environment dated 22/03/2016.

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.

Our Independence and Quality Control

We applied the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We apply International Standard on Quality Control (UK & Ireland) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Use and distribution of the report

This report, including the conclusion, has been prepared solely for the Board of Governors of The Dudley Group NHS Foundation Trust as a body, to assist the Board 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 2016, to enable the Board 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 Board of Governors as a body and The Dudley Group NHS Foundation Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

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

- reviewing the content of the Quality Report against the requirements of the FT ARM and "Detailed requirements for quality reports 2015/16";
- reviewing the Quality Report for consistency against the documents specified above;
- obtaining an understanding of the design and operation of the controls in place in relation to the collation and reporting of the specified indicators, including controls over third party information (if applicable) and performing walkthroughs to confirm our understanding;
- based on our understanding, assessing the risks that the performance against the specified indicators may be materially misstated and determining the nature, timing and extent of further procedures;
- making enquiries of relevant management, personnel and, where relevant, third parties;
- considering significant judgements made by the NHS Foundation Trust in preparation of the specified indicators;
- performing limited testing, on a selective basis of evidence supporting the reported performance indicators, and assessing the related disclosures; and
- reading the documents.

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

Limitations

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

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Quality Report in the context of the assessment criteria set out in the FT ARM the "Detailed requirements for quality reports 2015/16 and the Criteria referred to above.

The nature, form and content required of Quality Reports are determined by Monitor. This may result in the omission of information relevant to other users, for example for the purpose of comparing the results of different NHS Foundation Trusts.

In addition, the scope of our assurance work has not included governance over quality or non-mandated indicators in the Quality Report, which have been determined locally by The Dudley Group NHS Foundation Trust.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that for the year ended 31 March 2016:

- The Quality Report does not incorporate the matters required to be reported on as specified in Annex 2 to Chapter 7 of the FT ARM and the “Detailed requirements for quality reports 2015/16”;
- The Quality Report is not consistent in all material respects with the documents specified above; and
- the specified indicators have not been prepared in all material respects in accordance with the Criteria set out in the NHS Foundation Trust Annual Reporting Manual (“FT ARM”) and the “Detailed guidance for external assurance on quality reports 2015/16”.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Cornwall Court,
19 Cornwall St,
Birmingham
B3 2DT

26 Mar 2016

Date:

The maintenance and integrity of the The Dudley Group NHS Foundation Trusts website is the responsibility of the directors; the work carried out by the assurance providers does not involve consideration of these matters and, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported performance indicators or criteria since they were initially presented on the website.

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